



RESOLUTION NO. 2018-02

RELATIVE TO BOND FINANCING SAVINGS UTILIZATION

WHEREAS, savings beginning 2022 will be utilized to offset the annual debt service cost of the new 180 MW power plant; and

WHEREAS, Guam Power Authority's (GPA) Bond Refinancing Program will result in a 2018 to 2021 *cumulative debt service reduction of \$1,639,189* (Exhibit A); and

WHEREAS, as per Guam PL 34-69, Section 2(h), GPA must notify I Liheslatura within sixty (60) days of refinancing of its intent and plan regarding the savings achieved from refinancing; and

WHEREAS, GPA desires to reserve part of the savings for the benefit of the community by making a strategic investment assisting the Guam Department of Education's (GDOE) with its Legislative mandate for renewable energy; and

WHEREAS, GPA proposes to use part of the Bond Refinancing Program savings towards GPA's *Bringing Energy Savings to (BEST) Schools Program*; and

WHEREAS, the BEST Schools Program goals include:

- Supporting GDOE to achieve their legislative mandate to deploy and utilize renewable energy systems;
- Incentivizing GDOE to reduce their energy use and expenditures;
- Modernizing GDOE facilities infrastructure and extending GDOE equipment life with enhanced, proactive maintenance;
- Partnering up with GDOE under the UESC Program to execute the above; and

WHEREAS, GPA will supplement the funding of this program by assisting GDOE in pursuing federal grants and private/public partnerships; and

WHEREAS, any installed solar PV system energy production shall offset GDOE electricity billing on a kilowatt-hour generated for kilowatt-hour consumed basis at about the LEAC rate; and

28 **WHEREAS**, this proposed program benefits GDOE, GPA, renewable energy system
29 providers, and Guam students and residents; and

30 **WHEREAS**, seed funding for the BEST Program is estimated at **\$500,000**; and


31 **WHEREAS**, additionally, GPA will use the remainder of the Bond Refinancing Program
32 savings towards replenishing GPA's Demand-Side Management (DSM) Rebate Program; and

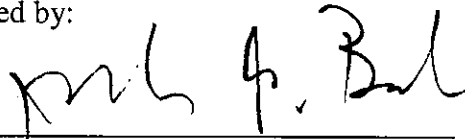
33 **NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION**
34 **ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as**
35 **FOLLOWS:**

- 36
- 37 1. The CCU authorizes GPA to petition the PUC to use the bond refinancing program savings
38 of **\$1,639,189** where up to **\$500,000** shall be used to implement the BEST Schools Program
39 and any savings balance remaining thereafter shall be transferred to replenish the funding
40 for GPA's DSM Rebate Program.
 - 41 2. Upon program approval by the PUC, the CCU authorizes the GPA General Manager to
42 implement the BEST Schools Program and fund GPA's DSM Rebate Program.

43 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption of
44 this Resolution.

45 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27th DAY OF**
46 **FEBRUARY 2018.**

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48 Certified by:
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52 _____
53 **JOSEPH T. DUENAS**
54 Chairperson
55 Consolidated Commission on Utilities

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48 Attested by:
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53 **J. GEORGE BAMBA**
54 Secretary
55 Consolidated Commission on Utilities

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58 **I, J. George Bamba**, Secretary for the Consolidated Commission on Utilities (CCU), as
59 evidenced by my signature above do certify as follows:
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61 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular
62 meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held
63 at a place properly noticed and advertised at which meeting a quorum was present and the
64 members who were present voted as follows:

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Ayes: 5
Nays: 0
Absent: 0
Abstain: 0



EXHIBIT A

Bond Refinancing

PL 34-69

- Section 2(h) – GPA shall notify I Liheslatura within sixty (days) of refinancing of it intent and plan regarding the savings achieved from refinancing.

Summary of Savings:

- Final Par Amount of Refunding: \$148,670,000
- Final Par Amount of Refunded: \$150,440,000
- Total Cash Flow Savings: \$11,528,439
- Annual Cash Savings: \$501,236
- NPV Savings: 5.17%
- All-In True Interest Cost: 4.12

Bond Refinancing – Cash Flow

	Cash Savings	
4/1/2018	\$	41,919
10/1/2018		41,919
4/1/2019		196,225
10/1/2019		196,225
4/1/2020		290,725
10/1/2020		290,725
4/1/2021		290,725
10/1/2021		290,725
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	\$	1,639,189