



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

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RESOLUTION NO. 2020-19

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUC AND AWARD SERVICES FOR A PERFORMANCE MANAGEMENT CONTRACT FOR GPA'S COMBUSTION TURBINE POWER PLANTS

WHEREAS, the Guam Power Authority (GPA) has utilized Performance Management Contracts (PMC) for the management, operations, and maintenance of the base load power plants; and

WHEREAS, PMCs have provided GPA valuable assistance for continued operation and maintenance of power plants, including completion of major projects to meet availability, reliability, and efficiency standards; and

WHEREAS, GPA has 25 MW in Solar PV Renewables contributing to the island-wide power system, and the impact of major surges or intermittency in the day from these renewable energy supply requires the dispatching of units that can react quickly to the surges, such as the Combustion Turbine units; and

WHEREAS, GPA intends to continue the addition of renewable energy to its power system, through projects such as the Phase II and Phase III of Renewable projects; and

WHEREAS, GPA, through Resolution NO. 2015-46 completed Invitation for Bid GPA-001-16 for a Performance Management Contract for GPA's Combustion Turbine Plant and through Resolution 2016-02, awarded the contract to Taiwan Electrical and Mechanical Engineering Services (TEMES) Guam, Inc; and

WHEREAS, through the current PMC contract with TEMES, the Dededo Combustion Turbine Units CT1 and CT2 were re-commissioned and placed into operation within 15 months after commencement of the PMC, providing an additional 40 MW of capacity especially during baseload outages during major maintenance periods; and

WHEREAS, major maintenance work was completed for Macheche CT and Yigo CT units, which allowed these units to continue to respond to the intermittency and support system stability when renewable resources are online; and

WHEREAS, additional work for the units are being programmed, to ensure reliability over the next few years until GPA's new power plant commences operation; and

WHEREAS, the Operations and Maintenance budget represents the PMC's maximum costs necessary for routine O&M activities required for plant operations and is paid on a reimbursement basis; and

31 **WHEREAS**, the current PMC with TEMES Guam, Inc. will expire on February 2021; and

32 **WHEREAS**, the contract includes an extension clause that allows GPA to extend the contract with
33 TEMES for an additional 3-year period with a further extension option of 2 years (total of 5 years); and

34 **WHEREAS**, a PMC would help GPA to expeditiously assess the units, make the necessary repairs, and
35 render the units available to meet system demand with a contractor that is already familiar with the unit's
36 conditions and operations; and

37 **WHEREAS**, approval is requested to allow the General Manager to petition the PUC to approve the
38 extension of the Performance Management Contract for the Combustion Turbine Power Plants with TEMES
39 for a total of five (5) years.

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41 **NOW THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON UTILITIES as the
42 governing body of GPA, and subject to the review and approval of the Public Utilities Commission as follows:

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44 1. The General Manager is authorized an increase in obligating authority in the amount of
45 \$7,320,171 to fund the 5-year extension of the Performance Management Contract's Fixed
46 Management Fee and O&M Budget for the Dededo CT, Macheche CT and Yigo CT Plants
- 47 2. The General Manager is authorized to enter into a five-year extension of the Performance
48 Management Contract for GPA's Combustion Turbine Power Plants with Taiwan Electrical
49 and Mechanical Engineering Services, Inc. (TEMES).

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51 **RESOLVED**, that the Chairman of the Commission certifies and the Board Secretary attests the
52 adoption of this Resolution.


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54 **DULY and REGULARY ADOPTED AND APPROVED THIS 22ND DAY of SEPTEMBER, 2020**

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 Certified by:

Attested by:



JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities



MICHAEL LIMTIACO
Secretary
Consolidated Commission on Utilities

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62 I, Michael Limtiaco, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by
63 my signature above do certify as follows:

64 The foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of
65 the members of Guam Consolidated Commission on Utilities, duly and legally held at the meeting place
66 properly noticed and advertised at which meeting a quorum was present and the members who were
67 present voted as follows:
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69 Ayes: 4
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71 Nays: 0
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73 Absent: 1
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75 Abstain: 0
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