



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. FY2024-16

RELATIVE TO AUTHORIZING GUAM POWER AUTHORITY (GPA) MANAGEMENT TO AWARD 20 MW OF TEMPORARY POWER

WHEREAS, Yigo CT and the Ukudu Power Plant Project sustained significant damages from Super Typhoon Mawar resulting in reduction of 20 MW to GPA's reserve capacity and a significant delay to the Ukudu Power Plant Commercial Online Date (COD); and

WHEREAS, a procurement protest has delayed and prevented the award of GPA's Diesel PMC Bid contract thereby, preventing the repair and maintenance of GPA medium speed diesel generators; and

WHEREAS, a significant Ukudu Power Plant COD delay, due to catastrophic damages inflicted by Typhoon Mawar, leave GPA with having to continue to rely upon the aged and deteriorating Cabras 1&2 Power Plant slated for retirement after the commissioning of the Ukudu Power Plant; and

WHEREAS, although GPA's Interruptible Load Program (ILP) partners have reduced the amount of load shedding of other customers during GPA capacity shortages, GPA cannot overuse this resource since doing so will cause ILP partner generation to significantly degrade; and

WHEREAS, the pool of potential ILP partners has been severely reduced by the running of customer generation during Typhoon Mawar to the point where large customer generators are in need of significant repairs; and

WHEREAS, GPA has on several occasions has had to shed customer loads during generation capacity shortfalls; and

WHEREAS, the unreliability of Cabras 1&2 is expected to persist placing GPA in an untenable position of having very tight margins for available reserve generation especially whenever with one large baseload unit under scheduled maintenance outage Cabras 1 or 2 have a forced outage; and

WHEREAS, the Guam Power Authority (GPA) has solicited the Temporary Power Services through GPA RFQ# 38586; and

WHEREAS, GPA has selected Aggreko to be the most qualified and responsive vendor among four (4) vendors: APR Energy, Pacific Energy Corporation, Guam Shipyard, and Aggreko; and

1 **WHEREAS**, GPA has completed negotiations with Aggreko for the contracting of 20MW of
2 temporary power for the following:

	Rate
Capacity Charge, \$/KW/Month	27.35
Fixed O&M Charge, \$/Month	192,081
Energy Conversion Rate (\$/MWH)	9.00

3
4
5
6
7 ; and

8
9 **WHEREAS**, GPA estimates the annual production of the temporary power to be
10 105,120,000 KWH, which is 60% of its potential operating capacity; and

11 **WHEREAS**, Aggreko requires \$1M for initial mobilization costs; and

12 **WHEREAS**, GPA has initiated discussions on the existing Yigo Diesel units and seeks
13 approval for a budget of \$3M to further negotiate the assessment and repair of up to 18 Yigo
14 Diesel units in order to restore up to an additional 20MW of capacity at the Yigo Diesel site; and

15 **WHEREAS**, GPA shall supply UREA to support the required emissions controls for the
16 temporary power plant totaling an estimated amount of \$4.3M over the two year term; and

17
18 **WHEREAS**, approval is requested to allow the General Manager to petition the PUC to
19 authorize awarding Aggreko to supply, install, operate and maintain 20 MW of temporary power
20 services at Yigo CT site to include a \$3M budget amount for the repair of existing Yigo Diesel units,
21 and \$1M for mobilization cost for an estimated contract amount of \$25M over the two-year term.

22 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
23 Utilities, as the Governing Body of GPA, authorizes GPA to petition the Public Utilities
24 Commission (PUC) as follows:

- 25
- 26 1. Allow GPA to petition the PUC to award Aggreko to supply, install, operate and maintain
27 20 MW of Temporary Power Services at Yigo CT site for estimated \$25M for the
28 Capacity Charge, Fixed O&M Charge, Energy Conversion Charge, Assessment and
29 Repair of Yigo Diesel Units, and Mobilization.
 - 30 2. Approve the increase of the IPP O&M Budget by \$8.1M for FY 2024 and by \$10.1M for
31 FY 2025 for the period of the contract within these Fiscal Years approved budgets.

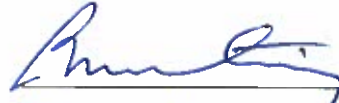
32 **RESOLVED**, that the Vice Chairman of the Commission certifies and the Secretary of
the Commission attests to the adoption of this Resolution.

1
2 **DULY AND REGULARLY ADOPTED**, this day of 23th of January, 2024.
3
4

5 Certified by:

Attested by:

6
7 

8 

9 **FRANCIS E. SANTOS**
10 Vice Chairperson

11 **PEDRO ROY MARTINEZ**
12 Secretary

13
14
15
16
17
18
19 I, **Pedro Roy Martinez**, Secretary of the Consolidated Commission on Utilities (CCU)
20 as evidenced by my signature above do hereby certify as follows:
21

22
23 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular
24 meeting by the members of the Guam Consolidated Commission on Utilities, duly and
25 legally held at a place properly noticed and advertised at which meeting a quorum was
26 present and the members who were present voted as follows:

27 AYES: 4
28 NAYS: 0
29 ABSTAIN: 0
30 ABSENT: 1
31
32



GPA Resolution No. FY2024-16 *(continued)*

Capacity (kW): 20,000	Est. Capacity Factor: 60%	<u>Year 1</u>	<u>Year 2</u>
Est. Annual Production (kWh)		105,120,000	105,120,000
Capacity Charge (kW/month)		\$6,564,000	\$6,892,200
Fixed O&M (month)		\$2,304,972	\$2,420,221
Total Fixed Charges		\$8,868,972	\$9,312,421
ECA (\$9/MWH)		\$946,080	\$993,384
	ANNUAL TOTAL:	\$9,815,052	\$10,305,805

ESTIMATED FUEL COST SAVINGS

Annual Production (kWh)		105,120,000	105,120,000
Est. Heat Rate (kWh/gal) min.		13.3	13.3
Annual Fuel Consumption (gal)		7,908,680	7,908,680
Annual Fuel Cost (@ \$120/bbl.):		\$22,596,230	\$22,596,230
GPA Non-Baseload Heat Rate		10.5	10.5
Annual Fuel Consumption		10,011,429	10,011,429
Annual Fuel Cost (@ \$120/bbl.):		\$28,604,082	\$28,604,082
Annual Fuel Cost (Savings):		(\$6,007,852)	(\$6,007,852)
	NET ANNUAL COST:	\$3,807,200	\$4,297,953

Key Responsibilities:

1. Aggreko utilizes a delineated portion of Yigo Diesel compound.
2. GPA provides DEF (Urea) and disposes of waste oil.
3. Aggreko removes all GPA containerized units on the designated site and store on GPA-designated adjacent lot.
4. Aggreko to remove non-working units from GPA-designated side and relocate/install existing working units (est. \$260,000).
5. Aggreko to provide assessment, recommendations, and cost estimates for repair/overhaul of existing units (est. budget \$3M).
6. Fixed cost inclusive of all mobilization, demobilization, and other costs Aggreko may incur. Variable cost based on energy production (kWh).
7. GPA to provide \$1M mobilization upon award of contract.



GPA Resolution No. FY2024-16 *(continued)*

		FY2024	FY2025		FY2026	
	Rate	CY1 (1-5 months)	CY1 (6-12 months)	CY2 (1-5 months)	CY2 (6-12 months)	2 Year Total
Capacity Charge	\$27.35	\$2,735,000	\$3,829,000	\$2,871,750	\$4,020,450	\$13,456,200
Fixed O&M Charge (\$/Month)	\$192,081	\$ 960,405	\$1,344,567	\$1,008,425	\$1,411,795	\$4,725,193
Energy Conversion Rate (\$/MWH)	\$9	\$394,200	\$551,880	\$413,910	\$579,474	\$1,939,464
Assess & Repair Budget (One Time)	\$3,000,000	\$3,000,000	-	-		\$3,000,000
Mobilization Fee (One time)	\$1,000,000	\$1,000,000				
	Annual Totals:	\$8,089,605	\$5,725,447	\$ 4,294,085	\$6,011,719	\$24,120,857
	FY Totals:	\$8,089,605	\$10,019,532		\$6,011,719	\$24,120,857
	Contract Year Totals:		\$13,815,052		\$10,305,805	\$24,120,857

