



REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
5:30 PM, Tuesday, January 23, 2024

MINUTES

1. CALL TO ORDER

The Vice-Chairman Santos opens CCU Regular Board Meeting, January 23, 2024, at 5:35 PM. For purposes of establishing a quorum, Vice Chairman Santos, and Commissioners Sanchez and Martinez are present in the CCU conference room. The meeting is called to order.

Commissioners:

Joseph T. Duenas	Chairman (Absent - Excused)
Francis E. Santos	Vice-Chairman
Pedro Roy Martinez	Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executive Mgmt.:

John Benavente	GM/GPA
Miguel Bordallo	GM/GWA
Tricee Limtiaco	AGMA/GPA
Chris Budasi	AGMA/GWA
Jennifer Sablan	AGMO/GPA
Thomas Cruz	AGMO/GWA
Jeanet Owens	AGME/GWA
John Kim	CFO/GPA
Taling Taitano	CFO/GWA
Therese Rojas	Legal Counsel/GWA
Marianne Woloschuk	Legal Counsel/GPA

Management & Staff:

Joyce Sayama	Comm Director/GPA	Vladimir Navasca	IT/GPA
Vangie Lujan	Comp-Safety/GWA	John Dixon	IT/GWA
Mauryn McDonald	Engineering/GWA	Lourissa Gilman	UBS
Bianca DeSoto	Legal/GWA		
Tricia Guzman	Legal/GWA		
Candice Ananich	MA/GPA		
Reginald Diaz	MA/GPA		
Joleen Cruz	Comm/GPA		

Guest:

David Castro	Guam Daily Post
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2. APPROVAL OF MINTUES

Commissioner Sanchez motions to approve meeting minutes for CCU Regular Meeting April 25, 2023, and October 31, 2023, and Special Meeting on November 1, 2023; Comm. Martinez second. Approval subject to written correction.

With no further questions, Vice Chairman Santos calls for the vote, motion passes with three Ayes. [Aye = 2, Nay = 0, Absent = 2]

3. PUBLIC COMMENTS

No public comments.

4. GWA

4.1 GWA Resolution No. 08-FY2024 Relative to Approval of Construction Contract for the Aplacho Drainage and Roadway Improvements – GM Bordallo states, the Aplacho Sewer Pump Station (SPS) was constructed to meet a Court Order requirement to convey wastewater from the Baza Garden Wastewater Treatment Plant (WWTP) to the Agat-Santa Rita WWTP, in order to decommission the Baza Gardens WWTP when it was converted to the Baza Gardens Pump Station. The existing groundwater table is relatively high as close as one (1) foot underneath Route 17 in Santa Rita which is adjacent to the Aplacho SPS and the roadway does not have a drainage system. The construction of the Aplacho SPS inadvertently contributed to the additional groundwater upwelling that damaged the Route 17 roadway.

GWA partnered with the Department of Public Works (DPW), as DPW had design plans ready for construction for a new drainage system and rehabilitate Route 17 roadway to enhance motorist safety. GWA will lead construction of the Aplacho drainage system and road repairs. DPW will own and maintain the drainage system and repaired road.

The original Invitation for Bid (IFB) was advertised on June 16, 2022, but bids exceeded the government estimate by more than \$2,000,000.00. The design was adjusted to reduce costs and still meet project goals. The second IFB was advertised on September 13, 2023 and GWA determined A & R Pacific, who submitted the lowest bid proposal. The lowest bid is \$1,053,819.91. A twenty percent (20%) contingency in the amount of \$210,763.98 is requested. The total authorized amount (bid plus contingency) would be \$1,264,583.89. Two bids were received. The lowest responsible and responsive bid was from A & R Pacific. All work is anticipated to be completed as early as the 4th quarter of 2024. 2020 MP-WW-Pump-01 Bonds and other bonds and available grants, as needed. Comm. Sanchez moves to approve Resolution 08-FY2022; Comm. Martinez second.

Vice Chairman Santos calls for the vote for Resolution FY2023-22, motion passes with three Ayes. [Aye = 2, Nay = 0, Absent = 2]

4.2 GWA Resolution No. 09-FY2024 – Relative to Further Amending the Guam Waterworks Authority's Sewer Hookup Revolving Fund Rules and Regulations – Atty. Rojas, GWA Legal Counsel, presents, last January, the CCU through Resolution 08-FY2023, adopted and approved amendments to GWA's Wastewater Revolving Loan Program. The amendments included an increase from \$9,0000 to \$25,0000 for the maximum Sewer-Hook Up Loan amounts.

Comm. Sanchez motions to approve Resolution 09-FY2024 relative to amending the existing GWA sewer hookup revolving fund rules and regulations; Comm. Martinez second.

Atty. Rojas states the essence of the resolution is the \$25,000 resulted from recommendations within GWA's March 2021 Cesspool and Septic and Elimination study. However, since that time increased construction costs have been observed; therefore, to account for the increased construction costs since 2021 and because this fund has the potential to be utilized for many years to come, GWA management now recommends that the maximum loan limits be increased from \$25,000 to \$50,000 per applicant. Reason is because construction costs have increased.

To date, only three (3) loans have been issued under this program and GWA management desires for property owners to take advantage of the loan program to continually assist customers with the cost of sewer connections. The Sewer Hook-Up Loan program is available to all property owners on Guam and is particularly targeting property owners in northern Guam who live near water wells and above the Aquifer. In particular, GWA is also targeting property owners who live in areas where GWA currently has existing sewer collection lines OR where GWA will be expanding its sewer collection lines. The Guam Legislature in the FY2023 Budget Act provided \$2 million for the revolving loan program. Administrative and staffing costs are related to the amendment of the rules but no new costs are expected with this amendment by increasing the maximum loan amounts.

GWA has initiated the Administrative Adjudication Act rule-making procedures to update these rules. And, within the rules, it shall be proposed that all loan amounts, terms, and conditions (to include this Amendment) shall be established by GWA subject to the CCU's approval. Therefore, the remainder of the rule making process may likely take another three to four months to complete. The initial funds for the revolving loan program of \$75,000 were provided by GEPA. The legislation recently appropriated \$2 million in the FY2023 Budget Act.

GM Bordallo states, these loans would only cover the lateral connection. This is not intended to cover main extensions. If you are within the required distance and you're supposed to hook up already under Guam EPA's rules and regulations this loan program provides assistance in order to get that done but it does not extend sewer mains out so that you can connect to it. It only covers from your home to the sewer near you. Atty. Rojas states the term of the loan is a 10-year term except if you if you do qualify for a public assistance program, we can approve the loan for a 15-year term. Comm. Limtiaco asks, are terms still having to qualify by traditional lending institutions before you can qualify...is that still in play? Atty. Rojas states, those are still the load terms as of today.

With no further questions, Vice Chairman Santos calls for the vote for Resolution 09-FY2024, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

5. GWA Self-Insurance Fund

GM Bordallo states, CFO Taitano will briefly discuss. CFO Taitano begins, it's our intention to look at putting together a Self-Insurance Fund. We anticipate that our insurance premiums will be going up and one way to keep the premiums down is to increase the deductible. So, we're trying to put a mechanism together so that we could start a Self-Insurance Fund to help us set up the funding for the deductible as well as to mitigate any risk for items that are that that we currently aren't able to ensure like cybercrimes. When we were at the last PUC meeting to talk about The Five-Year Plan schedule, the PUC seemed amenable to us making a proposal for this. Our hope is that we would come to the CCU with the resolution and then eventually go to the PUC and likely set it up similar to how GPA has set it up. As for the timeline, we've got a couple of things before the PUC right now where we have the refi that's this month and then the rate design next month. We'll also be providing the draft five-

year plan and so my hope is to do it within shortly after that. So probably before summer. Comm. Santos asks, so, you're not trying to build it into the 5-year rate plan? GM Bordallo states, not right now.

Comm. Sanchez asks, any idea why our water and waste water flows are lower this year versus last year annualized is that the Mawar effect? Just curious why are the water and wastewater flows are 3% less in November compared to last November and year to date is 2% right? CFO Taitano responds, a lot of our demand and flows are directly related to residential because they're such a large part and if you look at the average daily consumption that's been going down for the last several years. We have a new program where we send leak reminders and we've all gotten calls from friends that have gotten a call. I also believe it's more efficient fixtures so are focusing on trying to reduce their demand.

6. GPA

6.1 GPA Resolution No. FY2024-10 Relative to Authorize Expenditure for the Procurement of 45-Foot Class B Concrete Power Poles – GM Benavente begins, this procurement is to replenish GPA stock 45' concrete power poles. 45' concrete power poles are required to replace damaged power poles, replace existing wooden power poles, and for line extensions to service new customers. GPA's current balance of power poles is 64 ea. The minimum safety stock amount is 189. GPA's current stock is below the minimum safety stock level of 189. The cost will be \$1,098,800.00 over the GM's authorized amount. GPA anticipates delivery of power poles by August 2024. The funding source from Revenue Funds. Benson Guam Enterprises, Inc. submitted a bid for GPA's consideration. GPA's evaluation committee has determined Benson Guam Enterprises, Inc. to be the lowest responsive bidder for the 45-foot Class B concrete power poles. Comm. Limtiaco motions to approved Resolution FY2024-10; Comm. Martinez second.

With no further questions, Vice Chairman Santos calls for the vote for Resolution FY2024-10, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

GM Benavente asks Vice Chairman Santos to discuss **GPA Resolution No. FY2024-11** after **GPA Resolution No. FY2024-16** because both resolutions are related to each other so he will present both at the same time.

Also, GM Benavente states, **GPA Resolution No. FY2024-17** is tabled. Vice Chairman Santos agreed.

6.2 GPA Resolution No. FY2024-12 Relative to Approval of Two-Year Extension of RFO No. 6 Supply Contract for Hyundai – GM Benavente states, the first-year extension of the contract with Hyundai Corporation for Supply of Residual Fuel Oil No.6 (RFO) for the Baseload Plants is expiring in August 31, 2024. Extension of the contract for two consecutive years is necessary to provide uninterrupted supply of RFO, considering that the Cabras plant operation will continue until 2026 with the delayed commissioning of the Ukudu plants. RFO will be supplied to the Cabras 1 and 2 baseload plants. The retirement of Cabras maybe early March 2026...six months after the commissioning of Ukudu. The estimated total cost for the 2-year contract extension is approximately \$213,686,333, requiring prior approval from the PUC. The premium fee for the 2-year contract extension is reduced from \$79,000/MT to \$75,000 for a potential total savings of approximately \$1,000,000. The two-year contract extension shall commence around September 2, 2024 and expire on August 31, 2026. Comm. Sanchez moves to approve Resolution FY2024-12; Comm. Limtiaco second.

Vice Chairman Santos states, with no discussion, calls for the vote of Resolution No. FY2024-12. Motion passes with five Ayes. [Aye = 4, Nay = 0, Absent = 1]

6.3 GPA Resolution No. FY2024-13 Relative to Approval of Two-Year Extension of Diesel Fuel Storage Agreement with TriStar – The extension of the ULSD Storage Agreement under TriStar Terminal Guam is set to expire on May 31, 2024 for Tank 1906 and on June 30, 2024 for Tank 1907, respectively. With the delay in the completion of the refurbishment of GPA Tank 1934 and Tank 1935 for conversion to ULSD storage anticipated to be fully completed in year 2026, GPA needs to continue the lease of the TTGI tanks to ensure an uninterrupted supply of bulk ULSD by pipeline transfer to the power plants...Tenjo Vista, Piti 7, Piti 8 and 9. The TTGI ULSD storage tanks are located at the TTGI Terminal in Agat.

The lease fee for each tank is approximately \$98,000.00 per month (excluding handling and throughput fees). Tank 1906 lease cost for the extension period from June 1, 2024 thru June 30, 2026 is approximately \$2,450,000.00. Tank 1907 lease cost for the extension period from July 1, 2024 thru June 30, 2026 is approximately \$2,352,000.00. The aggregate total lease cost for both tanks thru June 30, 2026 is approximately \$4,802,000.00. Contract extension will expire on June 30, 2026. Funding source will be under the fuel revenue budget. TTGI is the sole source provider for the ULSD Storage Facility in Guam meeting EPA requirements. Comm. Sanchez moves to approve Resolution FY2024-13; Comm. Limtiaco second.

With no further discussion, Vice Chairman Santos calls for the vote of Resolution FY2024-13; motion passes with five Ayes. [Aye = 4, Nay = 0, Absent = 1]

6.4 GPA Resolution No. FY2024-14 Relative to Approval to Procure a New Contract for the Supply of Diesel Fuel Oil No. 2 to Various GPA Plant Site Locations - The Guam Power Authority intends to procure a contractor for the Supply of Diesel Fuel Oil No. 2 to the various GPA plant site locations. The bulk fuel supply contract is necessary to provide uninterrupted supply of fuel to the plants. Locations are Yigo CT, Yigo Diesel, Dededo CT, Macheche CT, Cabras 1 and 2, Piti 7, Manenggon and Talofofo. The three (3) year contract, with two (2) additional one-year extension options is estimated to exceed \$1.5M requiring prior approval from the PUC. The three (3) year contract, with two (2) additional one-year extension options is estimated to exceed \$1.5M requiring prior approval from the PUC. Fuel supplier is IP&E and Mobil. Comm. Sanchez moves to approve Resolution No. FY2024-14; Comm. Limtiaco second.

With no further questions, Vice Chairman Santos calls for a vote of Resolution FY2024-14; motion passes with five Ayes. [Aye = 4, Nay = 0, Absent = 1]

6.5 GPA Resolution No. FY2024-15 Relative to Approval to Authorize the Management of the Guam Power Authority to Enter into a Month-to-Month Extension for its Professional Printing, Mailing, Processing and Other Services, Due to Ongoing Litigation – To ensure that GPA has continued printing services in order to issue monthly billings. GPA management seeks a month-to-month extension up to 12 months or up to when a new contract is awarded in the event a new vendor is selected. Below is the timeline of events.

- In April 2016, GPA entered into a contract with Graphics Center for a one-year period with option to extend for four additional one-year periods.
- In 2020, GPA issued a bid for such services but the bidder did not meet the bid requirements.
- In 2021, the CCU approved management’s request to exercise the month-to-month contract extension up to 8 months or until a new contract is awarded. GPA also issued a Request for Proposal for Professional Printing, Mailing, and Processing Services. GPA received three offers

and selected InfoSend as the most qualified offeror, GPA selected Graphic Center as the second most qualified offeror, and GPA rejected Moonlight BPO's offer.

- In August 2021, Graphic Center filed a procurement protest disputing GPA's evaluation process for the RFP and GPA denied the protest.
- In October 2021, Graphic Center filed a procurement protest appeal with the OPA. In March 2022, the OPA issued its decision denying Graphic Center's appeal, and in April 2022, Graphic Center appealed the OPA decision in the Superior Court of Guam.
- In February 2023 the CCU approved the extension of the GPA-Graphic Center Contract and GPA may exercise the month-to-month contract extension up to twelve months or until a new contract is awarded.
- The PUC approved the month-to-month request in March 2023.

This matter continues to be with the Superior Court of Guam and it is imperative for GPA to have the bill printing, mailing, and processing service, which is the revenue lifeline of GPA. It will cost approximately \$420,000 for a 12-period. Comm. Sanchez moves to approved Resolution FY2024-15; Comm. Limtiaco second.

Vice Chairman Santos calls for a vote; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

6.6 GPA Resolution No. FY2024-11 Relative to Approval of Temporary Power – and...

6.7 GPA Resolution No. FY 2024-16 – Relative to Approval of Temporary Power. GM Benavente states, both 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). Yigo Diesels, another critical generation site, has also significantly declined in capacity due to required repairs or replacement, held up by several procurement protests. Due to these generation capacity shortages, GPA has solicited for up to 40MW of emergency Temporary Power. The Yigo Diesel site was determined to be the optimal site for permitting and commissioning the Temporary Power within the 100-day solicitation requirement. GPA has selected Aggreko to be the most qualified and responsive vendor and has completed negotiations with Aggreko for the contracting of 20MW of temporary power at Yigo Diesels. In addition to the temporary power, GPA has negotiated the assessment and repair of up to 18 Yigo Diesel units in order to restore up to an additional 20MW of capacity at the Yigo Diesel site. Costs is expected to be \$25M over a two-year period. GPA expects units to be operational with 100 days for a two-year base period with no option to extend. Revenue funded.

Vice Chairman Santos asks next time, the resolution must be ready and uploaded into Board Books. Nex time if it's not ready, Vice Chairman Santos ask that the resolution is presented at a later date. GM Benavente apologized for the delay, but negotiations just concluded and the temporary power is needed and is very important. Comm. Sanchez moves to approve Resolution FY2024-16; Comm. Limtiaco second.

After a five-minute recess, GM Benavente begins, there are units spread out around Yigo, 40 units existing which will help things get done within 100 days. Out of the bids, Aggreko is the only one that could achieve 100 days. We want to cut down as much time as possible. Aggreko will take on take control of almost 50% of the left side and that's where they will put their 24-25 units that would provide us 20 megawatts of temporary power. There are some generators that are working that are 6-8 megawatt generators so we're going put it over here and remove all the ones not working one or half working ones here and this will be the GPA site. In addition, the remaining

generators that we pulled out could be repaired and give us some additional capacity. Our goal under this contract is, one, Aggreko will give us 20 megawatts strong of capacity they will operate and maintain it and then they will also assist us in making repairs. Try increase this now from 8 to 20 because only now, 20 can fit and we can't put any more than 20 here. We're working with the CLTC to least part of the property for three years so that we can store the other units that we own here, about 20 of them and see how we're going to repair or replace or do what's necessary to achieve another 20 megawatts at Tenjo Vista which is the second resolution (FY2024-16) that you see there. So, our goal is to try, probably six months or a little more, to get that 20 operational. The strategy of this approval is to achieve 20 Aggreko new units then trying to repair 14 megawatts more from the 20 remaining that we can fit in this this area. Then try and take the remaining units to repair replace and bring that 20 down to Tenjo Vista. Part of our long-term strategy was to relocate about 20 units down to Umatac or Tenjo or somewhere in the area so that they can serve the South. The best way to do this now is to get some benefit in our strategy towards the long term by doing this contracting with Aggreko.

Comm. Limtiaco asks to explain the \$25 million in the resolution says \$25M for the capacity charge, fixed O&M charge, energy conversion charge, assessment and repair of Yigo diesel units, how much of that \$25M is appropriated to the assessment and repair of the additional 20 megs that you're referring to? GM Benavente states, \$3M. That's our budget to repair as much as we can to make the 6-8 to make 20. Vice Chairman Santos states, just to be clear, \$1M for initial mobilization cost, then an additional \$3 million to repair possibly up to 20 of our one meg generators, right? GM Benavente states, correct. Comm. Limtiaco asks, in resolve item number two, the \$8.1M for 2024 that jumps to \$10.1M, is this due to the bringing the additional 20 online is that that \$2 million is to operate the additional 20 megs that are coming online? GM Benavente replies, the way they set this up was the \$8.1M for the first fiscal year...that's the \$7M for the Aggreko and plus \$1M for the mobilization that's what we're budgeting...that's \$8.1M. Then the \$10M is for O&M... the second year. The third year is actually around \$6.1M but because we're only asking for approval for 24-25 because that's what we have approved today. In the following fiscal year, we will come back for a budget and then we will include that. Comm. Sanchez clarifies, but none of these expenditures will require any change in the base rate? GM Benavente states, none of this will require that. The reason why the 20 megawatts relocation or getting new or repair could work is because that would be a CIP program. The relocation to Tenjo Vista we will use CIP money instead of money. GM Benavente states line 20 will be corrected to state \$1M for mobilization cost in the resolution.

Comm. Sanchez states, the public knows we're short of capacity and this is your plan to address the shortage as a bridge to Ukudu and so we want to make sure it's very clear to the public that 20 Megs is coming from the new Aggreko units. We're hoping to get 12 to 14 additional megs up in Yigo when Aggreko fixes the current 6 to 8 and get it up to 20. So, that's another 12 to 14 so that's now 32 to 34 and then Yigo CT is 20 there's 54. How much new capacity from today with this plan would be added to the system in the next 4 to 6 months from a capacity point of view to bridge us to Ukudu. The location is good but ultimately people want to know how much more capacity do you see bringing online to increase capacity you're now revealing the results of a procurement bid. Aggreko won the bid and you're requesting our approval and the PUC's approval of this winning bid and how much new capacity will emerge from new capacity they're bringing and the repairing of existing capacity to get it up to more output and then you add g go and when you add all that up that gets to 60 megs, 70 Megs, 80 megs if you can make sure we understand that. GM Benavente states, to answer your question, you're correct 20 Mega for Aggreko, we're going present the resolution to be approve by the CCU. Tenjo Vista that's 20, that's 40, plus in this Aggreko contract a provision to allow us to try and repair as much as they can to get at least

another 14 megawatts back to the stream, that's 54. Again, the Yigo CT we're looking at towards the end of February adding 20 megawatts. We're trying to air freight that in to get that done, so that's 74. Yigo CT, we're trying to get it on at the end of February. We're working with the Air Force to see about flying it in. If I fly it in, then I can get it on the line by the end of February or sometime in March at the latest. Comm. Sanchez reconfirms, CT repair by March is 20, Aggreko, this new award based on a procurement, is another 20, plus Aggreko would try to squeeze out another 12 to 14 out of the existing machines up in Yigo. So, 20 plus 20 and plus 12 to 14 so that's 52 to 54. Then relocate 20 megawatts to Teno Vista. Then Yigo CT repair is ongoing that's going to get you to 74. GM Benavente states, right.

Comm. Sanchez states, so, there's two resolutions before us and should we approve the two, this is really important for Joyce and her team, if I understand it correctly, your plan now before us would increase capacity by 54 megawatts and then Yigo CT comes in because it's being repaired there's another 20 that's 72 to 74 depending on how much more Aggreko can squeeze out of the 40 Megs that we got up there. Which we got 6 to 8 and 20 is working right but it's that's going to Teno Vista but Aggreko fixes all of that in this proposal. Make sure that's very clearly spelled out for the public. GM Benavente states, our goal is to try to get to 100 megawatts of additional capacity. It's an accelerated commissioning of Ukudu from January 15, 2026 to September 30, 2025. I'm talking about a \$4 million acceleration cost if they go to September 15, another million so that's 5 million. That's what it would take to get it here earlier. Another part of that equation is that our customers will be saving about \$5 million on fuel cost. Based on the new schedule, September 30, they can see the first unit tested around February of 2025. One unit now is 45 so they'll test it. The first test of the first unit test, the second unit for so long, the third unit for so long, then they test one unit with the steam turbine and that's 45 plus 1 half of that is 70 about 70 megawatts for so long. Then the second unit so long during that whole period of time then we will have capacity coming up and down. Starting in February. Under the temporary power, here I'm estimating that we're going to run about 60% capacity factor that generates about 105 million kilowatt hours per year so here's the capacity charts that you're seeing. And again, what you seeing there is the fiscal year but this is for the two-year period. 6.5 million capacity the fixed O&M this is the labor and all the all the other fix expense \$2.3 so that's \$8.8. ECA this takes care of the oil, the filters all of that are variable. If you run it, you pay by megawatt hours...if you don't run it, you don't pay it, right. So, \$9.8 million. This is Aggreko we do have Urea here but again it doesn't apply to Aggreko because we've taken care of Urea. So, if you take the estimated heat rate 13.3 kilowatt hours per gallon for this diesel units the new ones that they have, 13.3 the annual consumption of fuel is \$7 million... \$7.9 million gallons per year. The annual cost at \$120 a barrel is \$22 million. Our non-base unit which is what we're running today, are reserves they're not deficient units. On the average, is about 10.5. So, what is costing us today is a consumption of about 10 million gallons a year at \$128 million so the annual fuel cost savings from the new machines the 20 Megawatts we're putting in is \$6 million. Therefore, really our net cost is about \$3.8. The temporary power is more efficient than the system. The new ones that are coming in and therefore we reduce our total so although we're paying 25 million... not \$25 actually take away \$3 million there, \$22, in 2 years we're saving \$8 million. So really cost us net about \$12 million from the fuel and this is real because this is that's the average 10.5 year. Unfortunately, our other constraint is the debt service coverage. Debt service coverage is all this cost up here in the top so we have to limit that now. That's why I keep saying repair or replace. When we look at the 20, we're really looking to relocate to Tenjo Vista, they are my understanding the same type of units upgraded more efficient. We get us this kind of efficiency versus the one we get today which is around 12. The self-efficiency will help pay for the machines and actually can be delivered within six-month period. This \$6 million is really passed on to the rate payers. We won't see that cost...it reduces the total cost to the rate payers. It just means that the rate payers are going to save money and this will help us catch up

with us under recovery. So again, that's the same for the second year. These are in the two resolutions we're asking the CCU to approve.

GM Benavente states, if the CCU approves the resolution then it will go to the PUC on Thursday. If the PUC passes then I think they can do that then you're talking about 100 days. So, we're looking about anywhere in April for the new 20. Comm. Sanchez reiterates, so, that's March, April for the... Yigo CT hopefully by March, then the new Aggreko 20 is March, April. GM Benavente continues, then we're going to and get 14 megawatts more about March, April. The other Yigo because it requires some site work, we're looking at September. Comm. Sanchez reconfirms, 20 from Yigo February March; 20 from Aggreko March April; 12 to 14 more because Aggreko will start to fix some of our 40 megs by March April; and then the final 20 Megs with the relocation of Tenjo is more like September. But, in the next, with everything working out, 120 days is 20 from Yigo and then new capacity from an Aggreko of 20 plus squeezing out 12 to 14 more by fixing what we have. That's 32 to 34 and then another 20 megawatts by September becomes available. I add that up to 74 Megs all together. Including Yigo coming back online. It's 54 from Aggreko and from 20 Yigo. Make sure that Tricee, Joyce and team, make sure that you guys do a great job of explaining this to our because this is the bridge to the capacity to Ukudu. Create 74 megawatt of capacity in addition to what is currently on the system to eliminate significantly reduce load shedding.

GM Benavente states, in the GM report it shows the that there some of the other things that we're working on. I'm very happy that Orote has 6 megawatts and we're working with them on an agreement to get the rest of Orote power plant up...the minimum another six maybe 12. I'm trying to get on the line by May. We have Wartsilla units we're increasing that from three up to 8 megawatts this is the Manenggon units we're working on. Caterpillar units, we have 12 megawatts and we're trying to increase that to 25. This miscellaneous capacity you're looking at 30 megawatts by around May. We're really not stressing Cabras 1 and 2 too much. I know they can push 40 or 45 megawatts but every time in in the past several months when we tried to go up pass 35 in Cabras 2, we've had a boiler tube leak from the increased pressure. Right now, it's been running very well at 30 or 34. Knock on wood it's been running like that for a month and a half. Remember Cabras 2 was the issue before. Cabras 1 has been running as much as 43. If I can get those up to 40, 45 on a regular basis and if you have reserves, it gives you a chance to go in and make the repairs. Without reserves as soon as goes, you it loses it. Comm. Sanchez asks, should we adopt these resolutions, please organize how much additional capacity is being put back onto the grid above what is existing today, Aggreko, by repairs, by Yigo CT coming back online, by squeezing another 12, getting up miscellaneous capacity getting that from 15 to 30... let's make sure that's well explained plus it helps us keep the plan accountable. Obviously, as we add capacity, we reduce the risk of load shedding which is everybody's desire and it bridges us to when Ukudu does come online which should eliminate load shedding. We can't forget the battery...we forget that the battery actually is capacity. When do you turn it on? At Peak. I say it provides capacity for the peak. GM Benavente states, the way it is, is this is the peak and the battery comes and takes a big chunk of the peak so the reserve units only have to handle this. Therefore, the use of the battery is the same. So, it is capacity to shave the peak that's what I'm talking about. The more you do that, the more your reserve requirements are less. That means the more that you can start to reduce some of the capacity. Comm. Sanchez responds, and no base rate increase and actually when we get this plan implemented there's actually fuel savings over a couple of years that will help us with the LEAC.

Comm. Limtiaco asks, why do we jump from September 2024 to September 2026 without a no net increase in capacity? Ukudu information should be added somewhere in 2025? GM Benevente responds, that was meant to be, September 25 Ukudu and actually there is an increase. It's up there to show that when Ukudu comes on the line which is here 198... so this is the existing but then we have to retire Cabras 1 and 2...80 which is the right and then release temporary power

takes away the zero so now our total capacity is 495. If you estimate the demand and if you notice it's rising to take the growth 275 is what we estimate in 2025 you take away...there's 220 megawatts left of reserve. You take away the largest unit 63 which is 145 plus it's a gas that produces steam, the second largest was 63 and then 1 half of the third largest which is better than one day and 4 and a half the target of the PUC that said, that's 140, so what capacity balance after having all your reserve requirements do you have you have? You have 72 megawatts more that you can bring in additional capacity. Comm. Limtiaco mentions, I was referring to the prior slide. The prior slide shows the September 2025 and there's no change in capacity number. GM Benavente says, targeted megawatt increase, I guess this is just before bringing on board the revised agreement. It will be updated.

Vice Chairman Santos asks for a motion. Comm. Limtiaco motion to approve Resolution No. FY2024-11 Relative to Approval for Relocation of Yigo Diesels; Comm. Sanchez second.

Vice Chairman Santos calls for a vote for Resolution No. FY2024-11; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

Comm. Sanchez motions to approve Resolution FY2024-16 Relative to Approval of Temporary Power; Comm. Limtiaco second.

Vice Chairman Santos calls for a vote for Resolution No. FY2024-16; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

Comm. Limtiaco asks for an update on Ukudu, has there been any new development since the working session? GM Benavente they 80% complete. They are already into the second tier of the of the tanks. So, the tanks and materials are here and they're being built. The treatment for the water it should be coming but they anticipate...the construction of the pipeline from the airport road they're announcing that. That has to be completed this year so that we can fuel the tanks before February. So, they can start testing. Based on the September 30 deadline, they're looking to start firing units in February.

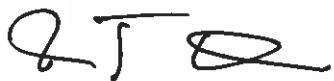
7. ADJOURNMENT

Comm. Limtiaco motions to adjourn; Vice Chairman Santos second. Meeting is adjourned at 7:31 PM.

//s/

Lourissa L. Gilman

Attested



JOSEPH T. DUENAS, Chairman



PEDRO ROY MARTINEZ, Secretary

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