



CONSOLIDATED COMMISSION ON UTILITIES

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

REGULAR BOARD MEETING

*CCU Conference Room, Gloria B. Nelson Public Service Building
4:00 p.m., Tuesday, October 31, 2023*

AMENDED AGENDA

1. **CALL TO ORDER**
2. **[APPROVAL OF MINUTES](#)**
3. **PUBLIC COMMENTS (*Limit to 2 minutes*)**
4. **EXECUTIVE SESSION**
 - 4.1 [GWA Litigation Matter](#)
5. **GPA**
 - 5.1 [GM Report](#)
 - 5.2 [Financial](#)
 - 5.3 [GPA Resolution No. FY2024-03 – Relative to Approving Amendment 2 to Phase II Renewable Energy Acquisition Power Purchase Agreement for Hanwha Energy Corporation](#)
 - 5.4 [GPA Resolution No. FY2024-04 – Relative to Approving the Award of the New Ultra Low Sulfur Diesel Supply Contract](#)
6. **GWA**
 - 6.1 [GM Report](#)
 - 6.2 [Financial](#)
 - 6.3 [GWA Resolution No. 01-FY2024 – Relative to Approval of an Increase in Funding and Scope of Work for the Tai/S-13 and Canada-Toto Loop/Blas St. Waterline Replacement Project](#)
 - 6.4 [GWA Resolution No. 02-FY2024 – Relative to Approval of the Guam Waterworks Authority FY2024 Budget](#)
7. **OTHER DISCUSSION**
8. **ANNOUNCEMENTS**

Next CCU Meetings:

 - Wednesday, November 1, 2023 at 8:30 a.m. – Special Board Meeting
 - Tuesday, November 21, 2023 at 8:30 a.m. – GWA Work Session
 - Wednesday, November 22, 2023 at 8:30 a.m. - GPA Work Session
 - Tuesday, November 28, 2023 at 5:30 p.m. - CCU Regular Board Meeting
9. **ADJOURNMENT**



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REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
10:00 a.m., Tuesday, July 25, 2023

MINUTES

1. CALL TO ORDER

The Vice-Chairman Santos opens CCU Regular Board Meeting, July 25 at 10:03 a.m. For the purpose of a quorum, Chairman Duenas appearing via GoTo Meeting; Commissioner Limtiaco, Martinez, and Santos are present in the CCU conference room. A quorum is present and meeting is called to order.

Commissioners:

Joseph T. Duenas	CCU Chairman (GoTo Meeting)
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner (Absent then Appearing GoTo Meeting)

Executive Mgmt.:

John Benavente	GM/GPA
Miguel Bordallo	GM/GWA
John Kim	CFO/GPA
Jennifer Sablan	AGMO/GPA
Taling Taitano	CFO/GWA
Chris Budasi	AGMA/GWA
Joyce Sayama	Communications Director/GPA
Maripaz Perez	Acting CFO/GPA
Vangie Lujan	Compliance-Safety/GWA
Therese Rojas	Legal Counsel / GWA

Management & Staff:

Candice Ananich	Management Analysis/GPA
Ann Borja-Gallardes	Management Analysis/GWA
Reginald Diaz	Management Analysis/GPA
Vladimir Navasca	IT/GPA
John Dixon	IT/GWA

Lourissa Gilman	Utility Board Secretary
Ciana Afleje	Summer Intern/GPA
Victor Babauta	Summer Intern/GPA
Jonathan Arriola	Summer Intern/GPA
Clara Grace Diaz	Summer Intern/GPA

Guest:

Frank San Nicolas	Guam Daily Post
Haidee Gilbert	Online via GoTo Meeting
Office of Senator Parkinson	Online via GoTo Meeting
George Castro	Depo Resources/Court Reporter

2. PUBLIC COMMENTS

No public comments.

3. APPROVAL OF MINTUES

Commissioner Limtiaco motions to approve February 21, 2023 meeting minutes; Comm. Martinez second. With no further discussion, motion is approved. Vice Chairman Santos mentions that GPA will present first.

4. GPA

- 4.1 **GPA Resolution No. FY2023-22 Increase of Contract Amount for Unarmed Security Guard** - GM John Benavente states Resolution No. FY2023-22 Relative to authorizing GPA to exercise the option to renew the current unarmed, uniformed security guard services to Pacific Island Security. GPA has implemented the base portion of the contract and requesting the approval from the CCU for the first option year and the second option year. The total for the three years, \$2,396,736M. This is above the \$1M authorization for the GM and above the \$1.5M authorization by the PUC. Asking for the CCU's approval for the extension.

Commissioner Limtiaco motion to approve Resolution No. FY2023-22 Increase of Contract Amount for Unarmed Security Guard; Commissioner Martinez second.

Vice Chairman Santos clarifies that the resolution is to extend the contract to June 30, 2025. GM Benavente states yes, there is a base year contact with two option years and the request is for the two option years. Vice Chairman Santos asks why are the dates off and why it's not September 30th? GM Benavente its when the bid came in. Vice Chairman Santos confirm for acknowledgement purposes, the document handed out will be added to the record. Santos confirms everyone has a copy.

Vice Chairman Santos calls for the vote for Resolution FY2023-22, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

4.2 GPA Resolution No. FY2023-23 Procurement of Bucket Trucks – GPA seeks approval to purchase addition bucket trucks. 25 bucket trucks were GPA’s goal which was achieved, however going into Super Typhoon Mawar, it would be in GPA’s best interest to increase to 10 more to help improve the recovery timing. Getting bucket trucks to Guam is getting more difficult most especially after a storm. GPA was able to bring in manpower, linemen, directly from the sister companies from this area and the states. Bucket trucks are a huge burden to bring in. 99% of the island is already set up with concrete poles so bucket trucks are all that can be used. Therefore, GPA is requesting approval from the CCU to purchase 10 new bucket trucks. Purchasing four 65 footers and six 55 footers. Understanding GPA must go to the PUC to make this request.

Commissioner Martinez moves to approve Resolution No. FY2023-23 Procurement of Bucket Trucks; Commissioner Limtiaco second. Vice Chairman Santos ask for further discussion and there is none.

Vice Chairman Santos calls for the vote for Resolution FY2023-23, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

4.3 GPA Resolution No. FY2023-24 Hot Section Exchange for Yigo CT - The Yigo CT was running prior and during the storm. Subsequently, after Mawar passed it was discovered the generator had a lot of water in it as the water went into the building and into the generator. The rotor is grounded and has to be sent off island for repairs. The stator, the outside of the generator, is being repaired. The rotor is the critical part of the generator. After inspection of the turbine site, it will need to be replaced. It was recommended to move in with a hot section exchange for the turbine engine. Therefore, the Hot Section Exchange cost is \$1.8M and the generator repair is \$1.5M totaling about \$3.3M. This turbine is surely needed while waiting for Ukudu to be completed. GM Benavente is requesting approval from the CCU to move forward with a petition to the PUC.

Commissioner Limtiaco motions to approve Resolution No. FY2023-24 Hot Section Exchange for Yigo CT; Commissioner Martinez second.

Commissioner Limtiaco asks, if the repairs eligible for FEMA reimbursement? GM Benavente believes the generator side will be the minimum considered. Commissioner Limtiaco asks if the budget for the water infiltration is also to repair what caused the water infiltration in the building. GM Benavente states that portion is being done separately, working on a contract to repair the enclosure and make the repair so water does not pass through the building next time. GM Benavente believes the generator was running through the storm. After the storm, the generator had lots of water coming out of the generator site. The water grounded the unit. The generator is about 20-some years old and it was in the process to be overhauled. The stator was part of the overhaul, but now the rotor has to be repaired. The entire rotor has to be sent to be rewound in Texas.

Vice Chairman Santos asks for any questions and notes for the record Commissioner Sanchez is appearing via GoTo Meeting. Commissioners have no questions. Vice Chairman Santos calls for the vote for Resolution No. FY2023-24. Motion passes with five Ayes. [Aye = 5, Nay = 0]

GM Benavente last update; states the street light repairs are 50% completed. The repairs started from the South sweeping up North.

5. GWA

5.1 GM Bordallo states there are no updates to the GM Report and will go straight to the Issues for Decisions

5.2 No update on Financial report

5.3 Resolution No. 18-FY2023 Relative to Approval of the Indefinite Delivery/Indefinite Quantity Undersized Waterline Replacement Design and CM Contract – TABLED

5.4 Resolution No. 29-FY2023 Relative to Approval of the Ugum #2 Reservoir Construction Contract - Seeing approval to reward the construction contract for the IUgum Reservoir #2 and includes provisions for repair for the steel tank reservoir #1. Both are 2M gallon reservoirs. Located at Ugum Surface Water Treatment Plant. The lowest bidder was \$22.834M. GWA is seeking that along with a 5% contingency of \$1.41M for a total authorized amount of \$23.976M. To clarify there was a \$3M estimate for the repair of the steel tank, but will not know the exact amount until it is inspected and assessed. GM Bordallo wants to make clear the \$3M is not part of the authorized amount of what GWA is seeking for approval today. So, GWA will come back with an amount for CCU's authorization. The project is anticipated to be done within 515 calendar days from notice to proceed. It is funded using GWA bond fund.

Commissioner Limtiaco motions to approve Resolution No. 29-FY2023 Relative to Approval of the Ugum #2 Reservoir Construction Contract; Commissioner Martinez second.

Vice Chairman Santos ask for discussion. With no discussion from the Commissioners, Vice Chairman Santos calls for a vote of Resolution No. 29-FY2023. Motion passes with five Ayes. {[Aye = 5, Nay = 0]}

5.5 Resolution No. 32-FY2023 Relative to Approval and Ratification of Conflicts/Legal Counsel Fees Pursuant to RFP 2018-01 – GWA Legal Counsel Theresa Rojas states GPA, CCU and GWA has entered into professional services agreement with the Law Offices of Vincent Leon Guerrero and that was awarded after competitively procured through RFP 2018-01. Each of the agencies respectively are able to request for legal services from the firm of Vincent Leon Guerrero and each agency separately pays from any service requested. So, for GWA, since the contract award, GWA has paid \$1.4M to the firm of Vincent Leon Guerrero...specifically, \$1,438,021.20. The GM's obligating authority is set at \$1M. Therefore, GWA is asking the Board to ratify the amount above

07/25/23 – Approved subject to verification & written correction

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\$1M...to ratify \$438,021.20. GWA is also asking the Board to approve an additional amount of \$1M on this contract. To explain, these professional service agreements are entered to augment the legal services required for the Utilities. They're procured to support the Utilities or the Board for any temporary or legal services which arise or an as needed basis. The law firm of Vincent Leon Guerrero was awarded the contract on May 2018 and shortly thereafter, in March of 2019, GWA intervened and entered its appearance into a litigation with Core Tech. So, that litigation wasn't expected at the time. We've put together the numbers in the resolution and the bulk of the legal services which have been paid throughout the term of the contract have been for the Core Tech litigation. So, of the \$1.4M approximately \$1.15M have been exclusively for GWA representation in the Core Tech litigation. This contract doesn't have a set contract ceiling so we come to the Board now. GWAS is still in litigation with Core Tech and the litigation will continue. It is on record with the court that there is a decision pending. By late July or early August, GWA will know how much of the litigation will go. Therefore, GWA is requesting, not to exceed the amount of \$1M, to provide an approval. Expenses will likely be incurred for several months going forward. The engagements which were entered under this contract are separate contracts that were entered for this litigation...separately. This will continue until the litigation concludes. Again, requesting the Board to ratify the amount \$438,021.20 and then approve an additional \$1M on the contract, but that \$1M contract is exclusive to the Core Tech litigation with no other legal services, because this legal services contract is actually expired. So, a couple of months ago, GWA put forth a separate resolution before the Board requesting to competitively procure firms or any individual attorney, again, for temporary conflicts counsel that may arise as needed.

Vice Chairman Santos asks where is that RFP? Atty. Rojas states GWA hasn't put it out yet, but it was approved in May. Comm. Martinez moves to approve Resolution No. 32-FY2023; Comm. Limtiaco second the motion. Vice Chairman Santos call for questions. Comm. Limtiaco asks what provisions for the contract allows for the continuation rather allows for the extension for Civil Case 1198-18?

Atty. Rojas states within Section 2 of the original contract scope of general services such as preparing opinions, advising the CCU on legal issues that arise, representing the CCU before any board or commissions and representing the Board, GPA or GWA in litigation. So, that section within the contract allowed GWA to engage the firm to represent the utility in litigation. It is in the ordinary course of business that when a law firm is engaged in litigation, that attorney client agreements are signed and contracts are entered. It is made clear the scope of the representation includes and what it will cover. GWA's engagement with firm of Vincent Leon Guerrero, states that Vincent Leon Guerrero and any other co-counsels that engages will continue the litigation before the Superior Court or any appeals that may arise out of the litigation until it concludes. Comm. Limtiaco state the contract serves as the contracting vehicle, but the actual agreements that are entered into are separate engagement agreements. Atty. Rojas agrees.

Vice Chairman Santos calls for a vote of Resolution 32-FY2023; motion passes with five Ayes. [Aye = 5, Nay = 0]

5.6 Resolution No. 34-FY2023 Relative to Contract Approval for the Design and Construction Management Services for Waterline Replacement of Various Bridges - GM Bordallo states seeking the Boards approval will provide needed engineering and construction management services to assess utility crossings at 30 bridges located throughout central and southern Guam. There were 17 interested firms that downloaded the RFP packages in which GWA received six firm submissions before the deadline and the highest qualified offer was recommended and signed off. Negotiations for fees for service commenced and negotiated to an amount approximately \$1.232M. Therefore, GWA is seeking that fee with 10% contingency of \$123,290.90 for a total of \$1.356M. Anticipate services will take 365 calendar days to complete assessment and any designs necessary. Funding is from Bond Funds, CIP Line-item MP-RW-Pipe 12 Rehabilitation and Replacement Program, and other CIP line item that may be applicable to the project.

Comm. Martinez moved to approve Resolution No. 34-FY2023; Comm. Limtiaco second. There was no discussion.

Vice Chairman Santos calls for a vote of Resolution 34-FY2023; motion passes with five Ayes. [Aye = 5, Nay = 0]

5.7 Resolution N. 35-FY2023 Relative to Approval of the Year 3 Task Order of the Water Loss Control Professional Services Contract – GWA is seeking the Board’s approval of the Year 3 Task Order of the Water Loss Control Professional Services Contract. As a result, from the PUC’s recommendation in the February 2020 Rate Order, GWA undertook an analytical study in a Year 3 Program of a water loss of District Metered Areas implementation and leak detection support services. Work is ongoing and the water loss consultant oversees and guides the systematic leak detection and repair, monitoring the analysis of water loss data in order to achieve the needed reduction and bring down loss levels to acceptable standards. The contract was awarded for Year 1 for \$402,774K. GWA anticipates the remaining two years will be lower and GWA will be under the threshold of the GM’s procurement authority. However, with the impact of inflationary pressures, the Year 3 proposal is at \$422,289K so services to date are at \$785,463K. With the addition, Year 3 services will be at \$1.207M which is above the GM’s procurement authority. Therefore, GWAS is seeking approval for Year 3 Task Order for a total contract amount of \$1.207M. Anticipate completion in August 2024. Funding will be from GWA Operations and Maintenance budget.

Comm. Limtiaco motions to approve Resolution No. 35-FY2023; Comm. Martinez second. Vice Chairman Santos calls for a vote; motion passes with five Aye. [Aye = 5, Nay = 0]

5.8 Resolution No. 36-FY2023 Relative to Approval of an Increase in Funding Scope of Work for the Pressure Zone Realignment Construction Phase 1 Project - TABLED

5.9 Resolution No. 37-FY2023 Relative to Adoption of the Electrician Supervisor Position to the Guam Waterworks Authority Certified, Technical and Professional List –

Seeking approval for job classification for (CTP) position of Electrician Supervisor. This position does not exist in GWA's Certified, Technical, Professional Position List. There are gaps in responsibility and leadership from Electrician I to Electrician Leader with no supervision. Due to the importance of GWA's asset management program and leadership in the Electrician section, GWA is seeking to establish the Electrician Supervisor position. Posting have been conducted and the job standard classification has been completed; salary range is based on the 20th market percentile using the 2017 market data. The pay range is at \$70.5K per annum to \$73.4K per annum. GWA anticipates once the Board approves, there is a 30-day period after which GWA can begin recruiting for the position. Funding source will be from GWA revenues.

Comm. Limtiaco motions to approve Resolution No. 37-FY2023; Comm. Martinez second. Comm. Limtiaco asks is this an actual addition of an FTE or just a reclassification of an existing FTE? AGMA Chris Budasi states GWA is establishing the position. There has been no discussion about whether or not someone will be promoted into the position and not backfill that position. GM Bordallo states within the Electrician Section, the most senior personnel are close to retirement. There will be a need to recruitment of that position, whether GWA fills it with an in-house promotion or an open recruitment, it has not been decided. Comm. Limtiaco ask what is the immediate reclassification? GM Bordallo states the reason is to have someone in charge in the official and correct capacity. AGMA Budasi mentions, GWA is considering putting in a special necessary qualification for a Master Electrician in this position.

Vice Chairman Santos calls for a vote for Resolution No. 37-FY2023; motion passes with five Ayes. [Aye = 5, Nay = 0]

6. Vice Chairman Santos announces the meeting will go into an Executive Session. Comm. Limtiaco motions to recess regular session and enter into Executive Session; Comm. Martinez second.

7. EXECUTIVE SESSION

7.1 GWA Litigation Matter

8. Back in regular session, Comm. Limtiaco motions to recess to Tuesday, August 1, 2023 at 10:00 a.m.; Comm. Martinez second.

Vice Chairman Santos calls for a vote to recess; motion passes with five Ayes. [Aye = 5, Nay = 0]

Meeting recess at 12:10 p.m. until August 1, 2023.

REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
10:00 a.m., Tuesday, July 25, 2023
Reconvene: August 1, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Regular Board Meeting, August 1, 2023 at 10:00 a.m., this is a reconvened meeting from July 25, 2023. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

GWA Executive Mgmt.:

Miguel Bordallo	GM
Taling Taitano	CFO
Chris Budasi	AGMA
Jeanet Owens	AGME
Therese Rojas	Legal/GWA

Management & Staff:

John Dixon	IT/GWA
Vien Wong	IT/GPA
Lourissa Gilman	Board
Secretary	

Chairman Duenas entertains a motion to go into Executive Session; Comm. Sanchez moved and Comm. Santos second.

Chairman Duenas calls for a vote to go into Executive Session; motion passes with five Ayes. [Aye = 5, Nay = 0]

2. EXECUTIVE SESSION

2.1 GWA Litigation Matter

- 3.** Back in regular session, Chairman Duenas entertains a motion to recess the regular session. Comm. Santos motions to recess to Tuesday, August 8, 2023, 10:00 a.m.; Comm. Limtiaco second.

Chairman Duenas calls for a vote to recess; motion passes with five Ayes. [Aye = 5, Nay = 0]

Meeting recess at 11:32 a.m. until August 8, 2023.

REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
10:00 a.m., Tuesday, July 25, 2023
Reconvene: August 8, 2023 from August 1, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Regular Board Meeting, August 8, 2023 at 10:11 a.m., this is a reconvened meeting from July 25, 2023 and August 1, 2023. Present in the meeting, Chairman Duenas, Commissioners Sanchez, Santos, and Martinez. Commissioner Limtiaco is absent.

Commissioners:

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

GWA Executive Mgmt.:

Miguel Bordallo	GM
Taling Taitano	CFO
Therese Rojas	Legal Counsel

Management & Staff:

John Dixon	IT/GWA
Allen McDonald	IT/GPA
Lourissa Gilman	Board Secretary

Chairman Duenas entertains a motion to go into Executive Session; Comm. Santos motions to go into Executive Session and Comm. Martinez second.

Chairman Duenas calls for a vote to go into Executive Session; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

2. EXECUTIVE SESSION

2.1 GWA Litigation Matter

3. ADJOURNMENT

Back in regular session, Chairman Duenas entertains a motion adjourn the regular meeting. Comm. Martinez moved to adjourn; Comm. Sanchez second.

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

Meeting is adjourned at 11:22 a.m.

//s/

Lourissa L. Gilman

Attested

JOSEPH T. DUENAS, Chairman

PEDRO ROY MARTINEZ, Secretary

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SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:30 a.m., Friday, September 1, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Special Board Meeting, September 1, 2023 at 8:41 a.m., the purpose of the meeting is to conduct interviews for legal counsel for the Guam Power Authority. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Santos, and Martinez. Commissioner Sanchez is absent.

Commissioners:

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

GWS Executive Mgmt.:

John Benavente	GPA GM
Therese Rojas	GWA Legal Counsel / GPA Interim Legal Counsel

Management & Staff:

Jon-Rey Aguigui	GPA HR
Vien Wong	GPA IT
Vladimir Navasca	GPA IT
Lourissa Gilman	Utility Board Secretary

Chairman Duenas entertains a motion to go into Executive Session; Comm. Santos moved and Comm. Limtiaco second.

Chairman Duenas calls for a vote to go into Executive Session; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent=1]

2. NEW BUSINESS

2.1 EXECUTIVE SESSION

2.1.1 Personnel Matter: GPA Staff Attorney Interview-Recruitment

3. OPEN SESSION

Back in open session, Chairman Duenas entertains a motion to recess. Comm. Martinez moves to recess and Chairman states meeting recessed to Wednesday, September 6, 2023 at 4:00 p.m.; Comm. Limtiaco second.

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

4. Meeting recessed at 10:12 a.m.

**SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
4:00 p.m., Wednesday, September 6, 2023
Recessed from September 1, 2023**

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Special Board Meeting, September 6, 2023 at 4:15 p.m., this is a continuation of the meeting recessed from Sept. 1 to conduct interviews for legal counsel for the Guam Power Authority. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, and Martinez. Commissioner Santos is absent.

Commissioners:

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

GWS Executive Mgmt.:

John Benavente	GPA GM
Therese Rojas	GWA Legal Counsel / GPA Interim Legal Counsel

Management & Staff:

Jon-Rey Aguigui	GPA HR
Vien Wong	GPA IT
Vladimir Navasca	GPA IT
Lourissa Gilman	Utility Board Secretary

Chairman Duenas entertains a motion to go into Executive Session; Comm. Limtiaco motions to go into Executive Session and Comm. Martinez second.

Chairman Duenas calls for a vote to go into Executive Session; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent=1]

2. EXECUTIVE SESSION

2.1 Personnel Matter: GPA Staff Attorney Interview-Recruitment

3. OPEN SESSION

Back in open session, Chairman Duenas entertains a motion to recess. Comm. Limtiaco motions to recess to Monday, September 11, 2023 at 4:00 p.m.; Comm. Martinez second.

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

4. Meeting recessed at 5:19 p.m.

**SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
4:00 p.m., Monday, September 11, 2023
Recessed from September 6, 2023**

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Special Board Meeting, September 11, 2023 at 4:44 p.m., this is a continuation of the meeting recessed from Sept. 6 to conduct interviews for legal counsel for the Guam Power Authority. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, and Martinez. Commissioner Santos is absent.

Commissioners:

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

GWS Executive Mgmt.:

Therese Rojas	GWA Legal Counsel / GPA Interim Legal Counsel
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Management & Staff:

Jon-Rey Aguigui	GPA HR
Vien Wong	GPA IT
Richard Peredo	GPA IT
Lourissa Gilman	Utility Board Secretary

Chairman Duenas entertains a motion to go into Executive Session; Comm. Limtiaco motions to go into Executive Session and Comm. Martinez second.

Chairman Duenas calls for a vote to go into Executive Session; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent=1]

2. EXECUTIVE SESSION

2.1 Personnel Matter: GPA Staff Attorney Interview-Recruitment

3. OPEN SESSION

Back in open session, Chairman Duenas recaps, candidates have been interviewed and ask if Commissioners want to finish the process or extend the process and interview more candidates. What is the wish of the Commission? Comm. Limtiaco thinks that they must do their due diligence and suggest it is best they interview as many candidates that have shown an interest and have applied for the position. Comm. Limtiaco understands that the job posting has expired but doesn't see any harm in interviewing to make sure they have the right candidates. Chairman Duenas ask administration if the position is open again, what length of time would it be opened? Personnel Services Administrator Jon-Rey Aguigui states, the dates the position was published had a specified period. It can be re-announced, Continuous Until Filled. PSA Aguigui wanted to remind the board this is an unclassified position and serves at the pleasure of the Board. So, the Board may entertain any application that does come in. Comm. Limtiaco is not suggesting the position open back up because it has been posted and advertised, but if there is a late applicant... Chairman Duenas asks how would a late applicant be dealt with? Aguigui states, he is not in receipt of any late applicants. Chairman Duenas asks how would Human Resources deal with a late applicant so the Board can follow the HR rules. Aguigui replies, if he were to be in receipt of a late application, he would bring it to the attention to the Board for review and decision. If the Board agrees, then proceeds with setting an interview. Comm. Sanchez states if the Board wishes to entertain more applicants, it would be beholden on us to add another month or whatever timeline is needed. Or, given the candidates interviewed before the Board, is the Board comfortable to say there is a candidate the Board would consider. Since Comm. Sanchez has not been in every interview, he defers to the Board who have been at every interview. Do they feel they have enough of every applicant? Chairman ask Commissioners Limtiaco and Martinez their response. Comm. Limtiaco states he has the impression there have been some applicants come in so he is not in favor of extending the process. There is a need to get a GPA legal counsel on as soon as possible and he is not suggesting to extend this any longer. He was under the impression there might have been other applications that may have been received that should be considered. If that's not the case, then a selection should be made with the applicants that were submitted. Comm. Martinez clarifies with Aguigui that he has not received any additional applications up until this meeting. Aguigui replies, yes, that is correct, no additional applications have been received. Comm. Martinez asks, so, then everybody is aware the position is closed? With Aguigui's yes response, Comm. Martinez is fine with moving forward. Chairman Duenas states his position, the Board has interviewed good quality candidates and thinks the Board needs to move in getting a legal counsel for GPA. He is particularly concerned because there are bids opening for solar projects and the Board needs to get somebody to come in to get up to speed with that. That would be a reason to consider the applicants that have been interviewed.

Comm. Limtiaco motions to go back into Executive Session to make a decision on the candidate. Comm. Martinez second.

Chairman Duenas calls for a vote to go back into Executive Session; motion passes with four Ayes.
[Aye = 4, Nay = 0, Absent=1]

4. EXECUTIVE SESSION

4.1 Personnel Matter: GPA Staff Attorney Interview-Recruitment

5. OPEN SESSION

Back in open session, Comm. Sanchez announces they have a candidate for which the Board can make an offer. Now that the Board is in open session, they can discuss potential pay and authorizing the Chairman to make the candidate an offer and what salary would be appropriate. Chairman Duenas ask the Board if they would like to hear from PSA Aguiqui what the pay scales are? Since the pay scale is not updated, Chairman asks Aguiqui if he will refer to the 2017 market. Aguiqui states, yes, GPA is currently in the 25th market percentile of the 2017 market data. The position for the staff attorney starts at \$124,009.00; that's \$59.62/hour. Chairman Duenas asks if the General Managers are above the 25th percentile and Aguiqui confirms, yes. Chairman asks, as well as the CFOs; are they above the 25th percentile? Aguiqui states he is not sure about GWA, but with GPA is in and around, but needs to confirm that question for the CFO's pay rate. As a whole, GPA is at the 25th market percentile. Chairman Duenas states, he is going down the list, GMs, CFOs, and then the attorneys. He asks what is the Board paying the two CFOs? Aguiqui asks if he can get back to the Chairman on that amount. Comm. Sanchez asks if Aguiqui can look up with the percentile what would be for the average pay of \$120K? Aguiqui states with the 25th market percentile, the position starts at \$124K. Comm. Sanchez asks if the number is below \$124K would that be slightly below the 25th percentile? Aguiqui replies, yes. Chairman asks if both GPA and GWA are at the 25th market percentile; Aguiqui replies, GPA is at the 25th and is not too sure about GWA. Chairman Duenas states, okay, well, we are talking about GPA.

Comm. Sanchez motions he is willing to offer the Candidate A \$120K a year. Chairman asks if there is a second. Discussion ensues as Comm. Limtiaco comments the job announcement states the position is starting at \$124K. The candidate has applied with that assumption so the Board shouldn't offer anything less than that amount; Chairman agrees. Comm. Sanchez's concern is the pay of the current GWA legal counsel. He is concern about paying someone more than the current counsel. Chairman states he doesn't know what current counsel is paid, but Comm. Sanchez states he knows and that is why he suggests paying GPA legal counsel \$120K. GWA legal counsel, Theresa Rojas, states the rate for her position is listed in the staffing pattern which is about \$127K. Comm. Sanchez states the starting pay is so close to the Board's existing counsel. One who has been with the Board and has demonstrated her experience. He is hesitant to pay that rate to new counsel higher than the current counsel. Comm. Limtiaco explains, if he were a candidate who applied for the stated starting range, he would assume that at a minimum he would start at that range. Comm. Sanchez asks, so \$124K is a minimum? PSA Aguiqui clarifies the pay is \$124,009.00. Comm. Sanchez states he is willing to amend his motion; Comm. Limtiaco second that motion. As the Board reaffirms they are in discussion, Aguiqui repeats, its one hundred twenty-four thousands and nine dollars (\$124, 009.00) which is \$59.62/hour. Chairman Duenas confirms he is fine with the \$124,009.00. Chairman also reconfirms the motion of Comm. Sanchez. Comm. Sanchez states the question the Board is debating is whether its \$124,009.00 or \$125,000.00 Comm. Sanchez explains he misheard and thought the amount was \$124,900 that is why he stated \$125K. He is very comfortable if the consensus is to make the offer \$124,009.00. Comm. Sanchez confirms the amended motion of \$124,009.00 to be offered to the candidate; the motion is for the Chairman Duenas to offer the candidate the position at that salary.

With no further discussion, Chairman Duenas calls for a vote to offer Candidate A \$124,009.00; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent=1]

6. ADJOURNMENT

Chairman Duenas mentions for the next CCU meeting on Sept. 27, he will report back to the Board his discussion with Candidate A and the offer. Comm. Limtiaco motions to adjourn; Comm. Martinez second.

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

Meeting is adjourned at 6:54 p.m.

//s/

Lourissa Gilman

Attested

JOSEPH T. DUENAS, Chairman

PEDRO ROY MARTINEZ, Secretary

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CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
5:30 p.m., Wednesday, September 27, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Regular Board Meeting, September 27, 2023 at 5:38 p.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executive Management:

GPA

John Benavente, GM
Tricee Limtiaco, AGMA
John Cruz, AGMET
John Kim, CFO

GWA

Miguel Bordallo, GM
Chris Budasi, AGMA
Tom Cruz, AGMO
Taling Taitano, CFO
Jeanet Owen, AGME
Therese Rojas, Legal Counsel

Management & Staff:

Jon-Rey Aguigui, HR
Vien Wong, IT
Vladimir Navasca, IT
Selma Blas, Admin Officer
Pamela Aguigui, Budget
Monica Calvo, Budget
Christopher Aguilar, Budget
Candice Ananich, MA IV
Lourissa Gilman, Utility Board Secretary

Evangeline Lujan, Compliance & Safety
Ann Borja-Gallardes, MA IV

Guests:

Annamarie Muna, AM Insurance
George@senatorperez.org (online)
Jonah Benavente, Guam Daily Post
George Castro, Depo Resources

2. PUBLIC COMMENTS

There were no public comments made at this time.

3. APPROVAL OF MINUTES

August 29, 2023 CCU Regular Board Meeting Minutes up for approval. Comm. Santos moves to approve the meeting minutes, Comm. Sanchez second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5 Nay = 0]

4. PERSONNEL MATTER

Chairman Duenas announces the Board has selected a candidate for the GPA legal counsel position and made an offer. The candidate has made a counteroffer for \$138K. \$138,353.00 is where the candidate would be slotted in the Alan Searle market study. Chairman asks Personnel Services Administrator, Jon-Rey Aguigui to explain where the candidate falls in the 2017 market study and then see where it will fall in the 2022 market study. PSA Jon-Rey Aguigui explains the \$138K counter offer falls between the 35th and the 40th market percentile of the 2017 market data. In front of the Board, there is the 2017 raw data which the market is paying. Also provided is the 2022 market data which has not been approved, but this is to show the Board the trend of how the market has uptick. With that information, GPA again did offer \$124K; the counter offer closest to \$138K would bring the candidate to \$138,353. Again, that's between the 35th and 40th market percentile. The rest of GPA is on the 25th market percentile. If the Board is looking at the 2022, just for context, the \$138K offer would fall between the 20th and the 25th market percentile. Comm. Sanchez asks, the 2022 salary the reviews conducted annually by GPA's HR expert, Alan Searle...even though the Board has not approved the 2022 market study, that is subject to the future meeting. The Board has the data and the data shows the candidate would fall into a lower percentile based on average salaries of 2022. Obviously, salaries of 2017 have gone up in 2022. Comm. Sanchez is comfortable of that range of counter offer. Comm. Sanchez moves to approve the salary adjustment for discussion purposes; Comm. Santos second.

Chairman asks the Commissioners their thoughts. Comm. Sanchez states the Board has used Alan Searle for many years. In fact, GovGuam has used Alan Searle everywhere the whole certified technical professional designations that were created by law were created at the request of the CCU, Senator Bob Klitzkie, Senator Joann Brown in 2008. Since then it has been adopted by every autonomous agency except that it isn't necessarily limited it only to certified technical professional positions. The attorney's position is a certified technical position. Alan Searle is coming to brief the Board on the latest survey. With the preliminary data, if the Board were to agree and make the counter offer, the new attorney would still be slated in the 20 to 25th market percentile. This is well within the range of where we have all of GPA and GWA employee on average. Comm. Sanchez thinks the counter offer fits. He mentions there are two things the Board has thought about, have a bona fide wage survey of like-minded utilities and slowly raise the pay of all certified technical professional employees to the 25th percentile which was started since 2008. On average, clearly, GPA is at the 25th percentile and the new hire would fall just around the 25th percentile which falls into the process that has been ongoing since 2008. GPA needs a legal counsel, the Board has interview excellent candidates and have chosen an excellent candidate that an offer has been made to.

Comm. Limtiaco asks if the current rate of pay for the candidate is consistent with the candidate's current rate of pay? Chairman Duenas replies, it's a little below her current rate. So the candidate is taking a pay cut. The Chairman interjects that the whole concept certified technical profession that the Board has moved to is designed to attract and retain talent. Comm. Santos asks, what are the benefits, is there anything outside of the normal benefits? Chairman Duenas states, no, it is just the same benefits that are offered to the current GPA employees. Atty. Rojas asks, does the candidate understand that the Board will announce her name this evening? Comm. Sanchez suggest Chairman take the counter offer back to the candidate. Just in case the candidate decides to change her mind for whatever reason. Atty. Rojas states whether the candidate has conditionally accepted, if the Board voted to approve her counter offer is

separate and apart on whether or not she's also agreed to be announced publicly. Chairman Duenas agrees.

Chairman Duenas announces to vote on the motion to accept the counter offer, motion passes with five Ayes. [Aye=5, Nay=0]

Comm. Sanchez motions to authorize Chairman Duenas to communicate with the candidate the approved counter offer and subject to acceptance, the Chairman is authorized to announce the candidate publicly; Comm. Limtiaco second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

5. GWA

5.1 GWA Resolution No. 45-FY2023 Relative to Increasing Funding Authorization for Wastewater Chemical Supply Contracts - As GWA GM Bordallo mentions, there are two different contracts for wastewater chemicals. They were initially issued as three year contracts with two one year options. GWA is in the first option year which ends December 2023. GWA is approaching the limits of funding authorization for these chemicals. The chemicals are still needed to properly operate the wastewater treatment plants at Northern District, Hagatna and Agat-Santa Rita. It is needed secondary treatment and for enhanced primary treatment. This project is necessary and urgent because GWA needs to continue to meet the permit requirements. In order to finish this option year and authorize an additional option year, GWA is seeking an additional amount \$700K for each contract. This is for anionic polymer and cationic polymer with JMI Edison. For an inorganic chemical with a separate contract GWA is seeking an additional authorization of \$1M not to exceed this amount. This will allow GWA to continue with those chemical supply contracts. The second option year will be completed in December 2024. Comm. Santos motions to approve Resolution No. 45-FY2023; Comm. Sanchez second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

5.2 GWA Resolution No. 46-FY2023 – Relative to the adoption of the Auditor Series of Positions to the GWA Certified, Technical, and Professional List – GWA AGM Chris Budasi states this will add to the job classification standards of Auditor positions I, II, and III into GWA CTP list of employees. Currently, GWA has an internal auditor that is part of the general manager's office. She is responsible to evaluation GWA's organizational risk, controls, compliance, and efficient and proper use of resources. Over the last five years, the amount of work that's been required of this individual has exceeded that capacity of what she is able to do. So, GWA is adding these already existing positions in the Government of Guam classification listing into the GWA CTP listing. The request is necessary and urgent so GWA can improve the agency's business processes and expand implementation and proper execution of SOPs and address any complaints, allegations, fraud and abuse. As far as the cost, it is listed at the 20th market percentile of the 2017 Market Data. The plan is to recruit for a position and it will not be considered a new position. There is one vacancy that will not be hired and this position will take the place of that position. Comm. Santos motions to approve GWA Resolution No. 46-FY2023; Comm. Sanchez second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

- 5.3 GWA Resolution No. 47-FY2023 Relative to Approval of Funding Increase to the Indefinite Quantity Contract with JMI-Edison for Submersible Pumps and Motors for GWA Deep Wells** – GM Bordallo states this is an amended item on the last notice. The Board previously approved a funding amount for this contract. When it was taken to the PUC, they applied their standard contingency which is higher than the CCU’s contingency. Because the need to replace the deep well pumps and motors, especially with the recent Typhoon Mawar, GWA is butting up against the limits of the funding authorization for this contract. There are additional amounts that are authorized under the PUC’s approval. GWA is seeking the Board’s approval to increase the CCU authorized funding to that amount to continue to make use of this contract for procurement of additional pumps and motors. GWA does have another contract that the agency is putting out. The RFP or rather the IFB is being finalized right now. This will take GWA to the end of this funding. If the Board approves, GWA will use this to process orders up to the end of that funding authorization and then the new procurement will move forward for another contract. The existing balance for the contract that GWA currently has is about \$61K and GWA is seeking additional funding authorization of \$548K which will bring GWA with the existing PUC authorization under this contract. Comm. Limtiaco motions to approve GWA Resolution No. 47-FY2023; Comm. Santos second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes.
[Aye=5, Nay=0]

- 5.4 GWA Resolution No. 48-FY2023 Relative to Amending the Title of the Trouble Dispatcher Supervisor to Water Communications Dispatcher Supervisor and Update the Position Classification Specification** - GMA Budasi states the current position Trouble Dispatch Supervisor primary responsibilities to supervise and dispatch crews for emergency and related repairs to the water and wastewater systems. Since that original trouble dispatcher supervisor position was created, GWA has established the water systems control center of which the personnel that staffs that are all required to have operator certifications one through four. Their main purpose is to supervise and communicate emergency repairs and system adjustments. That duty has shifted over to the WFCC Personnel. So by changing this title and the responsibilities, the trouble of dispatch function will be focused on the intake customer service calls and complaints. The reason for doing this is currently the trouble dispatch supervisor position requires a level two certification. GWA has been unsuccessful in recruiting for that for several years. This will put that position in the correct classification without requiring a certification. Comm. Sanchez asks that salary is between \$59K and \$61K? AGMA Budasi replies, yes. Comm. Limtiaco comments, it just removes the operator requirement. Comm. Limtiaco motions to approve GWA Resolution No. 48-FY2024; Comm. Santos second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes.
[Aye=5, Nay=0]

- 5.5 GWA Resolution No. 49-FY2023 Relative to Authorizing the Issuance and Sale of Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, on a Current or Forward Delivery Basis, Approving Forms of Related Documents, Agreements and Actions, And Authorizing the Execution and Delivery Thereof** - GM Bordallo states as presented in the work session, GWA has an opportunity to issue these forward delivery and refunding bonds along with the potential refunding tender which would save the authority millions of dollars in financing costs. The market conditions appear to be right for this and our initial information from the underwriters indicates it’s a good opportunity for the authority to

save amounts that are above the trigger points allowing this refunding to take place. Seeking the Board's authorization to do that and to take this to the PUC in October. The presentations will be in October and hitting the market in November with the goal of getting this done before the holidays. The underwriters believe that this is a good opportunity so, GWA is requesting the Board's authorization to move forward. The cost saving will be dependent on the actual market conditions at the time of issuance but it will result at least a two percent Net Present Value savings. GWA will be issuing series 2023 system revenue bonds in November and then closing of the advance refunding of 2024 system revenue bonds in April 2024. Comm. Sanchez moves to approve Resolution No. 49-FY2023; Comm. Santos second. Comm. Sanchez asks, we're taking all the existing bonds and giving authority to refinance them, does GWA have a guesstimate on potential saving for ratepayers from these riffs? GM Bordallo replies, GWA will have refunding bonds for 2023 and then advanced refunding bonds for next year depending on what is eligible to be refunded. Comm. Sanchez asks, refunding the 13s, 14s...all the existing bonds. GM Bordallo states, not all just the ones that are eligible. The savings just for the refunding part are on the order of four to five million based on the last estimate total. Comm. Sanchez is looking for the rate impact, if any, is there any rate savings or cost savings for which rates are currently paid. GM Bordallo replies, GWA would propose and structure the saving so that they are spread out over the entire life. So, It's going to be levelized not front loaded. In answer to the Comm. Sanchez guesstimate, the net present value of the saving just for the refunding part would be four to five million. The tender, if it is successful, there's the potential that that could be additional millions in saving, but it is not known of how many will participate in – that would be kind of a negotiating tender...negotiated refunding. Comm. Sanchez then asks, is there a feel for the annual debt service savings that would be created by the refinancing... best guest? GM Bordallo replies, the analysis that was received by the underwriters was for front loaded savings and that was for four million for the first year and then less saving after that, but GWA prefers, on the advice of their financial consultant, it would be spread out. The financial consultant is Laudy Rothstein Group. Comm. Sanchez says, the consultant says don't front load the saving takes them equal over time... what was the estimated savings... GM Bordallo states, they didn't get a run on that. The only run that he can recall is the front loaded one, but it doesn't change the Net Present Value it just changes where the saving occur. Chairman Duenas ask GM Bordallo send an email of the answer to the Commissioners. Comm. Sanchez states, he is okay with approving the resolution, he is just curious. The sister to NPV is some cash flow projection and it's projected for refinancing a number of different debt and GWA is not doing all at once. Its going to be done over six months. You've chosen not to front load the savings because in the long run thats cheaper for rate payers, but Comm. Sanchez assumes there is still some savings otherwise... GM Bordallo states there is, but he doesn't have the number right now. Comm. Sanchez asked once GM Bordallo gets that number to just circulate it to the Board and both agree.

Chairman asks if there are any further discussion? With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

- 5.6** GM Bordallo updates the Board on the PUC's actions at the meeting last night. The ALJ and their consultants recommended 16.1%. GWA's request was 27%. The main items of disputed were the rate restoring a portion of the rate stabilization fund that has been completely depleted in order for us to keep our coverage. The 27% included seven and half million to be put into the rate stabilization fund. The other issues were the estimates that were used for the power costs over the next year versus what they did and ALJ was about three hundred thousand dollars actually it was closer to six hundred thousand according to CFO Taling Taitano. Sorry, it was nine hundred thousand in our estimates for power versus theirs. And,

then six hundred thousand in labor costs. They gave GWA almost everything they were asking for in terms of labor. Then the ALJ also characterized the True Up request as being extraordinary and the rate stabilization fund issue being a rate case within a rate case therefore argue that the PUC shouldn't consider it. GWA pushed back on that strongly and suggested that it wasn't out of the ordinary and the reason why it's needed is not that we're asking to be reimbursed for expenses that we were already funded in which they termed as redundant rate making. GWA is simply asking that because of the volatility of the situation ahead and because the reserves had been depleted. If we're off in revenues then we're off in expenses by just a couple of percent in either direction, lower revenues or higher expenses, then GWA runs the risk of being in technical default. It's because we don't have any reserves to add as additional revenue to make that coverage and we used all of that up because the PUC and the rate consultants that they use did not provide us with the relief that we previously requested. The arguments were made, but ultimately, the Commissioners, although they agreed that the coverage was lower than it needs to be at 1.3, they wanted it higher. Although they agreed with that, they agreed and understood why we needed to restore the rate stabilization fund, they didn't feel it was the right time to do it at last night's hearing. They initially made a motion to approve just the 16.1% that was recommended by the consultant, but one of the Commissioners introduced an amendment use our numbers for the labor which added an additional 6% so it went to 16.7% and that was the final number. Chairman Duenas states the PUC said if the next five-year rate plan will take up that rate stabilization and also the number for debt service coverage because they realized it was so tight, right? GM Bordallo states the debt service coverage was to be part of the next five-year rate plan. The Chairman of the PUC said if you need us to start before the next five-year rate plan, we'd be willing to come in and it. Chairman Duenas said, the PUC said they would like to do what they did with GPA because they realized the GPA has self-insurance fund...they have other reserve funds that they've tapped in the past. The PUC would look at the rate stabilization fund and they would fund it over a period of time as they did with the 20 million dollar...they start with five million first and then go to ten million and so on. That's what we will take up in the next five-year plan. GM Bordallo mentions, as long as we didn't need it before then because if it is needed before then, come back to the PUC and ask for a quick adjustment. Georgetown has recommended that GWA could handle this commercial paper program or short-term borrowing. GM Bordallo states GWA can't because we don't have authorization to do that, number one. And number two, even if we did it, we would be borrowing to cover operational costs and that doesn't count towards achieving the debt service coverage. We can't count it as revenue.

Comm. Santos asks, are these consultants that we pay for? GM Bordallo states, yes. Comm. Sanchez mentions, well that's Georgetown, yes, we pay for them. Comm. Santos states, we pay our consultants to tell us to borrow... Comm. Sanchez, states, we're paying the PUC's consultants, but the good news, if he is hearing GM Bordallo correctly, is that the PUC understood and we got 16.7%, we get to file and new adjustment and if we need help between now and then, you get to file a new five-year rate plan or if it is needed between now and the spring, we can always petition. Comm. Sanchez is encouraged by GM Bordallo's description where the PUC ended up disagreeing with Georgetown, giving GWA a higher number even giving you for labor, and they gave your petition in case things get worse. And your going to turn in a new five-year rate plan with annual True Ups in the spring. Chairman Duenas mentions, they acknowledged the fact that the CCU already authorized GM Bordallo to sign off on the consent decree. The PUC acknowledge that and they would be there to fund it. Comm. Santos asks GM Bordallo and CFP Taitano, what about the budget, what's the plan? CFO Taitano replies, they are already reviewing numbers to and what can be done to match

it up. Comm. Santos replies good. Comm. Sanchez asks if we've got enough to go on? Comm. Santos states they've got until the first quarter...we start second quarter.

GM Bordallo announces GWA received notice of award of the EPA grants for the coming year. Its a little less than last year, three million less than the regular funding and approximately three million less than the bill grants. Comm. Sanchez asks what is the total? GM Bordallo states last year was \$7.8M and this year its \$4.8M for the regular funding. For the bill, last was \$26.3M and this year is \$23.9M. Comm. Sanchez states its \$27M which is not bad at all.

Chairman Duenas asks, we're still on target to meet the court order deadlines and we've got an extension from the District Court, this is on the 2011 court order. GM Bordallo, mentions on the 2001 court order, yes. Comm. Sanchez ask what will the \$27M be spend on? GM Bordallo states, they are on the EPA priority list and some of the projects are related to the consent decree.

6. GPA

6.1 GPA Resolution No. FY2023-32 Relative to the Adoption of a Budget for Guam Power Authority for Fiscal Years 2024 and 2025 – The budget for FY2024 came in at \$555,607,000.00 and for FY2025 \$576,098,000.00 respectively. As far as the base rate of that portion, our expenditures are basically in line with prior years. Our existing base rate revenues we're projecting in FY2024 at \$457.8M and in FY2025, \$162.5M. The majority of the cost is really an estimate of the budget for fuel oil. Fuel oil has been on the rise of what is seen from all the reports. Basically, GPA is running even in terms of our rates versus expenses. So, our under recovery has not been going down like we've projected. I've been holding on that things will change and we will provide in November a recommendation for the following fiscal year, but at this time GPA is not asking the commission for any changes. Comm. Limtiaco asks, what is the current under recovery? GM Benavente replies, \$19M. Comm. Sanchez asks, and it's going down? GM Benavente states, it is staying level. The past two months has been even. Comm. Sanchez states, so we got it lower before, but now with the oil prices increasing, it come back up a little. We'll deal with any LEAC adjustment in November-December, effective February once we take a look at it. GM Benavente says, GPA had a big \$5 million hit on that because the baseloads were all down because of the typhoon and more expensive fuel. Right now, we'll look at the last two months of the years...it's like \$1M under recovery in July and \$300,007 in August. Chairman Duenas asks, and the LEAC is at \$0.23 right now? GM Benavente replies, yes. Comm. Santos asks, so, when is our next buy? Comm. Sanchez states, we're okay for now. Comm. Santos clarifies, he is talking about the next shipment and what weight is that going to be? GM Benavente responds, the next shipment is next month. GPA orders once every two months or so. So, the projected barrel cost is? CFO Kim responds, it's about 130 per barrel right now. Comm. Sanchez mentions, so when they propose a new LEAC adjustment in November, that will be for us to consider and send it to PUC. For the CIP, GPA has put in quite a bit of money for the next two years for CIP. Comm. Sanchez asks, and not base rate adjustment is required with this budge at this time? GM Benavente, states, no, if there are any changes its going to be on the LEAC only. Comm. Sanchez states the base rate hasn't been touched in 10 years, yet GPA has been able to solve non-fuel problems, work on capital projects, and move people's pay up to the 25th percentile all without a rate increase. Oil seems to be the biggest problem for anybody in the power business. Comm. Santos motions to approve GPA Resolution FY2023-32; Comm. Sanchez second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

6.2 GPA Resolution No. FY2023-33 Relative to Recognizing October 1 – 7, 2023 as Public Power Week during GPA's 55-Year of Operating Guam's Electric Public Power Utility – Seeking approval to recognize October 1st to the 7th as Public Power Week as well as celebrating GPA's 55th year in operating under a public electric utility. Comm. Limtiaco motions to approve Resolution FY2023-33; Comm. Santos second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

6.3 GPA Resolution No. FY2023-34 Relative to Change the Signatories that may Authority Banking Transactions on Behalf of GPA – GPA has a new general manager of operation and restoring the five signatories back. Comm. Sanchez moves to approve Resolution FY2023-34; Comm. Santos, second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

6.4 GPA Resolution No. FY2023-35 Resolution to Review 12 GCA (section) 8502 (c)(2)(B) Relative tot Net Metering – relating to Net Metering program where we will be requesting for the PUC to review and make changes to the existing Net Metering program which is full credit. This action that has taken place, now you're in the 5 million subsidy which can grow as much as 12 million and over. When that happens that's is 10% of GPA's budget and that will definitely impact rates for us. Given the PUC's concerns, I ask your approval. In addition, GM Benavente will answer Comm. Limtiaco's questions of the breakdown of the base rate and how it integrates with Net Metering. If you look at the chart, it is broken down to 2022 and 2023. As you can see we have 31 cents in in FY2022. In all of that 20.5 cents are LEAC. The base rate is about 11 cents. As for the breakdown, out of the 11 cents, 4.2 cents are debt. Obviously we want to avoid debt so that is something that today, Net Metering is not paying for. It's on the 50 thousand other customers that they have not the total 53 thousand customers. Then you start looking at the other parts of it, you have the production costs 1.3, their there operating whether they're there generating solar or not. Transmission and distribution is about a cent. IPP customer account about half a cent. Administrative, in general, retirees, board fees, property insurance and other utilities that are not avoided. As more customers become full name credit, this will impact our revenues substantially. Looking at 2023 is very similar although the LEAC has jump down to 28.1, basically, the base rate portion of this is still about 10 cents per kilowatt hour. On the next page, what are we avoiding? Of course the LEAC...oil to jobs. If they produce, we don't burn vice versa. That's a savings to us. The other one to look at is energy by not having to transmit from the power plant to the location, you're saving in line losses. So again, that support is half a cent per kilowatt hour. The avoiding cost is 21 and here's the 31 so basically the burden of not paying that is on the non-Net Metering customers. Comm. Sanchez asks, why don't you file a rate case? GM Benavente states there is already a rate case filed and he has been waiting for different studies to show that there are no other benefits coming from the Net Metering other than what we are showing. This resolution is trying to bring it up quicker to address it. We are going to provide some of the studies because there is no way to provide all the studies that are there. We'll be showing that in the circuits now, if you're over 30% supply penetration then you're starting to have issue that we're

starting to address. That's why we decided to go into energy storage system. Comm. Sanchez asks, so this resolution authorizes you to take these numbers to the PUC and update them...did we files case for this? GM Benavente replies, this further urgency for them to address it quicker. Comm. Sanchez asks where is it now, they just wanted you to do more studies and now this is the results of your additional studies? GM Benavente mentions way back they have done more studies which we have been working on, but delays have come up including COVID. Comm. Sanchez asks, what does this resolution do for you? GM responds, the ALJ has asked GPA to work with him and bring forward to highlight the whole thing. Comm. Sanchez states, he will support it, but the CCU has already authorized you to always file a rate case your think is necessary. In supporting this, what does it do for you? GM Benavente thinks it puts more urgency to the issues. AGMA Limtiaco states, additional in a recent public hearing, one of the Senators has asked GPA to intervene and ask the PUC to look at Net Metering. There is a proposed bill that would amend the current commercial KW rate to be increased to, she believes, 400 KW. So when discussing that with ALJ Horecky, she asks him if he would prefer a letter to reopen the Net Metering request and docket and he said he would prefer a new resolution from the CCU and a resulting docket. Comm. Sanchez confirms this new resolution will incorporate these new numbers. Comm. Sanchez states if this is what the ALJ request, the Board will support GPA's request. But, this is long overdue, we've always known that we wanted to let the renewable energy industry going and it's gotten going and we're up to 30 megs and 3,000 customers and we've proven that we're still overpaying more than the cost that we're avoiding which is unfair to other rate payers. When GPA files the new information and reactivate your rate case, how long will it be for them to act upon a change. GM Benavente states as soon as possible. Comm. Sanchez moves to approve Resolution FY2023-35 regarding Net Metering; Comm. Santos, second.

With no further discussion, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye=5, Nay=0]

Chairman Duenas mentions that he will forward a letter from GM Benavente regarding a meeting with the Sandia Group. AGMA Limtiaco states the Sandia Group is cyber security focused IT. Chairman Duenas states they are inviting each Commissioner to meeting. He asks that the letter be resent to the Commissioners. The meeting is the week of October 3, 4, and 5. They're a partner of GPA and the want to meet. GM Benavente states they will resend the letter and state their intention of the meeting. AGMA Limtiaco states Sandia is going to be discussing and asking for your input regarding the benefits of integrating solar PV into our power grid. The time is 9am on the 3rd of October. Chairman Duenas state that is the time they are going to start the meeting with all other people. He asks AGMA Limtiaco to provide what time slots are available for the Board. Chairman Duenas states the Board will not be making decision. He asks that AGMA Limtiaco give several time slot options.

6.5 GPA Resolution No. FY2023-36 Relative to Authorize the Management of GPA to Award the Property and Casualty Insurance – this will be tabled until the next meeting. GPA is working with the bidder with various scenarios regarding insurance rates. GPA is not ready to discuss tonight.

6.6 GPA Resolution No. FY2023-37 Relative to 40 Megawatts (MW) Temporary Power Procurement – GM Benavente states, as in the work session, nothing has changed in the new power plant except that the dates have changed. So, we've delayed it form 2024 to early 2026, February at the latest. However, that putting a higher stress into our system. The Yigo 30

megawatt combustion turbine won't be done until December and again, that puts us in limited capacity. We're in periods of load shedding on almost regular basis. We're in the peak demand. September is the highest peak period through October and that's why we're experiencing more load shedding coupled with the fact that Cabras II is still being worked on. Hopefully, once it gets back on and stays on, it will alleviate a lot of the load shedding. GPA is still very vulnerable over a period of six months as we do other repairs into the system. Another constraint for us is the Yigo diesel protest and we're trying to get out of that one. So, a lot of work and progress will continue over the next few months. As the sole supplier of energy here and our vulnerability has been expanded for the next two years. It will be in our best interest that we go out and look for temporary power for about 40 megawatts into the system and that 40 megawatts can be online within a six-month period. Last time we did this in 130 days, but of course it starts with the Board's approval. GPA is preparing the bid specifications. We will ask for either diesel or combustion turbines. We'll need to search the market and see what's available in terms of temporary power. Asking for three-year base period and two optional one-year period. We can also ask for lease to own. The other thing I would request is not for one 40 megawatt machine, but two 20 megawatts. The cost estimate is using the Greco model is about \$12 million a year. Citing this at either the Cabras Power Plant location where we were going to put the 41 megawatts from Kepco or Tenjo Vista. The primary reason for that is because the fuel oil tanks are there and this area site is already approved. Comm. Sanchez asks, is there a base rate impact? GM Benavente states it's going to be funded from revenue so were not looking for existing base rates. Comm. Sanchez responds, okay. GM Benavente states GPA can be able to bring in and provide service without increasing the rates. The ETA will be within the six-month period if approved by Board tonight. Usually what has been done is get PUC approval and the worst that can happen is they say no and the bid is stopped. In a case like this GM Benavente believes the PUC will support it. Comm. Sanchez states we're going to approve it tonight at least you should tell the PUC the CCU just approved and if the PUC wants to talk they can do so because GPA is moving forward. Comm. Limtiaco asks this will be three years, but Ukudu will be online within that time frame so the purpose of the two-year option you're still not defining it whether you're going pursue it but it's probably not necessary. GM Benavente states, it's always good to have the optional year just in case. Not just potential of storms, but the combustion turbines have aged states Comm. Sanchez. All we're doing is to reinvest in the repowering beyond Ukudu. Ukudu could replace Cabras 1 through 4 but we still have to worry about Dededo, Yigo, all that capacity has aged as well. GM Benavente has got the configuration correct, six months to get this generation in place and I think the rates payers will welcome that news of capacity being available. It's also the beginning of the repower or the replacement of the aging combustion turbines and all the others that have been running 20-30 years. Comm. Limtiaco states, this is not replacing them. This just temporary. Comm. Sanchez states what we know about the 41 megawatts is we ended up liking them and keeping them. Comm. Santos states, GM Benavente originally planned a 40 megawatt generator right down there, to the Legislature, we failed to meet so we're basically making up lost time. Comm. Sanchez mentions, we'd be replacing the capacity anyway whether it's from renewables or conventional. GM Benavente states there's so many line items that we're working on that it builds the future. It begins to repowers the rest of the system that it has become more critical. Comm. Sanchez summarizes that if there weren't so many delays that were beyond our control both local and acts of God, that affect our ability to replace Cabras one through four, as reminded by AGMA Limtiaco, had none of delays occurred, Ukudu would have been online by now. But at least you have a plan that says in the next six months, you're going to supplement capacity which will help all the other generators get a break so our other partner can fix it and Cabras. It is the beginning of repowering that will begin extensively with Ukudu, more renewables, more storage and now

40 mega that we will authorize you to pursue. Comm. Limtiaco confirms, you come on with the additional 40 megs of temporary power with a three year with two-year options and then when you come out of the final protest settlement, you still have the other 40 megs that are going to come online that you need time to work on and bring up so that will be another 40 megs. Then you're going to complete Yigo CT, so that's why I'm asking is there a need for that two-year option, but I'm fine with it because you can exercise it or not. GM Benavente mentions, we're started recovering reserves so if Cabras goes down and it takes a week to fix it up, we can do the maintenance of the other units. It will work out for everyone and GPA can afford it through our revenue. Comm. Santos points out and makes clear to Chairman Duenas, the resolution reads, GPA decides to obtain a three-year lease. It does not read, with two-one year options, it's on page two. GM Benavente states, it will be amended. It will be amended with two one-year option and add with option to own. Comm. Sanchez states the terms of the lease shall be for a minimum of three years with two one-year options with an addition option to lease to own. GM Benavente states, when we do the bid specifications, we'll put that all in. Then when its ready for award, the CCU and everyone can agree or disagree. Comm. Sanchez seconds Comm. Santos motion to amend Resolution FY2023-37. He continues to state, to amend and add into the resolution language where the lease is a minimum of three years with two on-year options and an additional option for lease to own; Comm. Santos seconds the amended motion by Comm. Sanchez. Chairman Duenas ask for further discussion, no further discussion.

Chairman Duenas calls for a vote on the amendment. With no further discussion; motion passes with five Ayes. [Aye = 5, Nay = 0]

Now on the motion as amended, Chairman calls for a vote; motion carries unanimous with five Ayes. [Aye = 5, Nay = 0]

6.7 GM Benavente begins a short update on his GM Report. Cabras 2 is target to be online sometime this weekend. Load shedding, today, is not happening because the weather is perfect. Fuel oil prices are on the rise, Ukudu construction continues, storage tanks have been removed for the ultra-low sulfur that has been ordered, demand site management continues every month, and about 600 applicants are changing out their air conditioners to very efficient air conditioners. The financials are good, their recovering despite the storm and occupancy rates are around 60%, in the hotels due to a jump in their consumption. GPA has about 16 megawatts of participants including the Navy. In all fairness to everyone else, the generators have taken a beating throughout the storm and after the storm, so a lot of them are repairing so expect that more will come online.

7. Executive Session

7.1 GWA Litigation Matter

Chairman Duenas calls for a motion to go into Executive Session; Comm. Sanchez so moved; Comm. Santos second; motion passes with five Ayes. [Aye = 5, Nay = 0]

8. Adjournment

Chairman announces meeting is now in open session and calls for motion to adjourn; Comm. Limtiaco motions to adjourn; Comm. Santos second.

Chairman Duenas calls for a vote to adjourn; motion passes with five Ayes. [Aye = 5, Nay = 0]

//s/

Lourissa Gilman

Attested

JOSEPH T. DUENAS, Chairman

PEDRO ROY MARTINEZ, Secretary

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GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives."

Suite 200, Gloria B. Nelson Public Service Building, 688 Route 15, Mangilao, Guam 96913
Tel. No. (671) 300-6848 Fax. No. (671) 648-3290

October 25, 2023

Commissioners
Consolidated Commission on Utilities

RE: Written Recommendation to Discuss GWA Litigation Matters in Executive Session during
CCU Regular Board Meeting on October 31, 2023

Dear Commissioners,

As the legal counsel for the Guam Waterworks Authority (GWA), I hereby recommend pursuant to 5 G.C.A. § 8111, that the Commissioners discuss the following matters in Executive Session during the October 31, 2023, CCU Regular Board Meeting:

1. Litigation issues as stated in Agenda

Pursuant to 5 G.C.A. § 8111, the Commission must make an affirmative vote of a majority of the members of the Commission to discuss these matters in Executive Session. Please contact me at 671-300-6853 if you have any questions.

Sincerely,



Theresa G. Rojas
GWA Legal Counsel

TGR/abg

GM REPORT

October 2023

JOHN M. BENAVENTE, P.E.
General Manager
GUAM POWER AUTHORITY

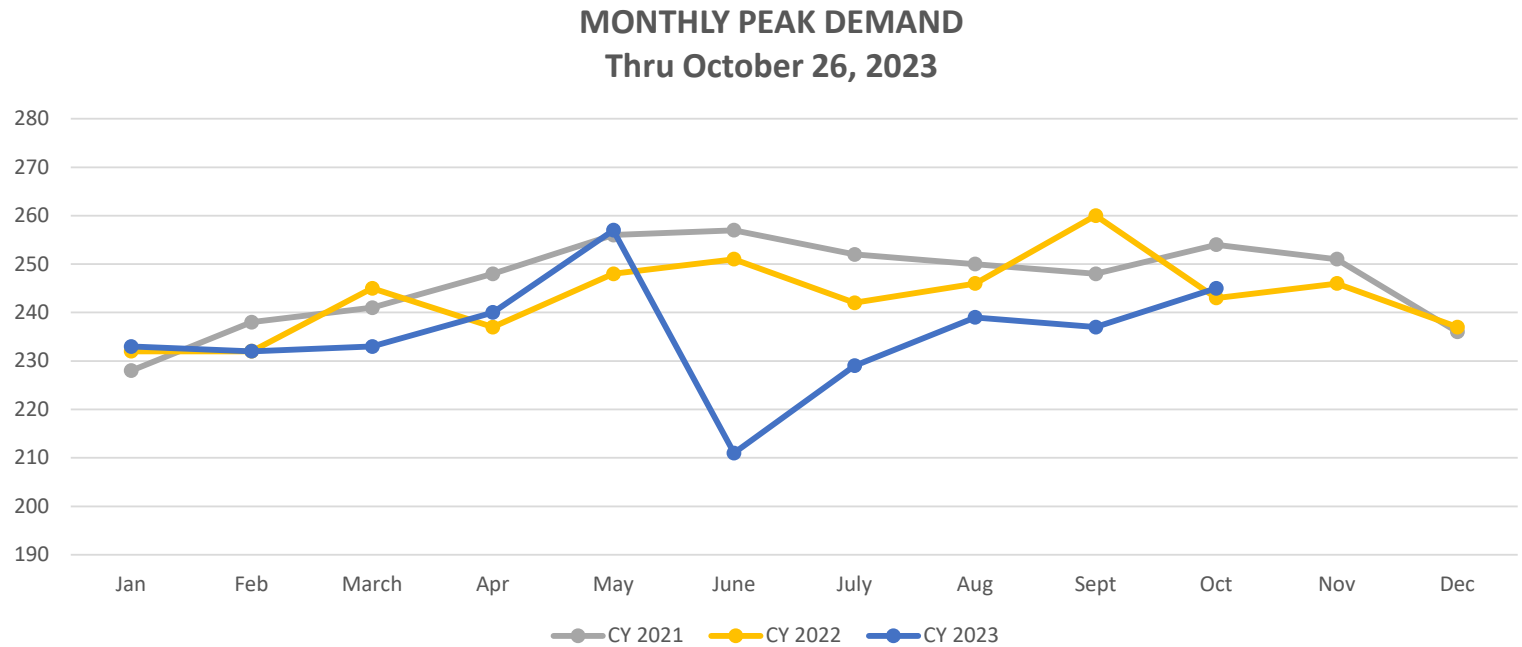


Projected November Generation Status

1. Reserve Margin Forecast for November 2023:

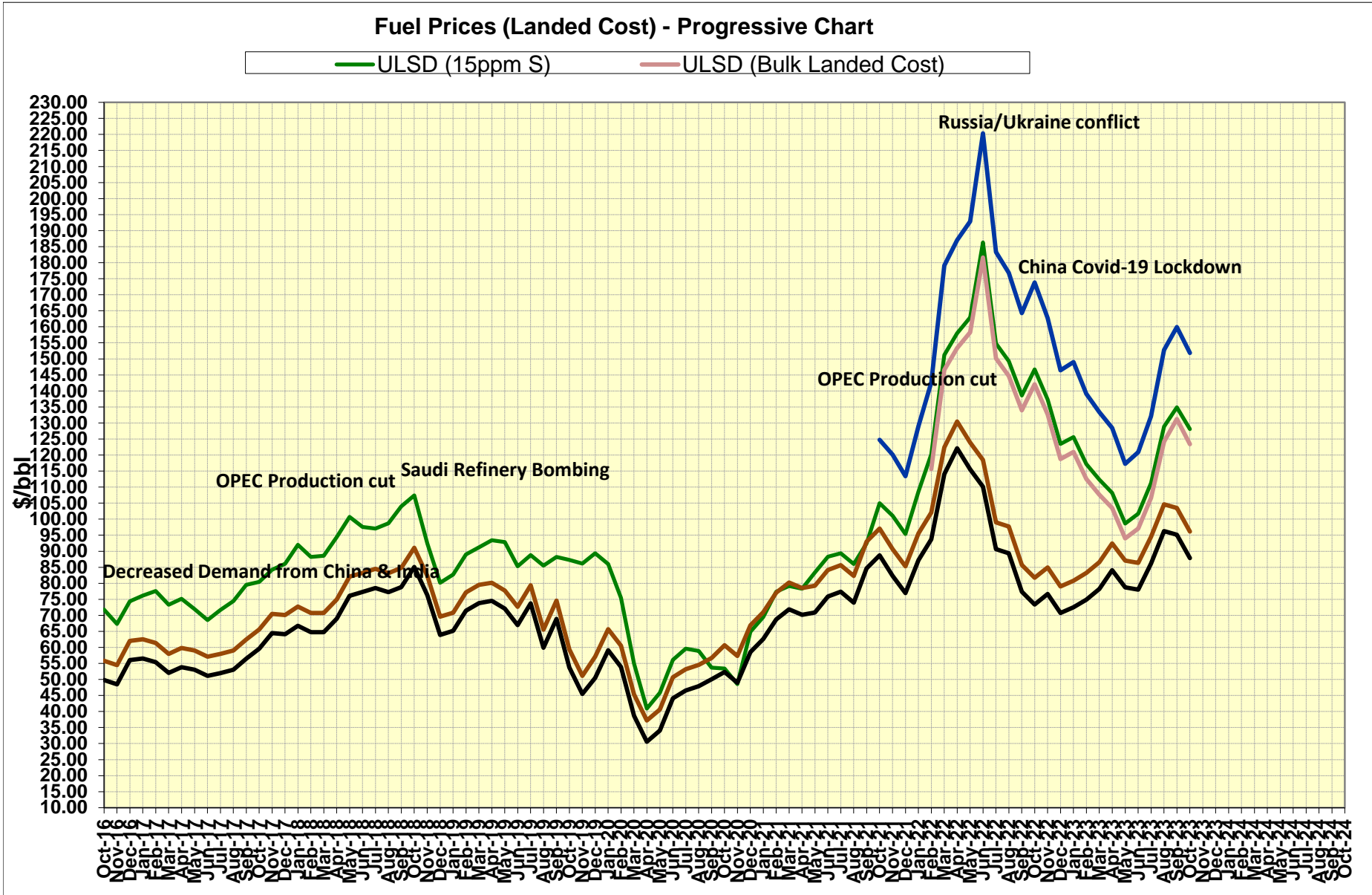
Targeted Available Capacity:	252 MW (All Baseloads Available)
Projected Demand:	246 MW
Anticipated Reserve Margin:	6 MW
Interruptible Load Availability:	16 MW
Total Reserves:	22 MW

2. System Peak Demand:



GPA Fuel Landed Cost (Per Barrel as October 19, 2023)

3. 0.2% ULSRFO \$151.89; ULSD Bulk \$128.07



General Manager's Report

4. PUC Update:

GPA Docket - Thursday, October 26, 2023 Regular Meeting

- GPA Docket 24-01, Petition to Approve and Authorize GPA to Award Property Insurance - **Meeting recessed to 2pm October 31, 2023**
- GPA Docket 24-02, Petition to Approve and Authorize GPA to Award Casualty Insurance - **Approved**

Approved Dockets on September 26 & 28, 2023:

- GPA Docket 23-19: Petition to Extend the Performance Management Contract for Cabras 1 and 2 - **Approved**
- GPA Docket 23-20, Petition to Procure a Hot Section Exchange & Generation Repair for Yigo CT - **Approved**
- GPA Docket 23-21, Petition to Approve the Purchases of Bucket Trucks - **Approved**



General Manager's Report

5. Customer Assistance : Prugrãman Ayuda Para I Taotao-ta Energy Credit Extension (Public Law 37-16)

Month	Amt Rec'd	GPA Credits Issued	Accounts	Date Uploaded
May-23	\$ 5,276,200	\$ 5,237,500	50,740	6/8/2023
Jun-23	\$ 5,276,200	\$ 5,275,700	51,122	6/24/2023
Jul-23	\$ 5,276,200	\$ 5,226,500	50,630	7/27/2023
Aug-23	\$ 5,276,200	\$ 5,216,600	50,531	8/26/2023
Sep-23	\$ 5,276,200	\$ 5,224,600	50,611	9/30/2023
TOTAL:	\$ 21,104,800	\$ 26,209,500		<i>As of 10/23/23</i>

Unused credits will be returned to DOA at the conclusion of the Program

Guam Homeowner Assistance Fund Program (HAF)

- \$6,666.56 was applied to qualified ratepayer accounts from September 12, 2023, through October 6, 2023. [Batch 72]

Emergency Rental Assistance Program (ERA)

- \$139,464.10 was applied to qualified ratepayer accounts from September 12, 2023 through October 6, 2023. [Batches 264-269]



General Manager's Report

6. DSM Online Report - Summary from Aug 22 to Sept 23

OVERALL COUNTS

Month	ALL			COMMERCIAL			RESIDENTIAL		
	Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates
Aug-22	217	315	\$ 61,375				217	315	\$ 61,375
Sep-22	479	666	\$ 134,300	7	12	\$ 1,950.00	472	654	\$ 132,350
Oct-22	474	690	\$ 138,900	4	9	\$ 1,450.00	470	681	\$ 137,450
Nov-22	514	698	\$ 138,550	10	14	\$ 1,500.00	504	684	\$ 137,050
Dec-22	480	647	\$ 130,325	5	5	\$ 950.00	475	642	\$ 129,375
Jan-23	398	534	\$ 106,575	1	1	\$ 150.00	397	533	\$ 106,425
Feb-23	385	568	\$ 111,375	7	9	\$ 1,400.00	378	559	\$ 109,975
Mar-23	487	728	\$ 142,100	16	32	\$ 4,450.00	471	696	\$ 137,650
Apr-23	379	526	\$ 105,725	3	4	\$ 750.00	376	522	\$ 104,975
May-23	398	579	\$ 120,875	4	7	\$ 1,600.00	394	572	\$ 119,275
Jun-23	404	546	\$ 112,925	5	8	\$ 1,700.00	399	538	\$ 111,225
Jul-23	625	824	\$ 169,725	3	3	\$ 1,400.00	622	821	\$ 168,325
Aug-23	612	835	\$ 175,525	5	5	\$ 1,100.00	607	830	\$ 174,425
Sep-23	565	816	\$ 165,575	4	4	\$ 2,900.00	561	812	\$ 162,675
TOTAL	6,417	8,972	\$ 1,813,850	74	113	\$ 21,300.00	6,343	8,859	\$ 1,792,550

CURRENT AVERAGE REBATE PER UNIT

Month	ALL		COMMERCIAL		RESIDENTIAL	
	Applications	Equipment	Applications	Equipment	Applications	Equipment
As of Sep-23	\$ 283	\$ 202	\$ 288	\$ 188	\$ 283	\$ 202

* DSM Online went live on 8/17/22. August 2022 figures are from 8/17 – 8/31 only.

* Large Commercial, Government, Prepaid, and Inactive accounts are still tracked and processed manually.

* Paper applications are NOT INCLUDED with these counts.



General Manager's Report

6. DSM Online Report - September 2023

COUNTS PER APPLICATION STATUS

MONTHS	ALL	COMMERCIAL			RESIDENTIAL		
	Applications	Processing	Approved	Denied	Processing	Approved	Denied
Aug-22	217					200	17
Sep-22	479		3	4		395	77
Oct-22	474		2	2		367	103
Nov-22	514		3	7		385	119
Dec-22	480		4	1	1	352	122
Jan-23	398		1			303	94
Feb-23	385		4	3	2	294	82
Mar-23	487		7	9	2	390	79
Apr-23	379		2	1	5	309	62
May-23	398		2	2	4	317	73
Jun-23	404		3	2	12	330	57
Jul-23	625	2		1	388	155	79
Aug-23	612	5			519		88
Sep-23	565	3		1	467		94
TOTAL	6,417	10	31	33	1,400	3,797	1,146

* DSM Online went live on 8/17/22. August 2022 figures are from 8/17 – 8/31 only.

* Large Commercial, Government, Prepaid, and Inactive accounts are still tracked and processed manually.

- Paper applications are NOT INCLUDED with these counts.



General Manager's Report

6. DSM Online Report - September 2023

COUNTS PER PROGRAM - COMMERCIAL

MONTHS	ALL			COMMERCIAL											
				Split A/C			Central A/C			VRF A/C			Rooftop A/C		
	Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates
Aug-22	-	-	-												
Sep-22	7	12	1,950	7	12	\$ 1,950									
Oct-22	4	9	1,450	4	9	\$ 1,450									
Nov-22	10	14	1,500	10	14	\$ 1,500									
Dec-22	5	5	950	5	5	\$ 950									
Jan-23	1	1	150	1	1	\$ 150									
Feb-23	7	9	1,400	7	9	\$ 1,400									
Mar-23	16	32	4,450	16	32	\$ 4,450									
Apr-23	3	4	750	3	4	\$ 750									
May-23	4	7	1,600	4	7	\$ 1,600									
Jun-23	5	8	1,700	4	7	\$ 700	1	1	\$ 1,000						
Jul-23	3	3	1,400	2	2	\$ 250							1	1	\$ 1,150
Aug-23	5	5	1,100	5	5	\$ 1,100									
Sep-23	4	4	2,900	3	3	\$ 450				1	1	\$ 2,450			
TOTAL	74	113	21,300	71	110	16,700	1	1	1,000	1	1	2,450	1	1	1,150

* DSM Online went live on 8/17/22. August 2022 figures are from 8/17 – 8/31 only.

* Large Commercial, Government, Prepaid, and Inactive accounts are still tracked and processed manually.

* Paper applications are NOT INCLUDED with these counts.



General Manager's Report

6. DSM Online Report - September 2023

COUNTS PER PROGRAM - RESIDENTIAL

MONTHS	ALL			RESIDENTIAL											
	Applications	Equipment	Rebates	Split A/C			Central A/C			Window A/C			Washer/Dryer		
				Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates
Aug-22	217	315	61,375	192	287	\$ 57,375				15	16	\$ 1,600	10	12	\$ 2,400
Sep-22	472	654	132,350	404	575	\$ 119,950				29	34	\$ 3,400	39	45	\$ 9,000
Oct-22	470	681	137,450	413	615	\$ 126,150				19	19	\$ 1,900	38	47	\$ 9,400
Nov-22	504	684	137,050	432	600	\$ 121,950				16	17	\$ 1,700	56	67	\$ 13,400
Dec-22	475	642	129,375	406	561	\$ 115,475	1	1	\$ 500	22	26	\$ 2,600	46	54	\$ 10,800
Jan-23	397	533	106,425	351	482	\$ 97,525				10	13	\$ 1,300	36	38	\$ 7,600
Feb-23	378	559	109,975	330	498	\$ 99,475	1	1	\$ 500	12	20	\$ 2,000	35	40	\$ 8,000
Mar-23	471	696	137,650	406	608	\$ 123,350				25	33	\$ 3,300	40	55	\$ 11,000
Apr-23	376	522	104,975	329	467	\$ 95,075	1	1	\$ 500	11	14	\$ 1,400	35	40	\$ 8,000
May-23	394	572	119,275	356	530	\$ 111,775				8	9	\$ 900	30	33	\$ 6,600
Jun-23	399	538	111,225	337	469	\$ 99,525				19	21	\$ 2,100	43	48	\$ 9,600
Jul-23	622	821	168,325	543	727	\$ 152,525				27	30	\$ 3,000	52	64	\$ 12,800
Aug-23	607	830	174,425	551	769	\$ 164,525				20	23	\$ 2,300	36	38	\$ 7,600
Sep-23	561	812	162,675	518	755	\$ 154,175				20	29	\$ 2,900	23	28	\$ 5,600
TOTAL	6,343	8,859	1,792,550	5,568	7,943	\$ 1,638,850	3	3	\$ 1,500	253	304	\$ 30,400	519	609	\$ 121,800

* DSM Online went live on 8/17/22. August 2022 figures are from 8/17 – 8/31 only.

* Large Commercial, Government, Prepaid, and Inactive accounts are still tracked and processed manually.

* Paper applications are NOT INCLUDED with these counts.



General Manager's Report

7. New Power Plant Update: GPA Activities

Completed:

- ECA Amendment: Signed on March 17, 2021.
- Resolution on Section 106 process between Navy/SHPO/GPA (cultural process)
- Archaeological Inventory Survey of Ukudu Site
- Cultural Survey for boring scope fuel/water/power project areas (outside of plant)
- Baseline noise study for Piti 41 MW diesel generator plant site.
- Water Supply and Discharge Agreement signed.
- Approval of research design for boring of proposed site in Piti for diesel generator relocation
- Approval of Archaeological Monitoring & Discovery Plan for pipeline construction
- Public Law 36-91 was signed on 4/11/22 for exemption of construction of Reserve Facility in Piti.
- GHPO Concurrence of Section 106 of the bull cart trails
- Land Lease Agreement was signed by Governor, Lt. Governor and Attorney General on July 6, 2022
- Geotechnical boring test report at the Piti site completed.
- GPA approves remaining Phase 5 & 6 construction permits.
- GPA obtains MEC specialist for construction support at Nimitz allowing excavation to resume on Nov. 1, 2022
- GPA obtains easement to avoid Chaot river area near Route 4 in Sinajana for pipeline construction.
- GPA provides notice to Navy of work starting on the bullcart trails along the pipeline route after Navy NEPA process.
- GPA obtains signage requirements for bullcart trails from Navy.
- CCU officially approves cancellation of Reserve Facility.
- Governor visits plant site on Feb. 2, 2023
- GPA obtains GEPA approval for Land Use Control Work Plan.
- GPA met with Mayor Paco and Mayor Sarvares to coordinate bullcart excavation in Harmon and Mongmong-Toto-Maite.
- PUC officially approves cancellation of Reserve Facility.
- GPA reviewed GUP's proposed pipeline construction plan for the Nimitz Hill Steep Section and provided comments to contractor.
- GPA received overview of commissioning plan from GUP commissioning team on Apr. 12, 2023.
- GPA obtains CCU approval for LNG Phase I pending PUC approval
- GPA met with GUP/DUP on Jun 7th, 2023 to discuss the impact of Typhoon Mawar and the actions required to mitigate the damage.
- GPA restored power to Ukudu Power Plant on Jun. 8, 2023.
- GPA submitted response to GUP's Request for Compensation and Scheduling Accommodation on Jul. 31, 2023
- GPA received GUP's updated project schedule with the 14.5 month delay on Sep. 13, 2023.

General Manager's Report

7. New Power Plant Update: GPA Activities (continued)

Ongoing / Pending:

- Archaeological & Cultural Requirements:
 - ✓ Archaeological monitoring for pipeline construction work (Chaot & Nimitz areas).
 - ✓ **Archaeological monitoring is nearly completed for all required areas.**
- Water & Wastewater Requirements:
 - ✓ Change of Law issues due to update GWA NPDES permit affecting discharge of wastewater from cooling system.
Follow-up with GWA on the NPDES permit modification.
- Construction Permit & Drawing Reviews:
 - ✓ Interconnection and pipeline design documents are being reviewed for approval.
- Reserve Facility:
 - ✓ Reviewing draft ECA amendment provided by GUP
- Other:
 - ✓ Monthly project reviews including Project Schedule.
 - ✓ Weekly meetings on contract items and ongoing construction activities and pending issues
 - ✓ Coordination with Navy on excavation activities for pipeline construction
 - ✓ Coordination with GUP/DUP on construction activities within Harmon Substation
 - ✓ GPA preparing response to GUP force majeure claim.
 - ✓ GPA is reviewing GUP's 14.5 month commercial operation date extension request
 - ✓ GPA is reviewing GUP's proposal to accelerate schedule from a 14.5 month delay to 11 month delay
 - ✓ GPA is reviewing GUP's proposal to change fuel pump configuration.
 - ✓ **GPA is assisting DUP with work within Harmon Substation**
 - ✓ **GPA work includes installation of line guards, outage coordination, etc.**

General Manager's Report

7. New Power Plant Update: GUP Activities (Contractor)

Typhoon Mawar Restoration:

- DUP structural engineer arrived on island Jun. 7th, 2023 to perform damage assessment.
- Switchgear and HRSG technical advisors arrived on island on Jun. 8th, 2023 to assess extent of the damage.
- GUP is requesting for a 14.5 month extension to the required Commercial Operation Date.
- GUP reviewing treated water tank demolition plan.
- Completed demolition of fire-water tank.
- Completed demolition of both ULSD tanks.
- GUP finalizing decision for MV switchgear repair/replacement
- Demolition is ongoing for both treated water tanks.
- **Foundation bolts for ULSD tanks have been removed. Installing 42 more bolts compared to original 28.**

Completed:

- EPC Contract - Doosan
- Height Variance for Ukudu Site
- Financing Contracts Signed - Equity Bridge Loan in place. Senior loan requires air permit and land lease legislation for funds drawdown.
- Down payment to Siemens to secure Turbine Order (long lead item)
- Survey Maps for land lease recorded at Dept. of Land Management
- Phase I for Ukudu Plant construction permit approved. Foundation work is ongoing.
- GUP issues Notice to Proceed to EPC on May 31, 2022.
- Land Lease Agreement was signed by Governor, Lt. Governor and Attorney General on July 6, 2022
- GEPA approves and issues Ukudu Air Permit on 7/20/22 during construction ground breaking ceremony.
- KEPCO/GUP achieves financial close on September 30, 2022.
- Obtained DPW heavy haul permit on Feb. 3, 2023
- Delivered letter to GPA for review requesting additional compensation for increased costs and delays.
- Completed all heavy haul transports on Apr. 24th, 2023.
- Obtained permit approval for reuse water pipeline installation from DPW and GEPA.
- Concrete work completed for median restoration.
- **Conducted monthly cybersecurity meeting to discuss NERC compliance with GPA Oct. 6, 2023**

Typhoon Bolaven:

- **Site was not affected by the typhoon and equipment was well preserved.**



General Manager's Report

7. New Power Plant Update: GUP Activities (Contractor) continued

Ongoing / Pending: *(continued)*

Construction

- Power Plant - All 6 phases of plant building construction permits were issued by Oct. 2022.
- Pipeline -
 - Construction of above-ground pipeline pedestals is ongoing
 - Excavation and pipeline installation ongoing at Route 4 and Sgt. Roy T. Damian St road crossings
 - **Excavation has started on Route 8 road crossing**

Transmission Line

- Design and material specifications under review.
- Anticipating construction early 2023 pending permit approval.
- Cleared area between Harmon Substation and Ukudu Plant for new transmission lines.
- Pole foundation work is ongoing within Harmon Substation.

Existing Pipeline Cleaning & Demolition

- GPA continues to work with GEPA on a Land Use Control document regarding Route 16 (Airport) to Route 34 abandonment plan.

Reserve Facility

- Provided draft ECA amendment to GPA

Schedule Update

- GUP submitted updated schedule on Sep. 13, 2023 with a Jan, 2026 Commercial Operation Date
- GUP submitted "accelerated" schedule on Sep. 13, 2023 with a Sep, 2025 Commercial Operation Date
 - GPA is reviewing GUP's \$12 million dollar request to accelerate schedule
 - **GPA issued response to GUP's request on Oct. 5th, 2023**

Transportation Logistics

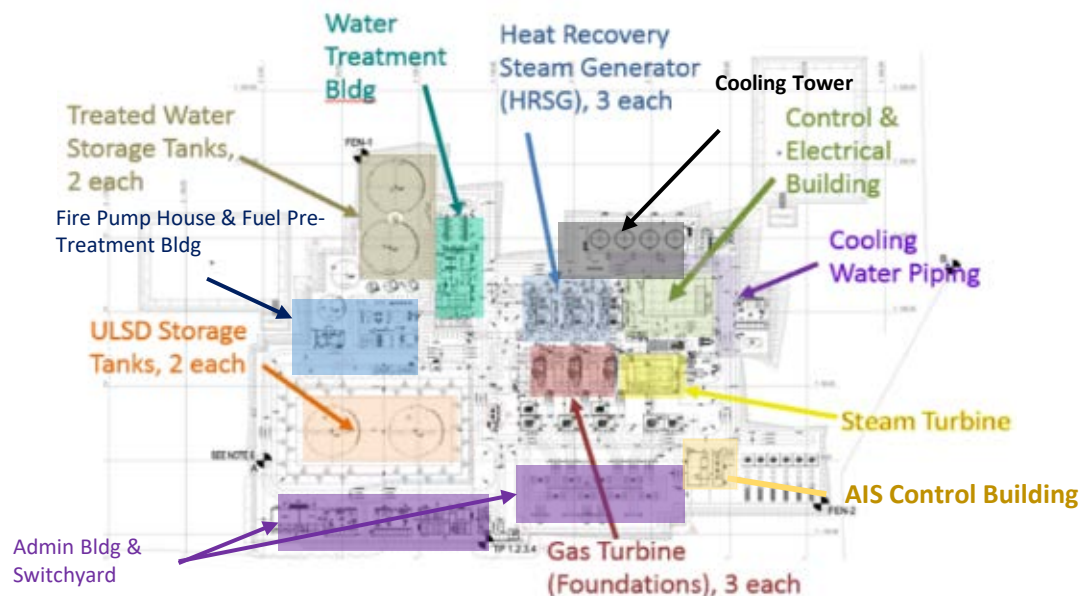
- EPC continues to work with DPW on transport plan from Port to Ukudu site.
- Bridge analysis dictating required transport equipment.
- Temporary bridge delivered as required by DPW as backup for any bridge damage due to limited alternate routes in some areas.
- Transportation will take several hours over several days to move HRSG modules and will affect traffic during movement.
- Weekly meetings being held to discuss plans and requirements.
- 25 heavy cargo movements expected thru April 2023
- Demonstration of the Self-Propelled Modular Transporter (SPMT) was provided to DPW, GUP, DUP and GPA representatives on Oct. 27 at the Port.
- First heavy cargo shipment arrived on Guam on Nov. 2 which contains the 12 HRSG modules. It is being stored at the Port.
- Doosan team has hired media group to provide public outreach.
- Heavy haul transportation ongoing. First transport began Feb 4th.
- Painting of newly constructed medians is ongoing.



General Manager's Report

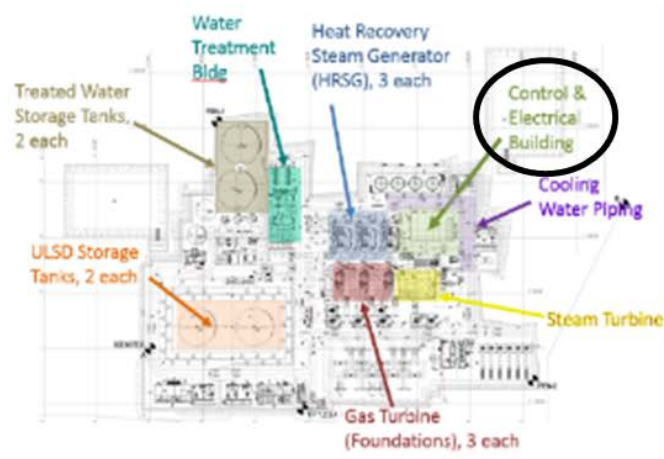
Ukudu Power Plant Construction Status

Plant construction progresses. Both ULSD tanks are demolished, while the demolition of the treated water tanks are ongoing. Major achievements include: Installation of all circuit breakers in AIS area, installation of water treatment equipment, and installation of Steam Turbine building structural steel.



General Manager's Report

Ukudu Power Plant Construction Status



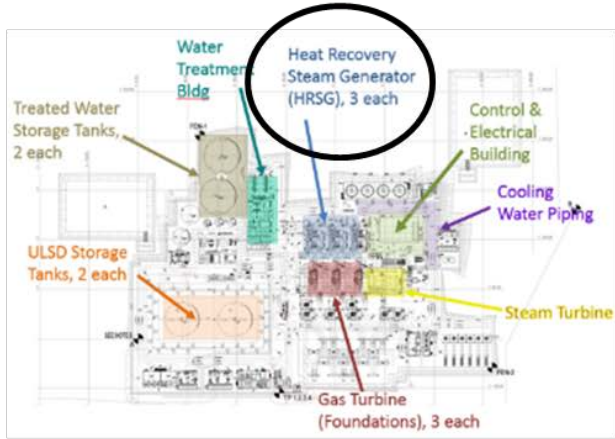
Control & Electrical Building – Roof sealant pouring is ongoing



General Manager's Report

Ukudu Power Plant Construction Status

Heat Recovery Steam Generator (HRSG)



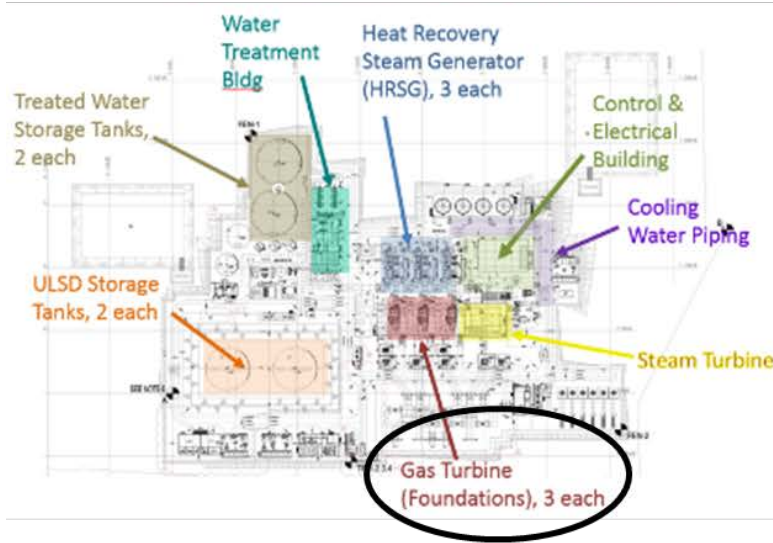
HRSG: HRGS insulation repair and replacement is ongoing



General Manager's Report

Ukudu Power Plant Construction Status

Gas Turbines & Generators



GTG Building – Exterior siding installation is ongoing

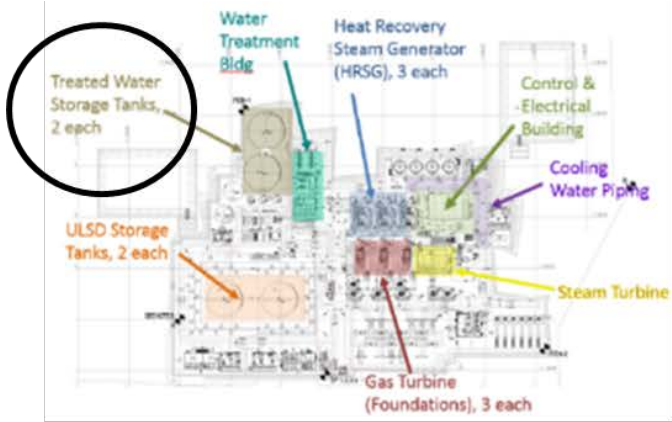


GTG 1-3: Installation of GTG 1-3 ongoing.



General Manager's Report

Ukudu Power Plant Construction Status



Treated Water Storage Tank 2 – Demolition is ongoing

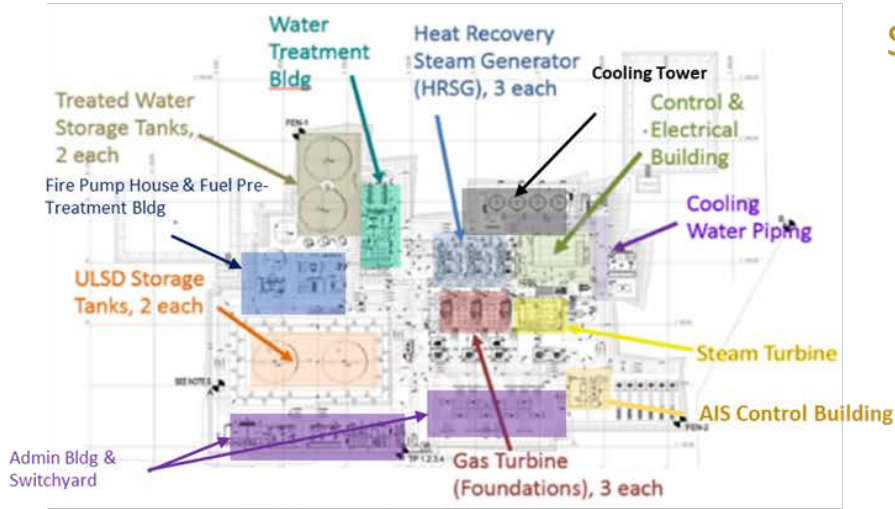


Treated Water Storage Tank 1 – Demolition is underway



General Manager's Report

Ukudu Power Plant Construction Status



BESS – Excavation for battery is ongoing

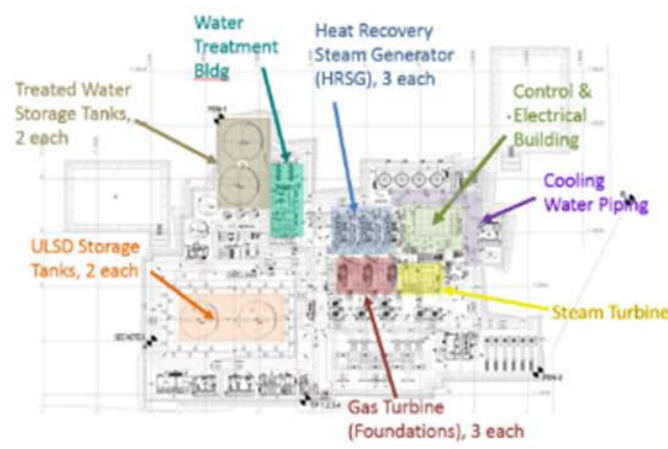


Steam Turbine & Generator – Building structural steel is nearly completed



General Manager's Report

Ukudu Power Plant Construction Status

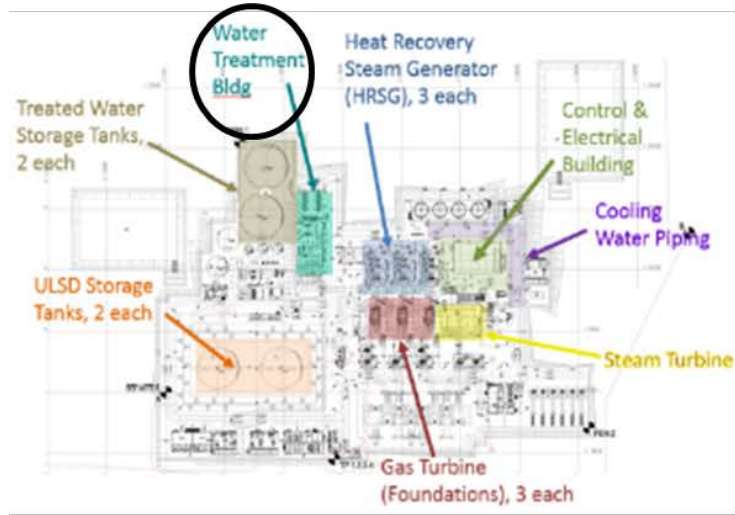


ULSD Storage Tank A & B – Demolition of both storage tanks is completed. Removing anchor bolts for replacement.



General Manager's Report

Ukudu Power Plant Construction Status

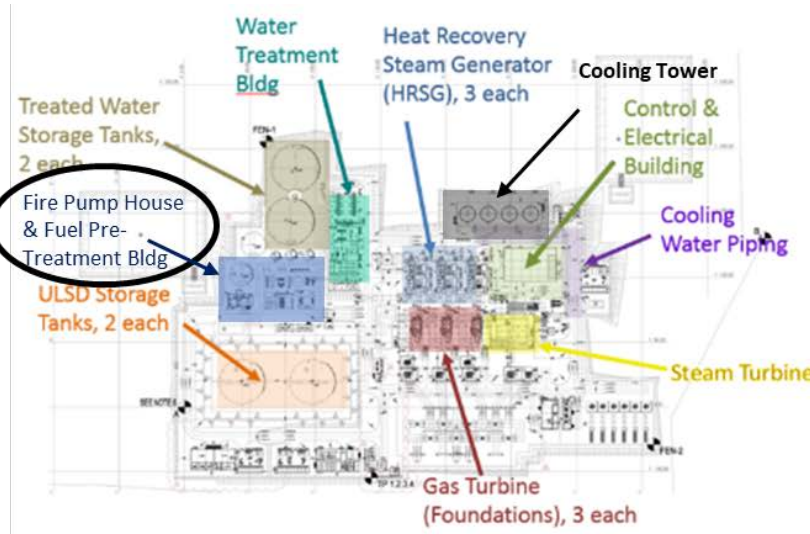


Water Treatment Building – Installation of EDI and water treatment equipment is ongoing.



General Manager's Report

Ukudu Power Plant Construction Status



Fire Loop – Main trench pipe installation is in progress near ULSD Tank

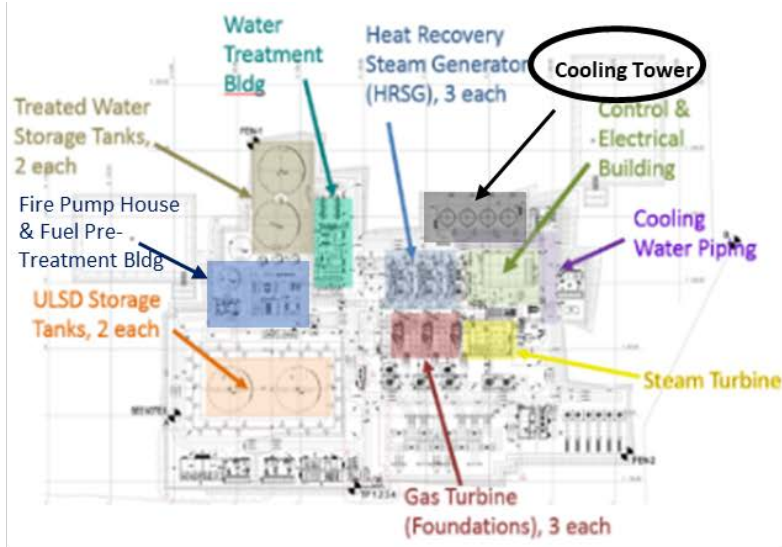


Fire Pump House – Concrete pouring in progress



General Manager's Report

Ukudu Power Plant Construction Status

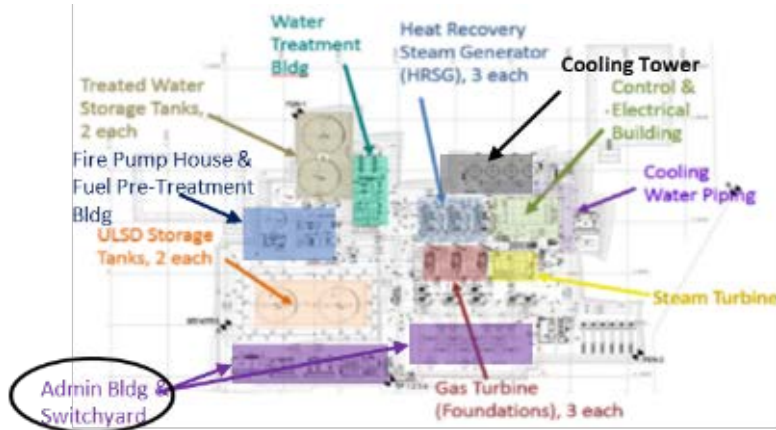


Cooling Tower & Basin – Cooling tower frame installation is nearly complete



General Manager's Report

Ukudu Power Plant Construction Status



Switchyard – Circuit breakers set in place



Admin Building – Rebar bent slightly.



General Manager's Report

Ukudu Power Plant Construction Status

Major achievements include shipping of Gas Turbine BOP equipment and STG piping supports and Hangers. Other progress is shown below:



Fuel Oil Treatment System – ULSD Treatment skid manufacturing in progress



Fuel Oil Treatment System – ULSD Treatment skid manufacturing in progress



Fuel Oil Treatment System – Switch gear production in progress



Fuel Oil Treatment System – Switch gear production in progress



General Manager's Report

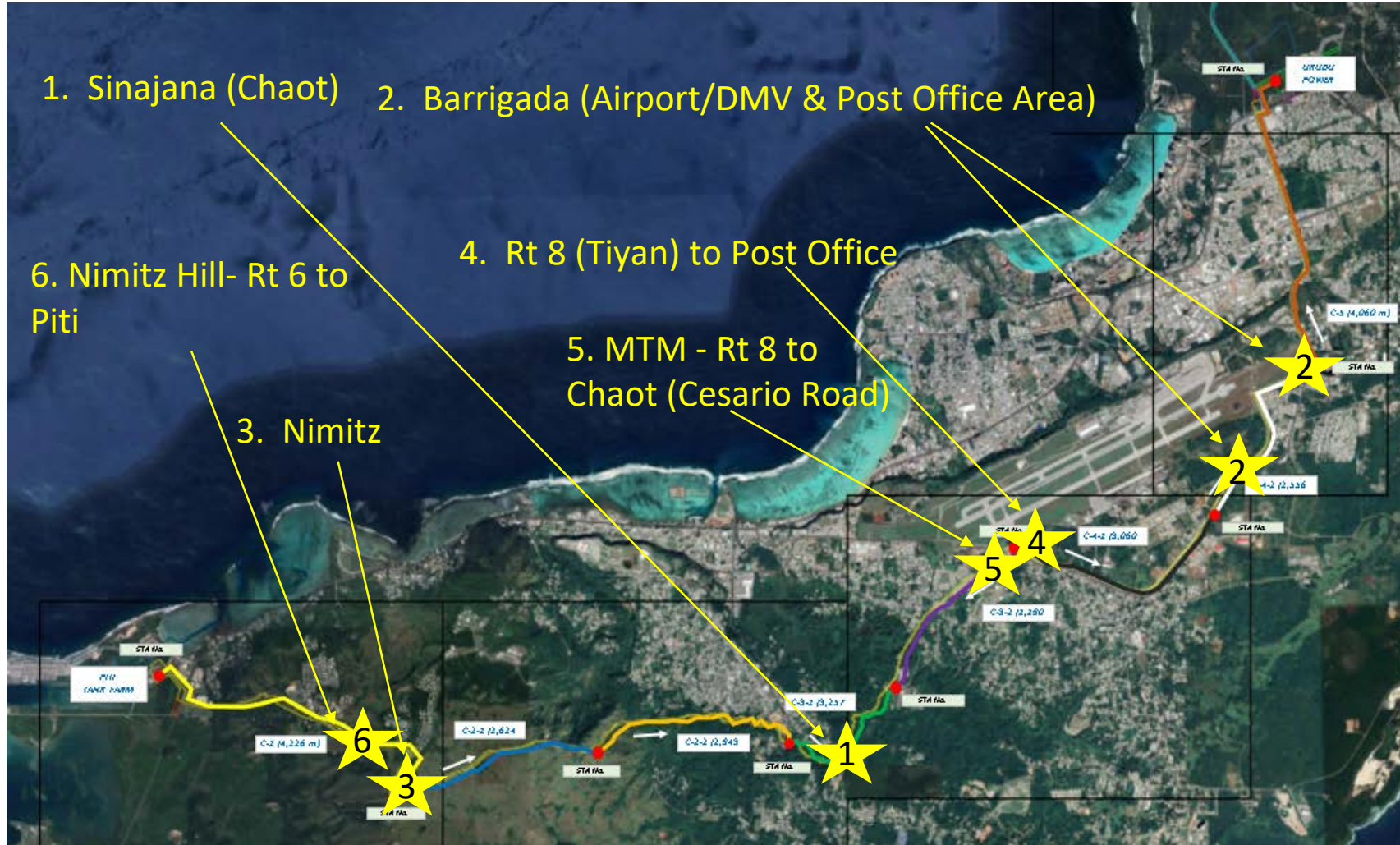
Ukudu Power Plant Construction Status (Transportation)

Transportation of all heavy equipment has been completed. Concrete pouring for median restoration is completed. DUP is currently painting the newly formed medians.



General Manager's Report

Fuel Pipeline Construction Status



General Manager's Report

Fuel Pipeline Construction Status

1. Sinajana/Chaot area

GPA reviewing pipeline drawings east of Chaot bridge. Installation on hold until design issues are addressed.



2. Barrigada

Backfilling completed. Will begin road crossing near post office after Route 4 and Sgt. Roy T. Damian work is completed.



General Manager's Report

Fuel Pipeline Construction Status

3. Nimitz Hill

Above ground pedestal installation and fiber optic trench excavation is in progress.



4. Rt 8 (Tiyan) to Post Office

Route 8 road crossing is in progress.



General Manager's Report

Fuel Pipeline Construction Status

5. MTM - Rt 8 to Chaot (Cesario St.)

Pipeline and fiber optic installation is ongoing at Sgt. Roy T. Damian road crossing.



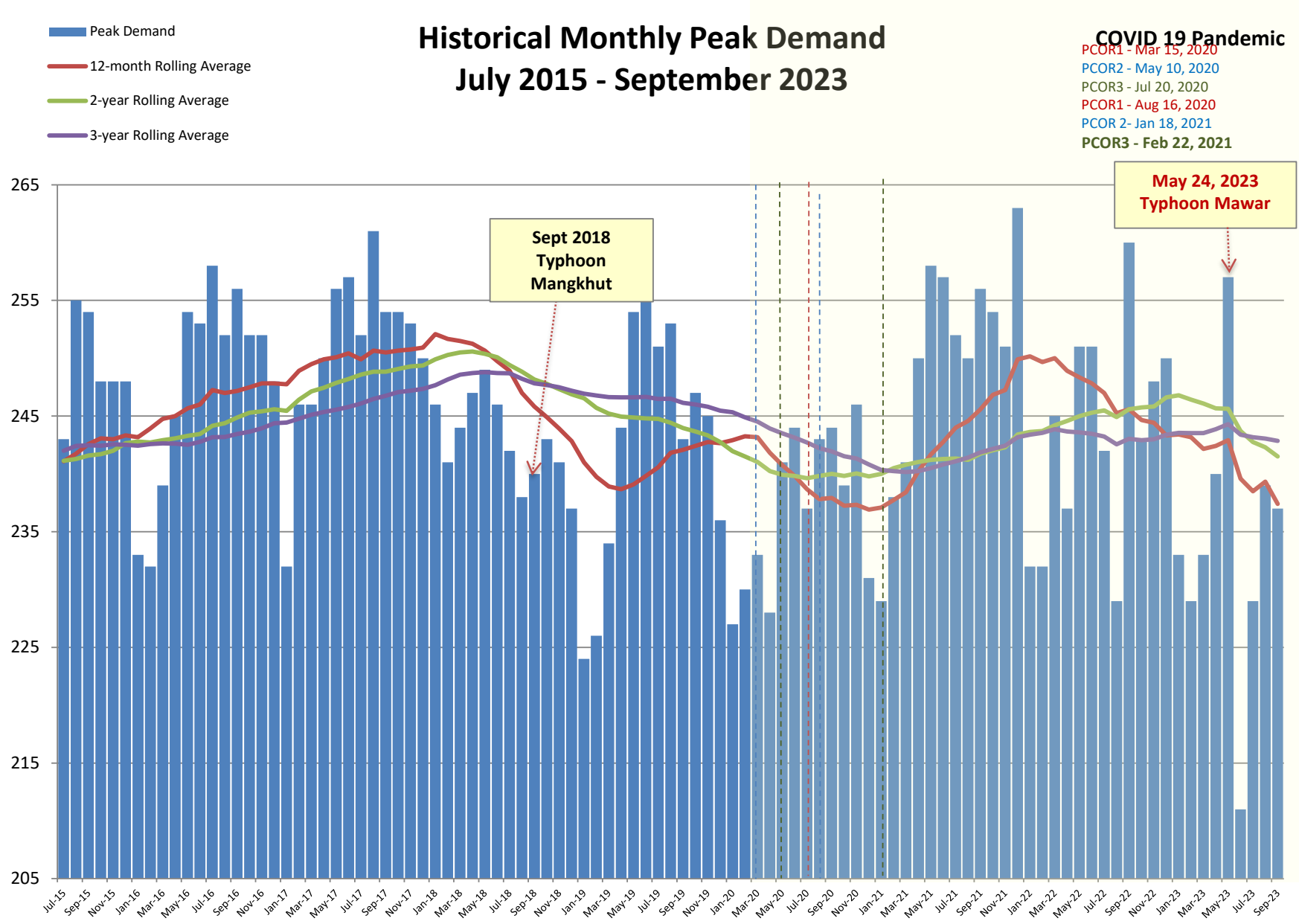
6. Nimitz Hill- Rt 6 to Piti

Flowable fill pouring and bedding sand compaction in progress along Route 6. Backfilling completed at Turner and Larson road.



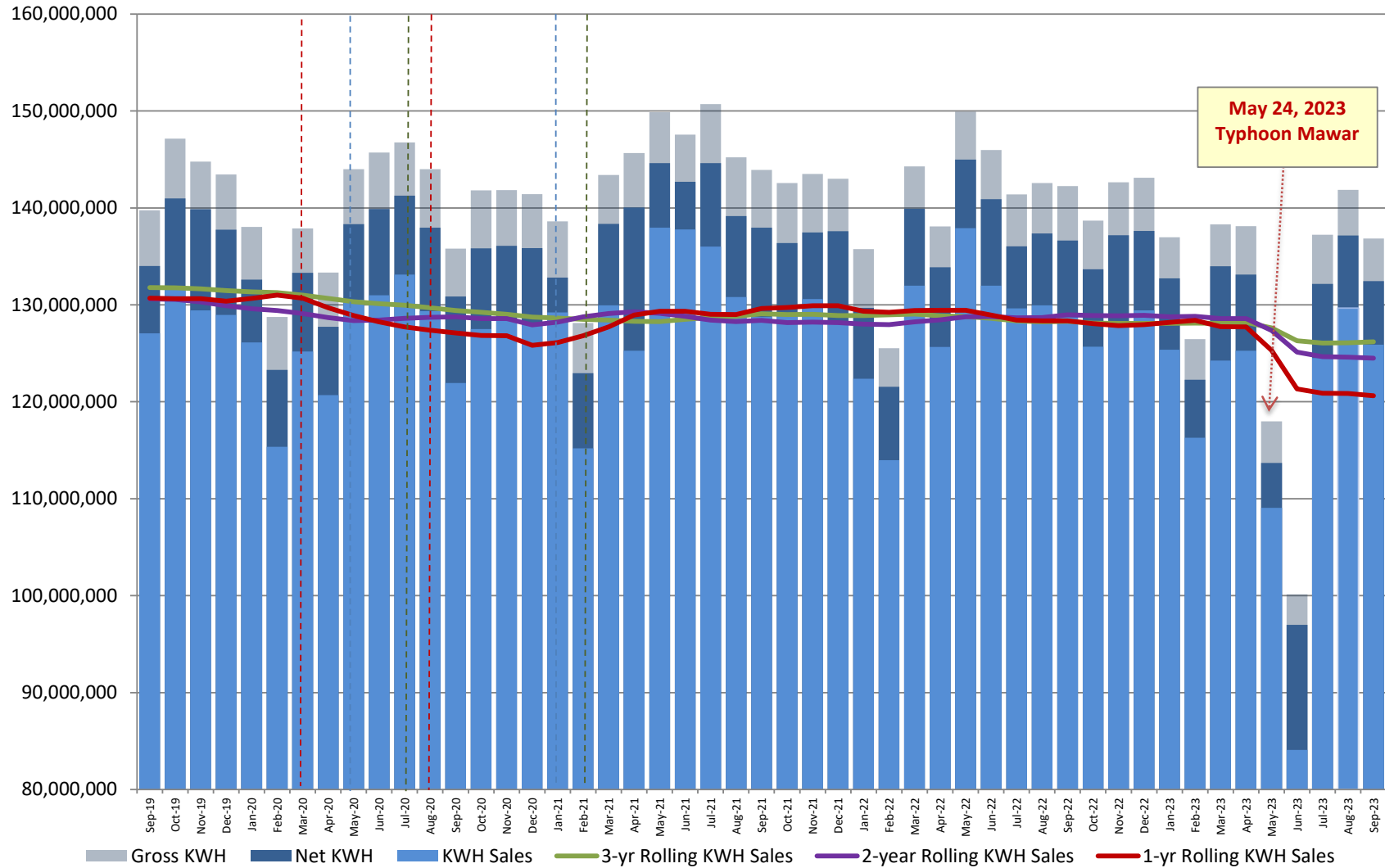
8. Generation KPIs Update September 2023





Historical KWH Sales Sept 2019 - Sept 2023

COVID 19 Pandemic
 PCOR1 - Mar 15, 2020
 PCOR2 - May 10, 2020
 PCOR3 - Jul 20, 2020
 PCOR1 - Aug 16, 2020
 PCOR2 - Jan 18, 2021
 PCOR3 - Feb 22, 2021

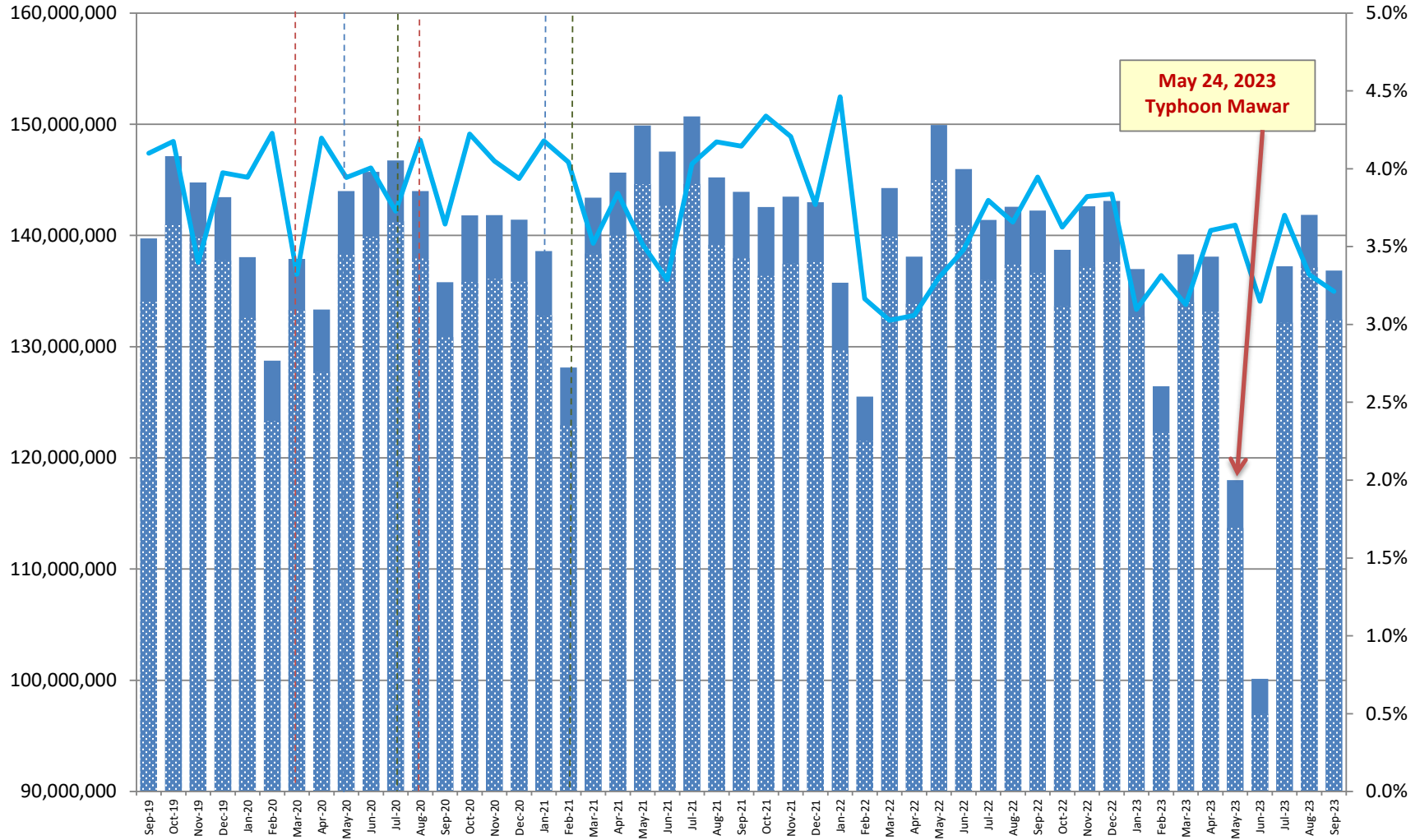


Gross and Net Generation (KWH) Sept 2019 - Sept 2023

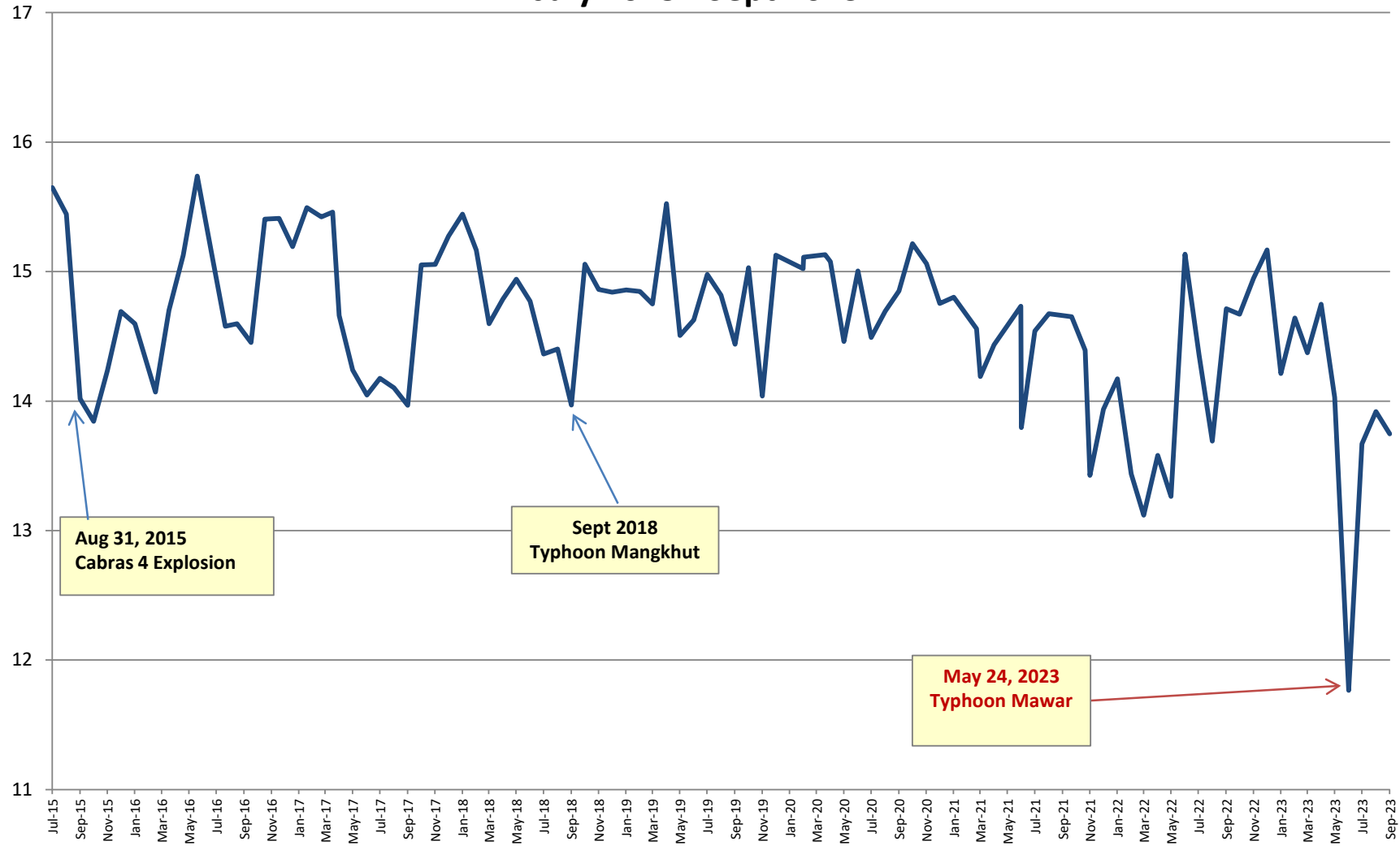
COVID 19 Pandemic

- PCOR1 - Mar 15, 2020
- PCOR2 - May 10, 2020
- PCOR3 - Jul 20, 2020
- PCOR1 - Aug 16, 2020
- PCOR 2 - Jan 18, 2021
- PCOR3 - Feb 22, 2021

■ Gross KWH ■ Net KWH — % Station Use

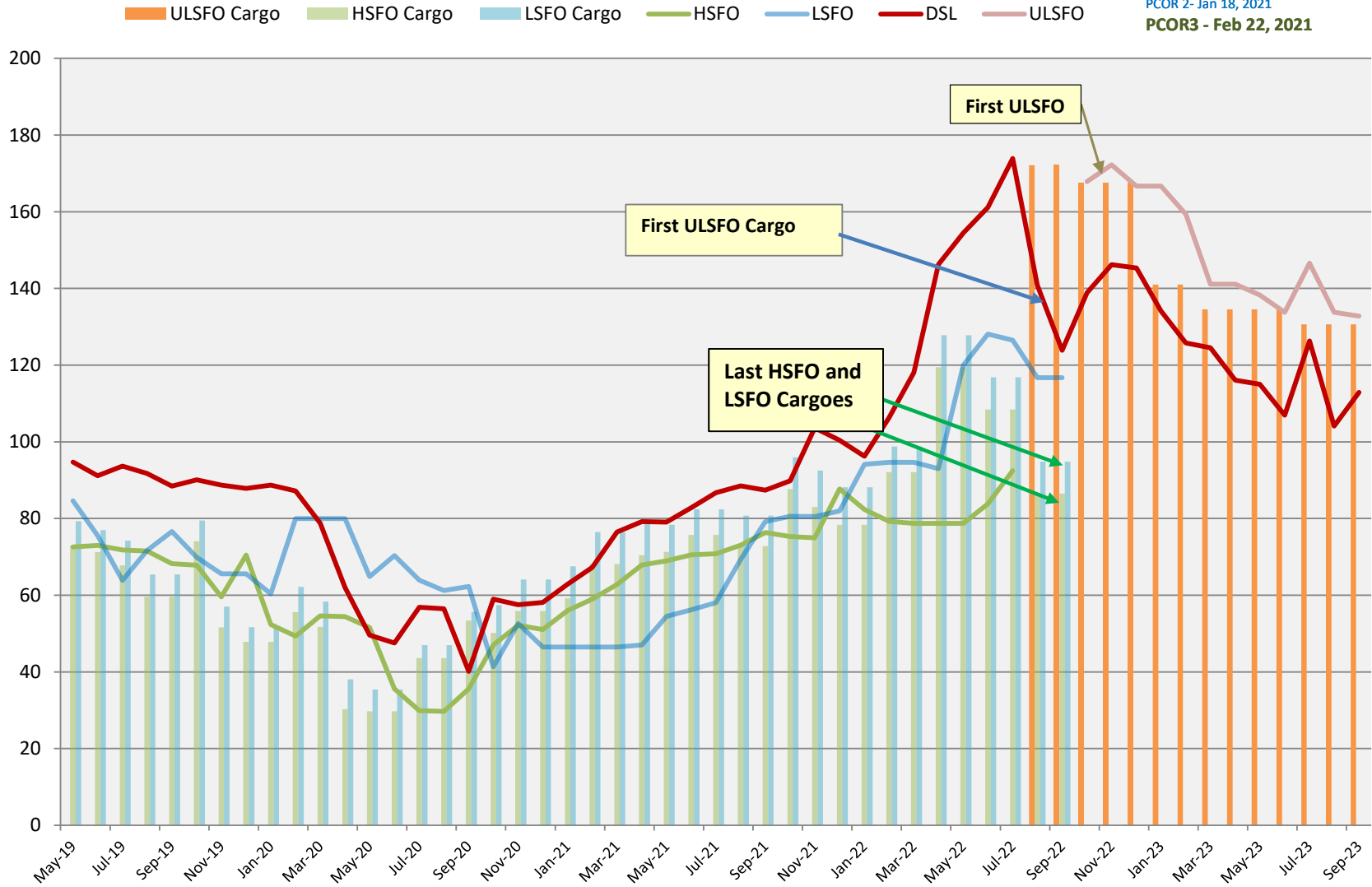


SYSTEM GROSS HEAT RATE (KWH/Gal) July 2015 - Sept 2023



Fuel Cargo and Fuel Consumption Costs (\$/bbl) May 2019 - September 2023

COVID 19 Pandemic
 PCOR1 - Mar 15, 2020
 PCOR2 - May 10, 2020
 PCOR3 - Jul 20, 2020
 PCOR1 - Aug 16, 2020
 PCOR 2- Jan 18, 2021
 PCOR3 - Feb 22, 2021

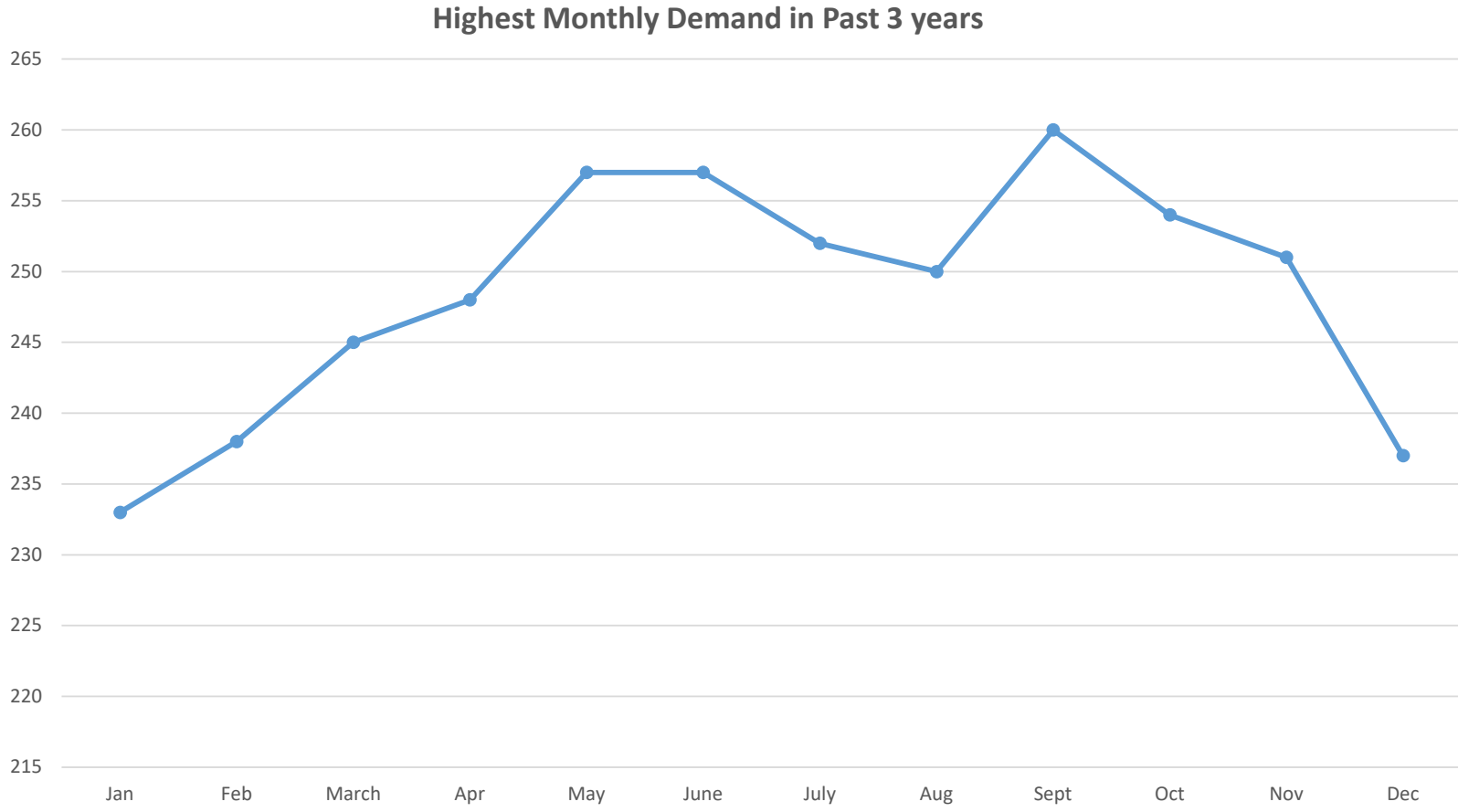


OTHER DISCUSSION

Generation Capacity Update

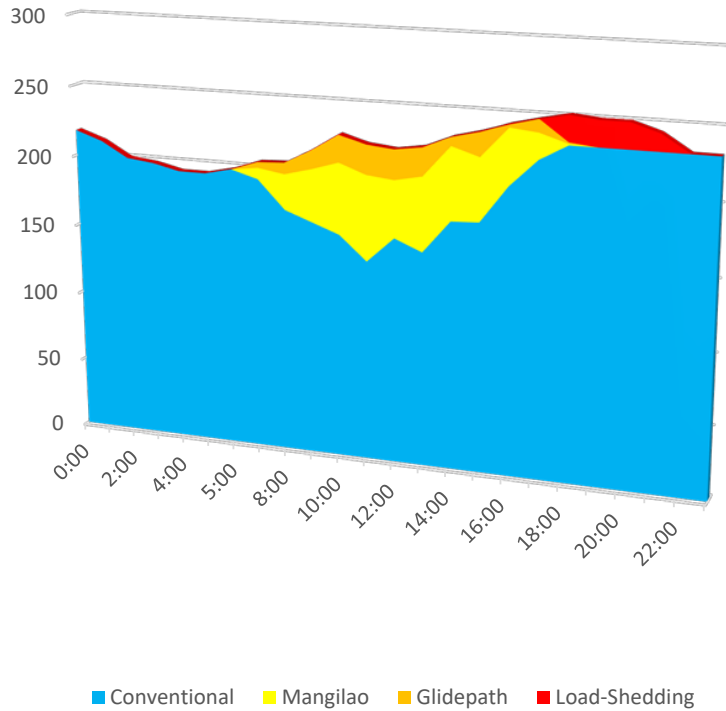


PEAK DEMAND HIGHEST IN SEPTEMBER

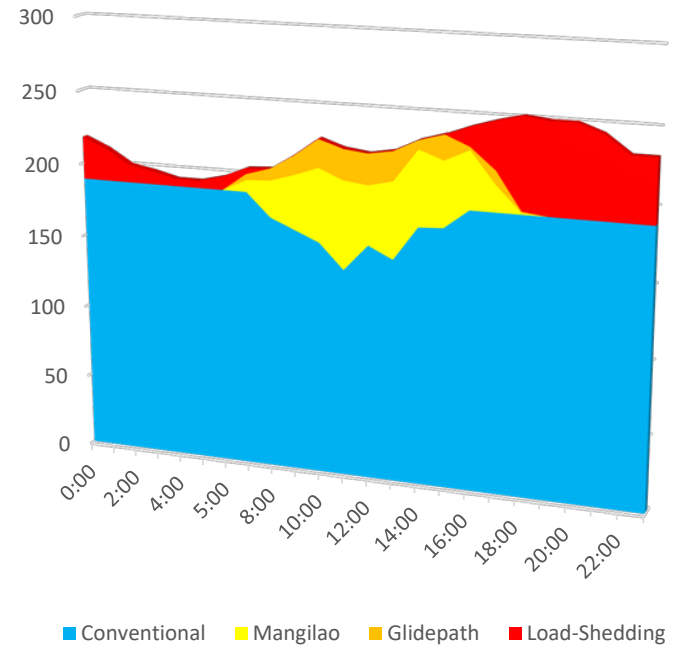


Generation Capacity Shortfall: Down Baseload Scenarios

**One Baseload Down; Load Shedding 18 MW
Capacity 232MW; Demand 250MW**



**Two Baseload Down; Load Shedding 61 MW
Capacity 189 MW; Demand 250MW**



Generation Capacity Shortfall: Demand

	Actual	Oct 20, 2023 Schedule
<i>Capacity Dates:</i>	18-Oct-23	One Baseload Under Maintenance
Cabras 1	41	41
Cabras 2	31	31
Piti 8	43	43
Piti 9	43	0
Piti 7	22	22
Dededo 1	18	18
Dededo 2	18	18
Macheche	16	16
Yigo CT	Down Hard	Down Hard
Yigo Diesels	9	9
Caterpillar Units	6	6
Manenggon #1	3	3
Manenggon #2	0	0
Total:	250	207
Interruptible Load	16	16
Total:	266	223
Anticipated Peak Demand	250	235
Reserve (Shortfall)	16	-8



EMERGENCY GENERATION CAPACITY WORK IN PROGRESS UPDATE

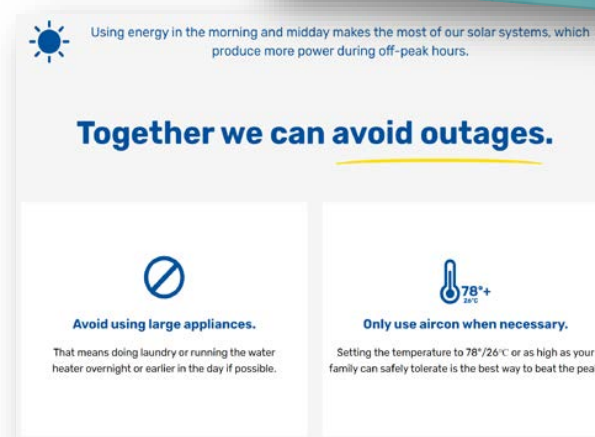
24-Oct-23			
Action Plan: (In-House Units):	Status	Comments	MW Capacity Increase Target
Return to Service Cabras 1	Done: Operating @ 41 MW	Capacity to be increase in December 2023	9
Return to Service Cabras 2	Done: Operating @ 31 MW	Repair work to increase capacity and reliability by February 2024	14
Piti 8 Preventive Maintenance (PM)	Done; Full Capacity of 43 MW	Catch up on delayed maintenance	
Piti 9 Preventive Maintenance (PM)	Scheduled for Oct 27, 2023; @ 43 MW Cap.	Catch up on delayed maintenance	
Piti 7 Maintenance	Repair & PM to be schedule for Nov. 2023	Increase current capacity of 22 MW to 31 MW	9
Yigo 20 MW CT Return to Service	Combustion Turbine and Generator repair	Rotor in Texas for complete rewinding; earliest completion update February 2024	20
Yigo Diesel PMC bid	Administrative work in Progress	Attempt to lift procurement stay continues; most likely requires legislation	25
Wartsila Control Upgrade	Administrative work in Progress	Control system repair or replacement	6
Caterpillar Units Repair	Administrative work in Progress	Various Repairs including turbocharges and modification of plant air system	20
MW Capacity Increase Targeted			103
Action Plan: (Outside Contracts):			
Interruptible Load Program	Administrative work in Progress	Program participants and Navy assistance totals about 16 MW	
Temporary Power Solicitation	Specifications nearly complete	Petion to be filed with PUC this Month Oct. 2023	40
Talofofo Energy Storage System (ESS)	Administrative work in Progress	Allow shifting of 16 MWH from daytime to Peak Time @ 4MW for 4 Hours	4
KMS ESS	Administrative work in Progress	Allow shifting of 24 MWH from daytime to Peak Time @ 6MW for 4 Hours	6
MW Capacity Increase Targeted			50
Total Capacity Under Pursuit			153

GPA has noted effort to end load shedding may take 6 to 9 months incremental improvements through the period.



Plan of Action for Capacity Recovery

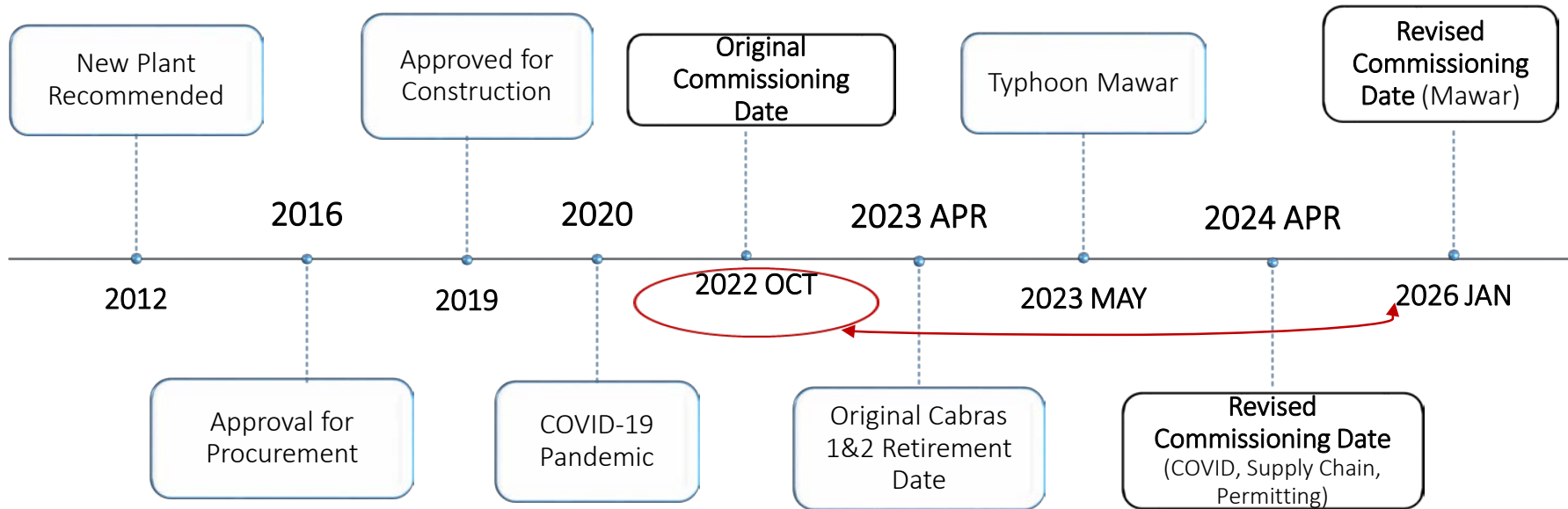
- Media campaign “BEAT THE PEAK” has been launched asking customers to help reduce load shedding while lowering their energy bill:
 - Shut off water heaters during peak times; lower their water heater temperature setting
 - Shut one or more air conditioners off during emergency load shedding periods
 - Government employees, schools and businesses to place their air conditioning thermostats at 75 degrees or higher after work; shut down air conditioners if possible
- Issue a Load Shedding Schedule for a month (Issued in October):
 - Explain when one or several 1-hour outages could occur
 - Issue capacity alert scenario as early as possible which triggers extend of outage



LONG-TERM GENERATION CAPACITY IN PROGRESS

NEW 198 MW UKUDU COMBINED CYCLE POWER PLANT

- This plant, which is under construction and scheduled for commissioning in 2024, has now been delayed to January 2026 due to damages sustained from Typhoon Mawar. This delay presents additional challenges for GPA to meet the demand over the next two years.
- The new plant will provide improved generation reliability and substantially reduce fuel operating costs once commissioned.
- The plant is a critical part of the USEPA-GPA Consent Decree which also requires the retirement of Cabras units 1&2 within 5 months of the Ukudu plant's commissioning.



LONG-TERM GENERATION SUPPLY

PHASE IV RENEWABLES BID

- Bids from proponents are due on November 6, 2023.
- This bid requests 180MW+ of renewable energy with energy shifting systems which would shift at least 50% energy production from daytime supply to nighttime supply to meet peak and reduce conventional unit production.
- Commissioning may take about 3 years from CCU & PUC approvals.
- The energy storage systems will help increase GPA generation capacity substantially.

HANWHA 60 MW SOLAR PV PLANT

- GPA had noted completion of this contract which was awarded in 2018 was tenuous due to huge escalation in transmission cost and have been working with contractor to agree on an acceptable solution in order to meet USEPA consent decree requirements.
- Resolution to amend this contract is before the CCU for consideration and subject to PUC approval.

VIRTUAL POWER PLANT BID

- Engineering technical analysis and work on bid specifications are ongoing. Team is analyzing best way to integrate smaller-sized renewable capacity into the grid.
- This bid is considering 20 MW capacity as the initial pilot bid.



CCU Regular Board Meeting, October 31, 2023 - GPA

GUAM POWER AUTHORITY
GOVERNMENT ACCOUNTS RECEIVABLE
 Billing up to SEPTEMBER 30, 2023 and payments as of 10/16/2023

	Current (09/30/2023 Billing due 10/31/2023)
	31 days Arrears 08/31/2023 due 09/30/2023)
	61 days and over Arrears (07/31/23 billing due 08/31/2023)

CC&B New Acct Number	DEPARTMENT	BALANCE 08/31/2023	CANCEL/REBILL/ OTHER CHARGES 10/16/2023	BILLING 09/30/2023	PAYMENT UP TO 10/16/2023	BALANCE 09/30/2023	CC&B BALANCE 10/16/2023
Line Agencies							
3404311949	Guam Environmental Protect	8,773.05	-	8,606.89	-	17,379.94	17,379.94
4554808900	Nieves Flores Library	13,130.38	-	11,909.42	-	25,039.80	25,039.80
6069461950	Dept of Youth Affairs (Federal)	844.89	-	677.83	(844.89)	677.83	677.83
6239410000	Office of the Governor	44,093.59	-	27,708.86	(44,093.59)	69,070.13	27,708.86
6841080463	Guam Behavioral Health & Wellness	10,684.65	-	5,195.26	(10,684.65)	10,518.29	5,195.26
7928924534	Guam Visitors Bureau	6,433.94	-	9,003.37	(6,306.26)	9,131.05	9,131.05
3227759982	Mental Health/Subst.	122,865.04	-	62,228.51	-	185,093.55	185,093.55
7813165805	Pacific Energy Resource Center	1,634.76	-	708.18	-	2,342.94	2,342.94
2913461537	Dept. of Youth Affairs* (Local)	16,794.31	-	16,684.32	(16,794.31)	16,684.32	16,684.32
1073430238	Dept. of Corrections	253,126.29	-	84,112.22	(173,581.10)	163,657.41	163,657.41
3558733700	Dept of Chamorro Affairs/Chamorro Village (NET METER)	3,186.77	-	547.23	(3,186.77)	547.23	547.23
1099514147	Dept of Chamorro Affairs/Repository	1,478.61	-	642.73	(1,478.61)	642.73	642.73
9541109130	General Services Agency	1,866.18	-	281.29	(1,235.67)	911.80	911.80
7663706771	Yona Senior Citizen Center	2,003.18	-	999.63	-	3,002.81	3,002.81
8564647941	DOA Supply Mgmt (NET METERED)	10,376.09	-	1,636.20	(8,689.67)	3,322.62	3,322.62
0070861777	Veteran Affairs	2,990.70	-	2,806.25	(2,990.70)	5,796.95	2,806.25
5247210000	Mayors Council	17,610.24	-	3,638.83	-	21,249.07	21,249.07
4129948191	Dept of Chamorro Affairs/Chamorro Village	10,038.47	-	3,282.41	(10,038.47)	3,282.41	3,282.41
4211873236	Dept. of Administration	39,780.09	-	13,748.32	(10,982.09)	42,546.32	42,546.32
1621790133	DOA-Data Processing	30,501.00	-	15,215.72	(30,501.00)	15,215.72	15,215.72
1595188609	Dept. of Agriculture	38,220.64	-	16,339.38	(5,086.39)	49,473.63	49,473.63
9300435373	Civil Defense (Military Affairs)	76,955.41	-	76,955.41	-	90,252.04	90,252.04
0453170939	Guam Fire Department	48,606.74	-	19,515.77	(48,606.74)	39,529.95	19,515.77
855858369	Dept of Chamorro Affairs (Guam Museum)	55,958.74	-	26,108.69	(55,958.74)	26,108.69	26,108.69
1896187753	Dept. of PH&SS	163,440.78	-	41,895.91	(158,831.91)	133,676.57	46,504.78
0040515913	Dept. of Parks & Rec.	19,795.19	-	19,246.27	(19,795.19)	19,246.27	19,246.27
2535590089	DPW-FAC Adm Account	41,834.95	-	13,773.02	-	55,607.97	55,607.97
6504086567	DPW-FAC Adm Account (NET METERED)	44,769.32	-	14,489.17	(1,555.01)	59,258.49	57,703.48
7252821074	Dept. of Education	2,212,522.42	-	1,190,012.25	(2,212,420.95)	2,386,698.71	1,190,113.72
0266069082	Guam Police Department	128,545.61	-	45,199.70	(127,112.93)	138,488.13	46,632.38
	Sub-total	3,428,862.03		1,669,510.46	(2,950,775.64)	3,594,453.57	2,147,596.85
Mayors							
6393530237	Hagatna Mayor	791.74	-	745.48	-	1,537.22	1,537.22
4469579998	Merizo Mayor	1,926.60	-	1,720.58	-	3,647.18	3,647.18
1880297633	Talfofo Mayor	1,104.67	-	1,083.18	-	2,187.85	2,187.85
0492244686	Asan/Maina/Adelup Mayor	2,146.36	-	2,066.41	-	4,212.77	4,212.77
3293808984	Piti Mayor	943.26	-	929.14	-	1,872.40	1,872.40
7202265287	Umatac Mayor	1,325.42	-	824.24	-	2,149.66	2,149.66
1837525565	Yona Mayor	6,362.44	-	3,188.93	-	9,551.37	9,551.37
5763167341	Barrigada Mayors Office	3,159.26	(15,713.30)	2,937.81	-	(9,616.23)	(9,616.23)
8715052935	Mongmong/Toto/Maite Mayor	1,579.07	-	1,367.55	-	2,946.62	2,946.62
7037924246	Yigo Mayor	3,616.64	-	3,539.43	-	7,156.07	7,156.07
9433959204	Sinjajana Mayor	14,041.56	-	5,804.93	-	19,846.49	19,846.49
8472200165	Agana Hts. Mayor	3,476.50	-	2,932.38	-	6,408.88	6,408.88
3832327736	Santa Rita Mayor	5,100.18	-	4,939.87	-	10,040.05	10,040.05
3631627996	Mangilao Mayor	2,533.03	-	2,677.73	-	5,210.76	5,210.76
8041715847	Dededo Mayor	7,523.21	-	6,795.59	-	14,318.80	14,318.80
6957205325	Tamuning Mayor	11,456.78	-	5,209.29	-	16,666.07	16,666.07
6078244037	Inarajan Mayor	30,195.96	(6,747.55)	3,607.14	(8,817.58)	24,985.52	18,237.97
7247791682	Agat Mayor	4,120.45	(699.35)	3,877.38	-	7,298.48	7,298.48
9351070242	Orido/Chalan Pago Mayor	2,495.44	-	1,687.61	-	4,183.05	4,183.05
	Sub-total	103,898.57	(23,160.20)	55,934.67	(8,817.58)	147,157.05	127,855.46
DPW Accounts							
0832698062	DPW-Signal Lights	27,648.82	-	10,033.07	(16,907.39)	30,236.70	20,774.50
0630598866	DPW- Primary St. Lights	609,516.42	-	77,005.68	-	686,522.10	686,522.10
3064543600	DPW-Village St. Lights	1,432,521.39	17,132.07	342,106.29	(706,873.93)	1,420,850.48	1,084,885.82
3088040552	DPW-Sea/Coll St. Lights	91,899.52	-	19,878.53	-	111,778.05	111,778.05
	Sub-total	2,161,586.15	17,132.07	449,023.57	(723,781.32)	2,249,377.33	1,903,960.47
Autonomous/Public Corp							
0838495949	Guam Waterworks Authority	1,853,915.84	-	1,722,612.36	(1,853,915.84)	1,722,612.36	1,722,612.36
1540692986	Retirement Fund	7,489.02	-	7,261.64	(14,750.66)	7,261.64	-
4075914809	GPA	-	(103,345.15)	103,345.15	-	-	-
5357510000	University of Guam (NET METERED)	92,707.88	-	86,483.41	(92,707.88)	86,483.41	86,483.41
6518220019	Guam Community College	44,731.28	-	41,722.42	(44,731.28)	41,722.42	41,722.42
7736362694	Guam Airport Authority	1,243,213.33	-	514,427.79	(739,027.46)	1,018,613.64	1,018,613.64
8302337726	Guam Memorial Hospital	460,724.75	266.40	37,669.65	-	498,394.40	498,660.80
8426836906	Guam Memorial Hospital (NET METERED)	933,870.10	-	221,970.79	-	1,155,840.89	1,155,840.89
9157510000	Guam Community College (NET METERED)	52,296.24	-	53,656.66	(52,296.24)	53,656.66	53,656.66

AGING

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	>120 Days	Total
3404311949						
4554808900						
6069461950						
6239410000						
6841080463						
7928924534						
3227759982						
7813165805						
2913461537						
1073430238						
3558733700						
1099514147						
9541109130						
7663706771						
8564647941						
0070861777						
5247210000						
4129948191						
4211873236						
1621790133						
1595188609						
9300435373						
0453170939						
855858369						
1896187753						
0040515913						
2535590089						
6504086567						
7252821074						
0266069082						
	1,669,510.46	253,610.08	133,447.56	32,618.01	58,410.74	2,147,596.85
Mayors						
6393530237						
4469579998						
1880297633						
0492244686						
3293808984						
7202265287						
1837525565						
5763167341						
8715052935						
7037924246						
9433959204						
8472200165						
3832327736						
3631627996						
8041715847						
6957205325						
6078244037						
7247791682						
9351070242						
	42,681.28	58,152.60	21,278.62	609.98	5,132.98	127,855.46
DPW Accounts						
0832698062						
0630598866						
3064543600						
3088040552						
	449,023.57	478,304.01	443,177.97	135,518.57	397,936.35	1,903,960.47
Autonomous/Public Corp						
0838495949						
1540692986						
4075914809						
5357510000						
6518220019						
7736362694						
8302337726						
8426836906						
9157510000						
	1,722,612.36	-	-	-	-	1,722,612.36

CCU Regular Board Meeting, October 31, 2023 - GPA

GUAM POWER AUTHORITY
 GOVERNMENT ACCOUNTS RECEIVABLE
 Billing up to SEPTEMBER 30, 2023 and payments as of 10/16/2023

Current (09/30/2023 Billing due 10/31/2023)
 31 days Arrears 08/31/2023 due 09/30/2023)
 61 days and over Arrears (07/31/23 billing due 08/31/2023)

CC&B New Acct Number	DEPARTMENT	BALANCE 08/31/2023	CANCEL/REBILL/ OTHER CHARGES 10/16/2023	BILLING 09/30/2023	PAYMENT UP TO 10/16/2023	BALANCE 09/30/2023	CC&B BALANCE 10/16/2023
0563872892	Guam Housing Corp Rental Division	1,386.69	25.00	1,435.09	(1,386.69)	1,435.09	1,460.09
9173210000	Guam Solid Waste Authority	18,764.60	-	8,847.27	(18,764.60)	27,611.87	8,847.27
5434075703	University of Guam	217,691.91	(50.00)	211,635.96	(217,641.91)	211,635.96	211,635.96
1699407298	C H U R A	34,642.25	25.00	32,846.75	(34,642.25)	32,846.75	32,871.75
4474308144	Port Authority of Guam	239,352.85	-	108,381.56	(239,352.85)	233,232.46	108,381.56
Sub-total		5,200,786.74	(103,078.75)	3,152,296.50	(3,309,217.68)	5,091,347.55	4,940,786.81
Others							
3209463043	Dept. of Military Affairs (NET METERED)	100,863.80	-	43,977.42	(49,475.74)	95,365.48	95,365.48
4530787043	U.S. Post Office	47,771.33	-	52,130.84	(47,771.33)	52,130.84	52,130.84
6000770566	KGTF	9,966.55	-	4,043.85	(9,966.55)	4,043.85	4,043.85
6602566745	Tamuning Post Office	6,619.47	-	6,458.98	(13,078.45)	6,458.98	-
7541928173	Guam Legislature	302.80	-	287.02	(302.80)	287.02	287.02
8108458168	Guam Post Office (Agana)	7,836.75	-	7,199.26	(15,036.01)	7,199.26	-
8353274954	Superior Court of Guam	73,503.64	-	62,122.99	(73,503.64)	62,122.99	62,122.99
8607446612	Dept. of Military Affairs	144,776.30	-	68,956.65	-	213,732.95	213,732.95
8972267005	Customs & Quarantine Agency	5,237.59	-	1,693.14	(4,577.98)	6,930.73	2,352.75
9503154359	Guam Legislature (NET METERED)	12,884.42	-	10,922.37	(12,884.42)	10,922.37	10,922.37
Sub-total		409,762.65	-	257,792.52	(226,596.92)	459,194.47	440,958.25
Grand Total		11,304,896.14	(109,106.88)	5,584,557.72	(7,219,189.14)	11,541,529.97	9,561,157.84

AGING

0-30 Days	31-60 Days	61-90 Days	91-120 Days	>120 Days	Total
1,460.09	-	-	-	-	1,460.09
8,847.27	-	-	-	-	8,847.27
211,635.96	-	-	-	-	211,635.96
32,871.75	-	-	-	-	32,871.75
108,381.56	-	-	-	-	108,381.56
3,041,739.71	772,194.31	259,833.25	261,426.93	605,592.61	4,940,786.81
43,977.42	51,388.06	-	-	-	95,365.48
52,130.84	-	-	-	-	52,130.84
4,043.85	-	-	-	-	4,043.85
-	-	-	-	-	-
287.02	-	-	-	-	287.02
-	-	-	-	-	-
62,122.99	-	-	-	-	62,122.99
68,956.65	73,321.07	71,455.23	-	-	213,732.95
1,693.14	659.61	-	-	-	2,352.75
10,922.37	-	-	-	-	10,922.37
244,134.28	125,368.74	71,455.23	-	-	440,958.25
5,447,089.30	1,687,629.74	929,192.63	430,173.49	1,067,072.68	9,561,157.84



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2024-03:

**RELATIVE TO APPROVAL OF AMENDMENT 2 TO PHASE II
RENEWABLE ENERGY ACQUISITION POWER PURCHASE AGREEMENTS
FOR HANWHA ENERGY CORPORATION**

What is the project's objective? Is it necessary and urgent?

To enable GPA to meet the USEPA consent decree requirement for 100MW of new Renewable Energy Installations.

Where is the location?

The new Hanwha Energy Corporation “HEC Guam A” 41.4 MWAC solar project is located in Dandan, Inalåhan.

How much will it cost?

The blended rate of \$143.85 Per MWh in the first contract year with 1% escalation per year.

When will it be completed?

25-year contract term with December 31, 2025 COD (Solar PV System) and April 30, 2026 COD (BESS System).

What is its funding source?

Funding source is LEAC.

Hanwha Energy Corporation HEC Guam A

Amendment 2							
Contract Year	Annual Price (\$/MWH)	Price Escalation	Guaranteed Net Annual Generation (MWH/YR)	MicroGrid Operations Fixed Annual Fee	Microgrid Cost, \$/MWH (based on Guarantee)*	Blended Rate (\$/MWh)	Projected Total Costs
1	\$ 64.22		75,156	\$ 5,985,000	\$ 79.63	143.85	\$ 10,811,518
2	\$ 64.86	1.0%	74,780	\$ 5,985,000	\$ 80.03	144.90	\$ 10,835,395
3	\$ 65.51	1.0%	74,407	\$ 5,985,000	\$ 80.44	145.95	\$ 10,859,674
4	\$ 66.17	1.0%	74,035	\$ 5,985,000	\$ 80.84	147.01	\$ 10,883,907
5	\$ 66.83	1.0%	73,664	\$ 5,985,000	\$ 81.25	148.08	\$ 10,908,090
6	\$ 67.50	1.0%	73,296	\$ 5,985,000	\$ 81.66	149.15	\$ 10,932,355
7	\$ 68.18	1.0%	72,930	\$ 5,985,000	\$ 82.06	150.24	\$ 10,957,003
8	\$ 68.86	1.0%	72,565	\$ 5,985,000	\$ 82.48	151.33	\$ 10,981,590
9	\$ 69.54	1.0%	72,202	\$ 5,985,000	\$ 82.89	152.44	\$ 11,006,183
10	\$ 70.24	1.0%	71,841	\$ 5,985,000	\$ 83.31	153.55	\$ 11,031,144
11	\$ 70.94	1.0%	71,482	\$ 5,985,000	\$ 83.73	154.67	\$ 11,056,105
12	\$ 71.65	1.0%	71,124	\$ 5,985,000	\$ 84.15	155.80	\$ 11,080,992
13	\$ 72.37	1.0%	70,769	\$ 5,985,000	\$ 84.57	156.94	\$ 11,106,305
14	\$ 73.09	1.0%	70,415	\$ 5,985,000	\$ 85.00	158.08	\$ 11,131,537
15	\$ 73.82	1.0%	70,063	\$ 5,985,000	\$ 85.42	159.24	\$ 11,157,114
16	\$ 74.56	1.0%	69,713	\$ 5,985,000	\$ 85.85	160.41	\$ 11,182,676
17	\$ 75.31	1.0%	69,364	\$ 5,985,000	\$ 86.28	161.59	\$ 11,208,498
18	\$ 76.06	1.0%	69,017	\$ 5,985,000	\$ 86.72	162.78	\$ 11,234,298
19	\$ 76.82	1.0%	68,672	\$ 5,985,000	\$ 87.15	163.97	\$ 11,260,077
20	\$ 77.58	1.0%	68,329	\$ 5,985,000	\$ 87.59	165.17	\$ 11,286,179
21	\$ 78.36	1.0%	67,987	\$ 5,985,000	\$ 88.03	166.39	\$ 11,312,519
22	\$ 79.15	1.0%	67,647	\$ 5,985,000	\$ 88.47	167.62	\$ 11,339,169
23	\$ 79.94	1.0%	67,309	\$ 5,985,000	\$ 88.92	168.86	\$ 11,365,782
24	\$ 80.74	1.0%	66,972	\$ 5,985,000	\$ 89.37	170.11	\$ 11,392,279
25	\$ 81.55	1.0%	66,638	\$ 5,985,000	\$ 89.81	171.36	\$ 11,419,156



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

1 **RESOLUTION NO. FY2024 - 03**

2 **RELATIVE TO APPROVAL OF THE AMENDMENT 2 TO PHASE II**
3 **RENEWABLE ENERGY ACQUISITION POWER PURCHASE AGREEMENT**
4 **FOR HANWHA ENERGY CORPORATION**
5

6 **WHEREAS**, the award of the Phase II Renewable Acquisition Bid contracts for two 30MW
7 solar PV capacity projects to Hanwha Energy Corporation (“Hanwha”) was approved by the CCU on
8 June 6, 2017 (Resolution No. 2017-25) and by Public Utilities Commission (PUC) on March 29, 2018
9 (GPA Docket 18-08); and

10 **WHEREAS**, on August 22, 2018, GPA and Hanwha executed the Renewable Energy
11 Purchase Agreements (REPAs) for the two projects under local companies HEC Guam A and HEC
12 Guam B; and

13 **WHEREAS**, construction of the projects has been delayed due to significant increase in
14 interconnection costs, impacted by the pandemic and other recent events, and the commissioning of
15 the two projects is at risk; and

16 **WHEREAS**, Hanwha has proposed an alternate project which merges the two projects for a
17 solar capacity of 41MW, includes an increase in shifted energy through additional energy storage and
18 use of existing infrastructure to deliver energy during the day and night; and

19 **WHEREAS**, the Hanwha projects aimed to increase GPA’s renewable portfolio to over 22%
20 and the Phase III project, which was cancelled due to protest delays, would’ve further increased it to
21 over 25%, bringing GPA closer to its goal of 50% by 2030; and

22 **WHEREAS**, the Phase II and Phase III projects were also considered during consent decree
23 negotiations with the USEPA regarding the Cabras and Piti 8&9 emissions compliance and the
24 potential loss of another project will impact GPA’s ability to meet the renewable commissioning
25 milestone; and

26 **WHEREAS**, in consideration of the above and the efforts of all parties, GPA has evaluated
27 the alternate offer and provides the drafted amendments to the Renewable Energy Purchase
28 Agreement (REPA) and Interconnection Agreement (IA) including contract price and project
29 technical requirements as shown in Exhibit A and Exhibit B for CCU consideration; and

30 **WHEREAS**, the project will be located in the original project site and requires the use of
31 existing spare conduits from Dandan Substation to Talofofo Substation, an upgrade of the conductors
32 from Dandan to Talofofo underground system, an upgrade of the Apra to Talofofo overhead
33 conductors, as well as increased energy storage for additional energy shifting. A summary of the
34 revised project deliverables is shown in Exhibit C; and

35 **WHEREAS**, the project will require additional fixed fees for the microgrid fees, however the
36 alternate proposal yields savings in excess of \$5.5M per year in the first 5 years with a total savings
37 of over \$28M in the first 5 years compared to the current LEAC as shown in Exhibit D; and

38 **WHEREAS**, GPA will require Hanwha to perform another System Impact Study to define
39 the interconnection requirements for the IA and accept the requirements generated from the study;
40 and

41 **WHEREAS**, GPA requests approval to amend the REPA and IA subject to the completion
42 of the System Impact Study and the final REPA and IA contract.

43 **NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION**
44 **ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as**
45 **FOLLOWS:**

- 46 1. The CCU authorizes GPA to petition the PUC for approval to amend the Renewable Energy
47 Purchase Agreement (REPA) and Interconnection Agreement (IA) for Hanwha Energy
48 Corporation.

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

51 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 31TH DAY OF**
52 **OCTOBER 2023.**

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Certified by:

Attested by:

JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities

PEDRO ROY MARTINEZ
Secretary
Consolidated Commission on Utilities

65

66 **I, Pedro Roy Martinez**, Secretary for the Consolidated Commission on Utilities (CCU), as
67 evidenced by my signature above do certify as follows:

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

72

73 Ayes: _____

74

75 Nays: _____

76

77 Absent: _____

78

79 Abstain: _____

EXHIBIT A

PPA AMENDMENT 2

(SEE ATTACHMENT - Draft)

EXHIBIT B

IA AMENDMENT 2

(SEE ATTACHMENT – Draft)

EXHIBIT C**NEW PROJECT SUMMARY**

	Item	Configuration
1	Interconnection POI	Dandan Substation, with installation of new 3-phase conductors in the unused spare conduit connection Dandan to the Talofoto Substation
2	Interconnection Voltage	34.5 kV, 3 phase
3	Interconnection POI MW	30
4	PV Inverter AC MW	41.40
5	BESS MW	22
6	BESS MWh, Delivered	66
7	BESS Duration Hours	3.0
8	1 st Year Minimum Production MWh (PPA Appendix A)	75,156
9	1 st Year Energy Price in existing PPA, \$/MWh	64.22
10	Annual Energy Price Escalation	1.0%
11	1 st Year Total Microgrid Fee	\$5,985,000
12	Annual Microgrid Fee Escalation	0.0%
13	Effective Blended Price \$/MWh	143.85
14	Total Expected 1 st Year Cost to GPA	\$10,811,534
15	1 st Year Guaranteed Discharge Energy MWh	22,171
16	1 st Year Shift Ratio	29.5%
17	Target COD (Solar PV System)	12-31-2025
18	Target COD (BESS System)	04-30-2026

EXHIBIT D

PROJECTED SAVINGS CASE SUMMARY

Case 1 – HEC Guam A (41.4 MWAC)

Contract Year	Year 1	Year 2	Year 3	Year 4	Year 5	TOTALS (Nominal \$)	TOTALS (PV @ 6% \$)
HEC Guam A Energy Rate (\$/MWH)	\$ 64.22	\$ 64.86	\$ 65.51	\$ 66.17	\$ 66.83		
Energy Guarantee (MWH)	\$ 75,156.00	\$ 74,975.00	\$ 74,363.00	\$ 73,966.00	\$ 73,570.00		
Phase II Energy Costs	\$ 4,826,519.00	\$ 4,862,879.00	\$ 4,871,521.00	\$ 4,894,331.00	\$ 4,916,684.00	\$ 24,371,934.00	\$20,522,288.65
Microgrid Operations Costs	\$ 5,985,000.00	\$ 5,985,000.00	\$ 5,985,000.00	\$ 5,985,000.00	\$ 5,985,000.00	\$ 29,925,000.00	\$25,210,997.26
Total Phase II Project Costs	\$ 10,811,519.00	\$ 10,847,879.00	\$ 10,856,521.00	\$ 10,879,331.00	\$ 10,901,684.00	\$ 54,296,934.00	\$45,733,285.91
Current LEAC Rate (\$/MWH)	\$ 223.57	\$ 223.57	\$ 223.57	\$ 223.57	\$ 223.57		
Replacement Energy Costs Based on Current LEAC	\$ 16,802,627.00	\$ 16,762,161.00	\$ 16,625,336.00	\$ 16,536,579.00	\$ 16,448,045.00	\$ 83,174,748.00	\$70,118,206.71
Estimated Savings	\$ 5,991,108.00	\$ 5,914,282.00	\$ 5,768,815.00	\$ 5,657,248.00	\$ 5,546,361.00	\$ 28,877,814.00	\$24,384,920.80

APB Draft 10/3/23

**SECOND AMENDMENT TO
RENEWABLE ENERGY PURCHASE AGREEMENT**

This SECOND AMENDMENT TO RENEWABLE ENERGY PURCHASE AGREEMENT (“Amendment”), is made, entered into and effective as of [____], 2023 (the “Effective Date”), by and between Guam Power Authority (“GPA”) and HEC Guam A LLC, a Guam limited liability company (“Seller”). In this Amendment, GPA and Seller may be individually referred to as a “Party” or collectively as “Parties.”

RECITALS

WHEREAS, GPA and Seller entered into that certain Renewable Energy Purchase Agreement, effective as of August 22, 2018, as amended by that certain First Amendment to Renewable Energy Purchase Agreement, effective as of September 22, 2020 (the “Agreement”);

WHEREAS, GPA and HEC Guam B LLC, a Guam limited liability company (“Guam B Seller”) entered into that certain Renewable Energy Purchase Agreement, effective as of August 22, 2018, as amended by that certain First Amendment to Renewable Energy Purchase Agreement, effective as of September 22, 2020 (the “Guam B Agreement”);

WHEREAS, as of November 30, 2020, Seller and Guam B Seller executed a Merger Agreement to complete a merger between Seller and Guam B whereby Seller was the surviving entity;

WHEREAS, construction of the project associated with the Agreement and the project associated with the Guam B Agreement (collectively, the “Project”) was delayed due to events not within the reasonable control of either Party;

WHEREAS, as a result of such delay, the Parties have had discussions regarding the fastest way to develop renewable energy to sell and deliver to GPA;

WHEREAS, GPA has also expressed a desire to obtain additional shifted energy from the Project;

WHEREAS, the Parties have agreed that the quickest way to provide renewable energy for purchase by GPA, with additional shifted energy, would be to develop the Project using existing interconnection infrastructure at the Project site;

WHEREAS, pursuant to discussions between the Parties and that certain letter proposal dated as of August 7, 2023, from Hanwha Energy USA Holdings Corporation, on behalf of Seller, to GPA, GPA and Seller desire to make certain amendments to the Agreement to reflect various updates to the pricing, operating mode, and other terms mutually agreed upon by the Parties;

WHEREAS, the Parties desire to terminate the Guam B Agreement as all of the rights, duties and obligations of GPA and Guam B Seller thereunder are and shall be subsumed by the Agreement; and

WHEREAS, pursuant to Section 12.15 of the Agreement, any amendment to or modification of the Agreement or any terms therein must be reduced to writing and executed by both Parties.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Use of Terms. Capitalized terms used but not defined herein shall have the meaning given to such terms in the Agreement.

2. Amendments to the Agreement. Effective on and as of the Effective Date:

(a) The second Recital of the Agreement is hereby deleted in its entirety.

(b) Article One of the Agreement is hereby amended by the addition of the following definition and the re-numbering of Article One as necessary to account for such defined term:

“1.3 “Alternate Operating Modes” means those modes of operating the Project as set forth in Schedule C-3.”

(c) Section 1.42 (previously Section 1.41) of the Agreement is hereby deleted in its entirety and replaced with the following:

“1.42 “Excused Hours” means the hours in the applicable Production Measurement Period (i) in which Seller has declared Force Majeure, (ii) during any Planned Outage or Forced Outage but subject to an aggregate maximum of six hours per Contract Year; (iii) in which Seller has initiated a Dispatch Down, (iv) that include each hour in a calendar day in which Seller is required by GPA to operate the Project in an Alternate Operating Mode, or (v) in which Seller’s delivery to GPA of Renewable Energy is adversely affected as a result of failure by GPA to perform its obligations under this Agreement or the Interconnection Agreement or in which GPA does not accept delivery of Renewable Energy for any reason.

(d) Section 2.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

“2.1 Commercial Terms.

The following commercial terms apply to the Transaction that is the subject of this Agreement, each as more fully described herein:

Buyer: GPA	Seller: HEC Guam A LLC
Project: Hanwha Project	
Delivery Point: The “Point of Interconnection” as defined in the Interconnection Agreement	
Guaranteed Annual Production (MWhs): As set forth in Appendix A	Estimated Annual Production: (MWhs): NOT APPLICABLE
Guaranteed Availability (%): NOT APPLICABLE	Facility Capacity (MWs): 41.4 MWac PV and 22 MW/66 MWh BESS (as each may be increased upon the mutual agreement of the Parties)
Delivery Period: Twenty-five (25) years from the Commercial Operation Date	Contract Price (\$/MWh): See Appendix A
Renewable Energy Type: Unit Contingent (solar) and associated RECs	Development Security: As contemplated in Section 9.1
Day(s) of week: Monday through Sunday, including NERC holidays	Hours: Hour Ending 0100 – Hour Ending 2400, Monday through Sunday Chamorro Standard Time (CHST), Guam time
Commercial Operation Date: No later than December 31, 2025, as set forth on Appendix M.	
Test Energy: Seller agrees to sell and Buyer agrees to purchase all Test Energy from the Facility. The test period shall be up to six (6) months. The price of such Test Energy for the first thirty days shall be the current LEAC Rate. The price thereafter shall be the Year 1 Contract Price set out in Appendix A. Test Energy shall be delivered in accordance with the Scheduling provisions contained herein. Both Parties agree that Seller will use Commercially Reasonable Efforts to pre-schedule the Test Energy, but Buyer shall nonetheless be obligated to accept all Test Energy up to 30 MW per hour of Test Energy for the period set forth above. Seller shall provide to Buyer all RECs associated with the Test Energy sold hereunder in accordance with Section 4.16.	

At the request of GPA, the Parties agree to engage in good faith negotiations to increase the Facility Capacity on mutually acceptable terms.”

(e) The first sentence of Section 4.2(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(a) Planned Extension. The Parties agree that the Commercial Operation Date is expected to occur no later than December 31, 2025, as set forth on Appendix M (as

extended pursuant to the terms of this Agreement, the “Scheduled Commercial Operation Date”).

(f) The first paragraph of Section 4.2(b) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(b) Unplanned Extension/Additional Planned Extension. In the event that (i) the Project does not achieve Commercial Operation by the Scheduled Commercial Operation Date and Seller fails to provide sufficient Notice and/or payment in order to extend the Commercial Operation Date as provided in Section 4.2(a), or (ii) the Commercial Operation Date shall not have occurred within the ninety (90) day planned extension period provided under Section 4.2(a), then Seller may further extend the Commercial Operation Date by paying GPA damages (“Daily Delay Liquidated Damages”). The Daily Delay Liquidated Damages shall be in the amount of one hundred percent (100%) of the Shortfall Damages (based on ninety percent (90%) of the Minimum Production for the first Contract Year) per day for each day (or portion thereof) after but not including the earlier of the dates set forth in sub-clauses (i) or (ii) above, or until, but not including, the date on which the Project actually achieves Commercial Operation, and shall be payable within ten (10) Business Days following receipt of an invoice from GPA for any such Daily Delay Liquidated Damages; provided, however, that Seller’s liability for Daily Delay Liquidated Damages shall not exceed the amounts set forth on Appendix N. No Event of Default shall be deemed to have occurred with respect to Seller’s extension as provided herein and GPA shall not have the right to terminate the Agreement with respect to such extension or to receive Termination Damages so long as Seller has extended the Commercial Operation Date and pays the Daily Delay Liquidated Damages as provided in this Section 4.2(b).”

(g) Section 4.2(c) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(c) Additional Extension. The Scheduled Commercial Operation Date and the Outside Commercial Operation Date shall also be extended, without payment or other penalty, on a day-for-day basis for each day of delay caused by reason of Force Majeure (a “Force Majeure Extension”) or by reason of GPA Delay. Any Force Majeure Extension or GPA Delay shall also extend the period of any planned or unplanned extensions pursuant to Sections 4.2(a) or (b) on a day-for-day basis for each day during the Force Majeure Extension or GPA Delay, and Seller shall not be required to pay any COD Extension Payments or Daily Delay Liquidated Damages, as applicable, for any days during the Force Majeure Extension or GPA Delay. Notwithstanding any other provision in this Agreement, (i) if, due solely to a Force Majeure Extension and/or a GPA Delay, the Project does not achieve Commercial Operation on or before the original Outside Commercial Operation Date (as determined prior to any extension granted under this Section 4.2(c), the “Original Outside Commercial Operations Date”), then the Parties by mutual agreement may terminate this Agreement without penalty or further obligation to either Party, (ii) if, due solely to a Force Majeure Extension, the Project does not achieve Commercial Operation one hundred and eighty (180) days following the Original Outside Commercial Operation Date, either Party may unilaterally terminate this Agreement without penalty or further obligation to either Party, and (iii) if, due solely to a GPA Delay, the Project does not

achieve Commercial Operation one hundred and eighty (180) days following the Original Outside Commercial Operation Date, Seller may unilaterally terminate this Agreement without penalty or further obligation to GPA. For the sake of clarity in the event of any termination set forth above, GPA shall not be entitled to Termination Damages.”

(h) Appendix A to the Agreement is hereby deleted in its entirety and replaced with the Appendix A set forth in Exhibit 1 attached hereto.

(i) Part I of Appendix C to the Agreement is hereby amended by the addition of the following section to the end of Part I:

“I. Alternate Operating Modes. At any time, GPA shall have the right to order Seller to operate the Project in one of the Alternate Operating Modes set forth on Schedule C-3. Upon receipt of an instruction to operate the Project in an Alternate Operating Mode, Seller shall take Commercially Reasonable Efforts to commence operation of the Project in such Alternate Operating Mode as soon as practicable.”

(j) The table set forth in Section B of Part II of Appendix C to the Agreement is hereby deleted in its entirety and replaced with the table set forth in Exhibit 2 attached hereto.

(k) Schedule C-1 to Appendix C to the Agreement is hereby deleted in its entirety and replaced with the Schedule C-1 set forth in Exhibit 3 attached hereto.

(l) Schedule C-2 to Appendix C to the Agreement is hereby deleted in its entirety and replaced with the Schedule C-2 set forth in Exhibit 4 attached hereto.

(m) Appendix C to the Agreement is hereby amended by the addition of the new Schedule C-3 set forth in Exhibit 5 attached hereto.

(n) The Agreement is hereby amended by the addition of the new Appendix M set forth in Exhibit 6 attached hereto.

(o) The Agreement is hereby amended by the addition of the new Appendix N set forth in Exhibit 7 attached hereto.

3. Approval Delay. The Parties agree that if GPA fails to obtain the requisite approval of this Amendment, including the PPA Approval and ICA Approval, by no later than December 1, 2023, such delay shall constitute a GPA Delay, and Seller shall be entitled to any corresponding extensions or relief provided for under the Agreement in connection therewith.

4. Financing Arrangement. The Parties acknowledge and agree that Seller procured a preliminary agreement customary for a financing sufficient for the successful completion of the Project prior to the Financing Arrangement Deadline and provided GPA with an executed copy of such agreement within the required timeframe pursuant to, in accordance with, and in satisfaction of its obligations under, Section 4.3 of the Agreement.

5. Termination of the Guam B Agreement. Simultaneous with the execution and delivery of this Amendment, each Party agrees that (a) the Guam B Agreement and all

amendments, supplements, or other modifications thereto shall automatically terminate without any further action by either Party and be of no further force and effect, and (b) all obligations each Party had, has or may have arising out of or under the Guam B Agreement shall be deemed fully satisfied and cease to be existing and outstanding.

6. Release and Waiver. Each Party, on behalf of itself, and its Affiliates, and its and their respective current and former officers, managers, members, employees and agents (including the present and former officers, managers, members, employees and agents of each Party) (collectively, the “Related Parties”) hereby fully, irrevocably, and unconditionally releases, acquits, satisfies and forever discharges the other Party as well as the successors and assigns of such other Party (collectively, the “Released Parties”), from and against any and all claims, demands, accounts, rights, sums of money, charges, contracts, agreements, promises, covenants, causes of action, under the Guam B Agreement that either Party or its respective Related Parties may have against the Released Parties prior to the Effective Date (collectively, the “Released Claims”), and each Party forever waives any right to make any claim or seek any recourse against the Released Parties related to any Released Claims.

7. Miscellaneous. All terms and conditions of the Agreement not specifically amended in this Amendment shall remain in full force and effect. This Amendment may be executed in more than one counterpart, each of which may be signed by fewer than all Parties, but all of which constitute the same Amendment. This Amendment constitutes the entire agreement between the Parties with respect to the matters addressed herein. No statement, representation, writing, understanding, agreement, course of action or course of conduct, made by either Party, or any representative of either Party, which is not expressed herein shall be binding. This Amendment shall be governed by the Laws of Guam, and any disputes arising under this Amendment shall be resolved in accordance with Section 12.9 of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto made and executed this Amendment, signed by their duly authorized officers or individuals, as of the day and year first above written.

GUAM POWER AUTHORITY

By: _____

Name: [_____]

Title: [_____]

Date: [_____]

HEC GUAM A LLC,

a Delaware limited liability company

By: Hanwha Energy USA Holdings Corporation
Its: Manager

By: _____

Name: Sunghoon Kim

Title: CEO

Date: [_____]

[Signature Page to Second Amendment to Renewable Energy Purchase Agreement]

EXHIBIT 1

[See attached]

APPENDIX A

CONTRACT PRICE AND MINIMUM PRODUCTION

Contract Year	Annual Price (\$/MWH)	Minimum Production (MWH/YR)	90% of Minimum Production	Contract Year	Annual Price (\$/MWH)	Minimum Production (MWH/YR)	90% of Minimum Production
1	64.22	75,156	67,640	16	74.57	69,713	62,741
2	64.86	74,780	67,302	17	75.32	69,364	62,428
3	65.51	74,407	66,966	18	76.07	69,017	62,115
4	66.17	74,035	66,631	19	76.83	68,672	61,805
5	66.83	73,664	66,298	20	77.60	68,329	61,496
6	67.50	73,296	65,966	21	78.38	67,987	61,188
7	68.18	72,930	65,637	22	79.16	67,647	60,882
8	68.86	72,565	65,308	23	79.95	67,309	60,578
9	69.55	72,202	64,982	24	80.75	66,972	60,275
10	70.25	71,841	64,657	25	81.56	66,638	59,974
11	70.95	71,482	64,334				
12	71.66	71,124	64,012				
13	72.38	70,769	63,692				
14	73.10	70,415	63,373				
15	73.83	70,063	63,057				

ESS MICROGRID

Contract Year	Microgrid Operation Price (\$)
1	5,985,000
2	5,985,000
3	5,985,000
4	5,985,000
5	5,985,000
6	5,985,000
7	5,985,000
8	5,985,000
9	5,985,000
10	5,985,000
11	5,985,000
12	5,985,000
13	5,985,000
14	5,985,000
15	5,985,000

Contract Year	Microgrid Operation Price (\$)
16	5,985,000
17	5,985,000
18	5,985,000
19	5,985,000
20	5,985,000
21	5,985,000
22	5,985,000
23	5,985,000
24	5,985,000
25	5,985,000

EXHIBIT 2

Contract Year	Estimated Annual Stored Energy to be discharged from the Storage Unit and delivered to the Delivery Point referred to herein as the "Guaranteed Dispatch Rate"
1	22,171
2	22,060
3	21,950
4	21,840
5	21,731
6	21,622
7	21,514
8	21,407
9	21,300
10	21,193
11	21,087
12	20,982
13	20,877
14	20,772
15	20,668
16	20,565
17	20,462
18	20,360
19	20,258
20	20,157
21	20,056
22	19,956
23	19,856
24	19,757
25	19,658

EXHIBIT 3

Schedule C-1 Technical Specifications for Storage Unit

- Microgrid Capacity: 22 MW PCS, 66 MWh usable energy at the Point of Interconnection.
- The Microgrid will normally perform the ramp rate control as required, but if the Power Plant output exceeds 30 MW, it will charge the excess amount into the Microgrid.
- The Project will also force charge the Microgrid if the weather conditions are not sufficient enough to make the Power Plant to reach production amounts above 30 MW to ensure that the Microgrid will discharge every year the agreed upon discharge amount.

EXHIBIT 4

**Schedule C-2
Operating Parameters for Storage Unit**

- The output that the Facility delivers to the grid shall be limited to 30 MWac throughout the Delivery Period.
- In switching to any of the Alternate Operating Modes set forth on Schedule C-3, output shall be limited by the then-current state of charge of the Microgrid.
- If Facility output is based solely on discharge from the Microgrid, such output shall be limited to the Microgrid Capacity.
- The Microgrid shall be limited by an annual cycle limit of 365 cycles per year throughout the Delivery Period, where 1 cycle is equal to 1 kWh throughput per kWh calculated by the product of the Microgrid Capacity and discharge hours.

EXHIBIT 5

Schedule C-3 Alternate Operating Modes

1. Firm Power Dispatch:
 - a. GPA will manually request Owner to charge or discharge the battery at a specific rate and time, taking into account the ESS power and capacity (SoC) limits.
 - b. The total dispatch time will be less than 4 hours.
2. Operating Reserve:
 - a. GPA will manually request Owner to be ready to discharge the battery at a specific rate and time, taking into account the ESS power and capacity (SoC) limits.
 - b. This will be used specifically to support the system during other grid resource's planned outages.
3. Fast Frequency Regulation:
 - a. The BESS will charge and discharge such that the grid frequency is regulated towards 60Hz. E.G.
 - b. If the frequency is too high the BESS will charge to bring it down, if it is too low, the BESS will discharge to push it up.
 - c. The exact rate of charge and discharge per Hz deviation from 60 will be agreed upon by GPA and Owner.
4. Rapid Reserve:
 - a. Upon receiving the rapid reserve command from GPA the project will discharge the ESS at maximum power immediately to replace a loss of generation on the grid.
 - b. This discharge will continue until the ESS SoC reaches zero or until GPA sends a signal to end this operating mode.
5. Volt/Var Optimization:
 - a. The BESS will produce or absorb reactive power ("VARs") such that the grid voltage is regulated towards a nominal value.
 - b. The exact volt/var response curve will be agreed upon by GPA and Owner, and will take into account the BESS operating parameters/limits.

EXHIBIT 6

[See attached]

APPENDIX M

MILESTONES

No.	Milestone	Date
1.	NTP for preliminary engineering studies and 60% design.	10/31/2023
2.	EPC Vendor Selection	1/15/2024 or 60 days after PUC approval
3.	Long Lead Items Vendors Selection	1/30/2024
4.	Contract Consultant to Conduct Interconnection System Impact Study	3/15/2024
5.	Long Lead Items Vendors Contracting	3/31/2024
6.	EPC Contract Signing and Notice to Proceed	6/30/2024
7.	Interconnection System Impact Study Completion	7/31/2024
8.	Commence PV Module Deliveries	3/31/2025
9.	Commence Microgrid (ESS) Equipment Deliveries	9/15/2025
10.	Mechanical Completion (PV + ESS Microgrid)	11/30/2025
11.	Substantial Completion (PV + ESS Microgrid)	12/30/2025
12.	Commercial Operation Date (PV + ESS Microgrid)	12/31/2025

EXHIBIT 7

[See attached]

APPENDIX N

MAXIMUM DAILY DELAY LIQUIDATED DAMAGES

Days that Commercial Operation is Delayed Beyond the Scheduled Commercial Operation Date¹	Days	Maximum Daily Delay Liquidated Damages	Maximum Aggregate Liability (Cumulative)
Day 1 to Day 60	60	\$1,250/Day	\$75,000
Day 61 to Day 120	60	\$2,500/Day	\$225,000
Day 121 to Day 180	60	\$5,000/Day	\$525,000
Day 181 to Day 365	184	\$10,000/Day	\$2,365,000

¹ As extended pursuant to the terms of the Agreement.

SECOND AMENDMENT TO INTERCONNECTION AGREEMENT

This SECOND AMENDMENT TO INTERCONNECTION AGREEMENT (the “**Second Amendment**”), effective as of October __, 2023, is entered into by and between Guam Power Authority (“**GPA**”), and HEC Guam A LLC, a Guam limited liability company (“**HEC Guam A**” or “**Interconnection Customer**”). GPA and Interconnection Customer may be individually referred to herein as a “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, GPA, HEC Guam A, LLC and HEC Guam B, LLC, a Guam limited liability company (“**HEC Guam B**”), previously entered into that certain Renewable Interconnection Agreement, dated as of August 22, 2018, as amended by that certain First Amendment to Interconnection Agreement, dated as of September 30, 2020 (collectively, the “**Agreement**”);

WHEREAS, on or around November 30, 2020, HEC Guam A and HEC Guam B completed a merger, with HEC Guam A being the surviving entity, and, as such, HEC Guam A is currently the sole Interconnection Customer under the Agreement; and

WHEREAS, the Parties desire now to further amend the Agreement in accordance with the terms of this Second Amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, including, without limitation, the covenants and agreements of the Parties contained in this Amendment, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Use of Terms. Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Agreement.

2. Title Page. The title page to the Agreement is hereby amended to delete the reference to HEC Guam B.

3. Preamble. The preamble on Page 1 of the Agreement is hereby deleted in its entirety and replaced with the following:

“This Interconnection Agreement (“**Agreement**”) is made and entered into this 22 day of August, 2018 (the “**Effective Date**”), by Guam Power Authority (“**GPA**” or “**Transmission Provider**”), and HEC Guam A, LLC, a Guam limited liability company (“**HEC Guam A**” or the “**Interconnection Customer**”) each hereinafter sometimes referred to individually as “**Party**” or both referred to collectively as the “**Parties**.”

4. Transmission Provider Information. The Transmission Provider Information set forth on Page 1 of the Agreement is hereby deleted in its entirety and replaced with the following:

Transmission Provider Information

Transmission Provider: Guam Power Authority
Attention: John M. Benavente, P.E., General Manager
Address: P.O. Box 2977, Hagatna Guam 96932
Physical Address: Gloria B. Nelson Public Service Bldg.
688 Route 15, Mangilao Guam 96913
Phone: (671) 648-3180
Email: jbenavente@gpagwa.com
Fax: (671) 648-3290

cc: Jennifer G. Sablan, P.E.
Assistant General Manager, Operations
jsablan@gpagwa.com

5. Interconnection Customer Information. The Interconnection Customer Information set forth on Page 1 of the Agreement is hereby deleted in its entirety and replaced with the following:

Interconnection Customer Information

Interconnection Customer: HEC Guam A, LLC, a Guam limited liability company
Attention: Mr. Eric Scott
Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Physical Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Phone: (470) 435-2326
Email: eric.scott@174powerglobal.com
Fax: N/A

Cc: General Counsel
legal@174powerglobal.com

6. Responsibilities of the Parties. Section 1.3.7 of the Agreement is hereby amended to delete the following words: “(iv) acquisition and permitting of additional land for Apra Heights Substation.”

7. Notices. The addresses for notices set forth in Section 13.1 of the Agreement are hereby deleted in their entirety and replaced with the following:

If to Interconnection Customer:

Interconnection Customer: HEC Guam A, LLC, a Guam limited liability company
Attention: Mr. Eric Scott
Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Physical Address: 300 Spectrum Center Dr., Suite 1020

Phone: Irvine, CA 92618
(470) 435-2326
Email: eric.scott@174powerglobal.com
Fax: N/A

Cc: General Counsel
legal@174powerglobal.com

If to Transmission Provider:

Transmission Provider: Guam Power Authority
Attention: John M. Benavente, P.E., General Manager
Address: P.O. Box 2977, Hagatna Guam 96932
Physical Address: Gloria B. Nelson Public Service Bldg.
688 Route 15, Mangilao Guam 96913

Phone: (671) 648-3180
Email: jbenavente@gpagwa.com
Fax: (671) 648-3290

cc: Jennifer G. Sablan, P.E.
Assistant General Manager, Operations
jsablan@gpagwa.com

8. Billing and Payment Notices. The addresses for billing and payment notices set forth in Section 13.2 of the Agreement are hereby deleted in their entirety and replaced with the following:

If to Interconnection Customer:

Interconnection Customer: HEC Guam A, LLC, a Guam limited liability company
Attention: Brison Ellinghaus
Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Physical Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Phone: (858) 531-2040
Email: brison.ellinghouse@174powerglobal.com
Fax: N/A

Cc: Eva De La Torre
eva.delatorre@174powerglobal.com

If to Transmission Provider:

Transmission Provider: Guam Power Authority
Attention: John J.E. Kim, Chief Financial Officer
Address: P.O. Box 2977, Hagatna Guam 96932
Physical Address: Gloria B. Nelson Public Service Bldg.

Phone: 688 Route 15, Mangilao Guam 96913
(671) 648-3120/3119
Email: jjekim@gpagwa.com
Fax: (671) 648-3290

cc: Jennifer G. Sablan, P.E.
Assistant General Manager, Operations
jsablan@gpagwa.com

9. Alternative Forms of Notice. The addresses for alternative forms of notice set forth in Section 13.3 of the Agreement are hereby deleted in their entirety and replaced with the following:

If to Interconnection Customer:

Interconnection Customer: HEC Guam A, LLC, a Guam limited liability company
Attention: Mr. Eric Scott
Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Physical Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Phone: (470) 435-2326
Email: eric.scott@174powerglobal.com
Fax: N/A
Cc: General Counsel
legal@174powerglobal.com

If to Transmission Provider:

Transmission Provider: Guam Power Authority
Attention: John M. Benavente, P.E., General Manager
Address: P.O. Box 2977, Hagatna Guam 96932
Physical Address: Gloria B. Nelson Public Service Bldg.
688 Route 15, Mangilao Guam 96913
Phone: (671) 648-3180
Email: jbenavente@gpagwa.com
Fax: (671) 648-3290
cc: Jennifer G. Sablan, P.E.
Assistant General Manager, Operations
jsablan@gpagwa.com

10. Designated Operating Representative. The addresses for designated operating representative set forth in Section 13.4 of the Agreement are hereby deleted in their entirety and replaced with the following:

If to Interconnection Customer:

Interconnection Customer: HEC Guam A, LLC, a Guam limited liability company
Attention: Mr. Eric Scott
Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Physical Address: 300 Spectrum Center Dr., Suite 1020
Irvine, CA 92618
Phone: (470) 435-2326
Email: eric.scott@174powerglobal.com
Fax: N/A

If to Transmission Provider:

Transmission Provider: Guam Power Authority
Attention: Jennifer G. Sablan, Assistant General Manager, Operations
Address: P.O. Box 2977, Hagatna Guam 96932
Physical Address: Gloria B. Nelson Public Service Bldg.
688 Route 15, Mangilao Guam 96913
Phone: (671) 648-3212
Email: jsablan@gpagwa.com
Fax: (671) 648-3290

11. Glossary of Terms. The definition of “Power Purchase Agreement” set forth in Attachment 1 to the Agreement is hereby deleted in its entirety and replaced with the following:

“**Power Purchase Agreement** – the Renewable Energy Purchase Agreement for the sale by Interconnection Customer and the purchase by GPA of renewable solar energy from the Small Generating Facility, dated as of August 22, 2018, as amended by that certain First Amendment to Renewable Energy Purchase Agreement, dated as of September 22, 2020, and as amended by that certain Second Amendment to Renewable Energy Purchase Agreement of even date herewith.

12. Attachment 2. Attachment 2 to the Agreement (Description of Small Generating Facility, Interconnection Facilities and Metering Equipment) is hereby deleted in its entirety and replaced with Attachment 2 attached hereto and incorporated herein by this reference.

13. Attachment 3. Attachment 3 to the Agreement (One Line Diagram Depicting the Small Generating Facility, Interconnection Facilities and Metering Equipment) is hereby deleted in its entirety and replaced with Attachment 3 attached hereto and incorporated herein by this reference.

14. Attachment 5. Attachment 5 to the Agreement (Additional Operating Requirements for the Transmission Provider’s Transmission System Needed to Accept the Interconnection Customer) is hereby deleted in its entirety and replaced with Attachment 5 attached hereto and incorporated herein by this reference.

15. Miscellaneous. All terms and conditions of the Agreement not specifically amended in this Second Amendment shall remain in full force and effect. This Second Amendment may be executed in more than one counterparts, each of which may be signed by

fewer than all Parties, but all of which constitute the same Second Amendment. This Second Amendment constitutes the entire agreement between the Parties with respect to the matters addressed herein. No statement, representation, writing, understanding, agreement, course of action or course of conduct, made by either Party, or any representative of either Party, which is not expressed herein shall be binding. This Amendment shall be governed by the Laws of Guam and any disputes arising under this Amendment shall be resolved in accordance with Section 10.1 of the Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto made and executed this Amendment, signed by their duly authorized officers or individuals, as of the dates listed below.

GUAM POWER AUTHORITY

HEC GUAM A LLC,
a Delaware limited liability company

By: _____

By: Hanwha Energy USA Holdings Corporation
Its: Manager

Name: [_____]

Title: [_____]

Date: [_____]

By: _____

Name: Sunghoon Kim

Title: CEO

Date: _____

Attachment 2

**Description of the Small Generating Facility,
Interconnection Facilities and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or by GPA.

Interconnection Facilities:

The Interconnection Facilities and the capped amounts with respect thereto (beyond which GPA will reimburse Interconnection Customer as set forth in this Agreement) include the following:

Description of work for the Substation:

A. Interconnection Customer is responsible for the design and construction of additions at the existing Dan Dan Substation. Interconnection Customer shall procure and install Facility Hardware in accordance with applicable codes and standards; plans and specifications. Interconnection Customer shall test and commission the augmented substation to provide for a complete, functional, and operational modification of the Dan Dan Substation. Interconnection Customer shall be responsible for the following:

1. Civil and foundation design for substation new Equipment and related modification of Existing facility. Supply and installation of structural steel to support new equipment, as required, and anchor bolts for all new equipment. Structural steel will be hot dip galvanized.
2. Circuit and Raceway design for all 34.5kV new equipment and related modification of Existing facility in accordance with applicable codes and standards and specifications.
3. Circuit and Raceway list.
4. Interconnection Customer shall prepare an energization and start-up plan and submit to GPA for approval. GPA shall provide input within 10 business days.
5. Exclusion: The Interconnection Customer's work does not include the upgrade of Existing facility's infrastructures such as software version upgrade, utility system, storm & waste water drainage system, security system, external lighting, spare part storage, landscaping and etc.; unless Interconnection Customer's work detrimentally affects function of existing facility. If so, then Interconnection Customer shall take the necessary measures to correct deficiencies.

For modification of Existing substations, Interconnection customer is only responsible for new equipment and directly-related modification work to have equipment functional that it will provide according to this Agreement.

Description of work for the Dan Dan Substation:

- A. Interconnection Customer is responsible for the design and construction of the interconnection to the existing Dan Dan substation. Interconnection Customer shall procure and install Facility Hardware required for the Malojloj Solar project into the existing Dan Dan substation switch gear spare cubicle # 392 in accordance with applicable codes and standards and specifications. Interconnection Customer shall test and commission the substation equipment and to provide for a complete, functional, and operational interconnection. Interconnection Customer shall be responsible for the following:
- B. GPA shall be involved in the review, inspection, testing and approval processes throughout the design, construction and commissioning, as described herein.
- C. GPA reserves the right to witness standard factory testing of Substation switchgear, relay and control panel, and similar equipment supplied as spare parts. Not less than 30 days prior to factory tests, a factory test plan shall be submitted to the Owner and GPA for approval. Each item of electrical equipment and similar equipment supplied as spare parts shall be given the manufacturer's routine factory tests and also other tests as specified, to ensure successful operation of parts of the assemblies. The factory test equipment and the test methods used shall conform to the applicable requirements of ANSI, IEEE, UL and NEMA standards and equivalent standards as approved by GPA. Five certified copies of the reports of production tests, including complete test data shall be submitted to the Owner and GPA. Factory tests shall be witnessed by the Owner and GPA, at the discretion of the Owner and GPA. Interconnection Customer shall be responsible for cost of travel, meals, and accommodations for two (2) GPA personnel for a minimum of three (3) days, or days, required to perform and witness a comprehensive factory acceptance testing.
- D. The Plant will generate and feed a maximum output of 30MW to the grid directly.
- E. Description of work for the Dan Dan Substation:
 - 1. The metering switchgear proposed for the Dan Dan Substation, which would be directly adjacent to the Small Generating Facility and on Interconnection Customer's property, include one meter for Power Purchase Agreement billing purposes, and would be a unit that is rated for 34,500 volts and up to 1200 amps of power along with associated auxiliaries. The unit would provide protective-type circuit breakers for the solar system.
 - 2. The Work under these plans and specifications shall include complete engineering, procurement, and construction services for the 34.5kV substation equipment associated with the Project.
 - 3. The Interconnection Customer is responsible for the selection, procurement, and installation of all associated substation equipment. This equipment shall be GPA

approved equipment and conform with GPA current specifications, unless otherwise noted and approved in writing by GPA.

4. The Work required shall consist of:
 - a. AC collection switchgear, relaying, and metering.
 - b. The specific technical scope of work under these specifications includes the 38 kV class switchgear racking & mounting equipment, 38 kV class vacuum breakers.
 - c. Relays, metering, current transformers, and voltage or potential transformers.
 - d. Surge arresters, cables, and raceways.
 - e. Grounding and lightning protection.
 - f. Breaker controls.
 - g. SCADA system including SCADA Remoter Terminal Unit (RTU).
 - h. Station service pad mount transformer including AC panels, DC panels, control wiring, and all other appurtenances for a complete and operational facility in accordance with GPA standards.
 - i. All of the new facilities shall be Interconnection Customer furnished and installed except as noted herein.
5. The Point of Interconnection is located at the existing designated 34.5kV metering equipment at the Dan Dan Substation. Interconnection Customer shall provide the substation revenue meter and associated current and potential transformers. The revenue meter shall be a Schweitzer Engineering Laboratories SEL-735 or equivalent. The current and potential transformers shall have 0.2 percent accuracy or better. Current transformers shall be window type. The Interconnection Customer is responsible for the installation of these devices.
6. All necessary mounting materials such as weatherproof enclosures, terminal blocks, shorting current transformer blocks, conduit, etc. shall be provided.
7. Interconnection Customer shall prepare an energization and start-up plan and submit to Owner and GPA for approval 30 days prior to energization. GPA shall provide input within 10 business days.

Description of work for the transmission line from Substation to Substation:

- A. Interconnection customer shall verify that sufficient spare conduits are available, accessible, and suitable for 34.5 kV conductors of adequate cross section to deliver the required generation export capacity under both design code and existing field conditions.

- B. One set of existing underground conduits, from Dandan to Talofoyo, contain conductors currently energized by the neighboring PV project (constructed for NRG, now owned by Clean Capital). It is intended that new larger conductors 750 kcmil will be pulled into a parallel set of unused conduits, and that the Clean Capital project will then be transferred to use those new conductors. The existing conductors are to be removed and replaced with new larger conductors, to be used to interconnect the Malojloj Solar project.
- C. Interconnection customer shall verify by physical and visual inspection the scope, route, length, complexity, etc. of the work required to upgrade the existing conductors 34.5 kV overhead line from Talofoyo substation to Apra Heights substation, to 927 kcmil conductors, under both design code and existing field conditions.
- D. Interconnection customer shall evaluate and confirm reuse of existing end structures, insulators, poles, and mounting hardware; salvage of existing conductor; and identify any significant obstacles, hazards, restrictions, etc. which are likely to affect later execution of the work.
- E. GPA reserves the right to witness standard factory testing of the power circuit breakers, relay and control panel, and similar equipment supplied as spare parts. Not less than 30 days prior to factory tests, a factory test plan shall be submitted to the Owner and GPA for approval. Each item of electrical equipment and similar equipment supplied as spare parts shall be given the manufacturer's routine factory tests and also other tests as specified, to ensure successful operation of parts of the assemblies. The factory test equipment and the test methods used shall conform to the applicable requirements of ANSI, IEEE, UL and NEMA standards and equivalent standards as approved by GPA. Five certified copies of the reports of production tests, including complete test data shall be submitted to the Owner and GPA. Factory tests shall be witnessed by the Owner and GPA, at the discretion of the Owner and GPA. Interconnection Customer shall be responsible for cost of travel, meals, and accommodations for two (2) GPA personnel for a minimum of three (3) days, or days, required to perform and witness a comprehensive factory acceptance testing. Per diem rates shall conform with Federal GSA Schedule.

Spare Parts:

The Interconnection Customer shall provide the following spare parts with proper storage:

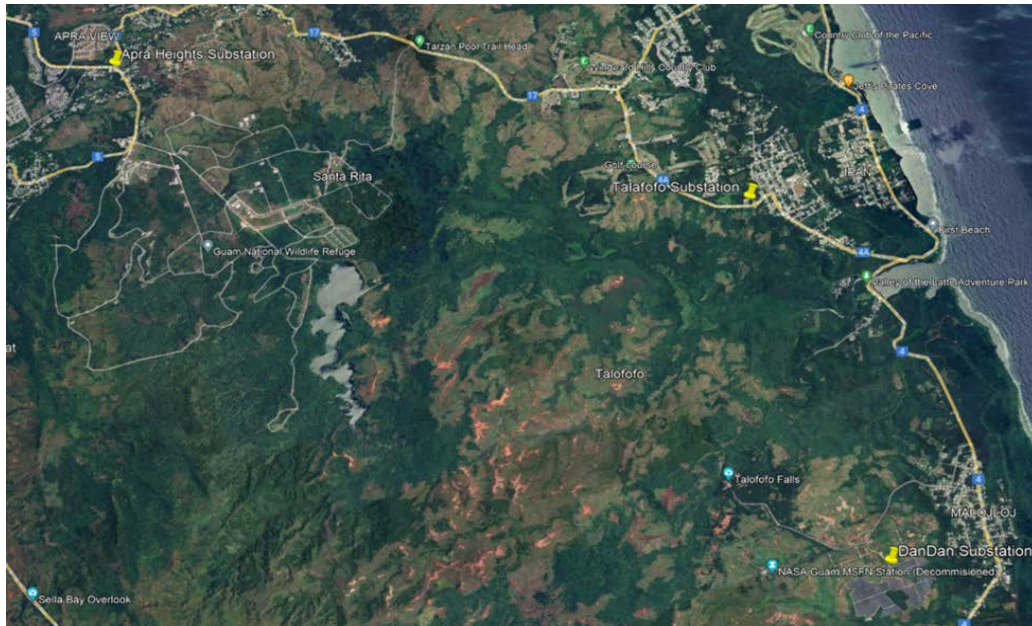
- a. For each equipment supplied, the manufacturer's recommended spare parts shall be provided in accordance with best utility practices.
- b. Underground Wire: the length of the longest cable run shall be provided (750 kcmil XLPE Al. or other approved cable size), if required.
- c. Underground Splices/Termination Kits: 10% of total installed, if required.
- d. Non-standard/inventory materials: Provide replacement or replacement parts.

Small Generating Facility:

The general location of the Small Generating Facility and the Dan Dan Substation are noted on the attached picture. The facility is planned to be installed at the locations of Lot B-3REM14, B-3REM-R14 and B-3-R4. The Small Generating Facility will be an AC fixed tilt solar and Energy Storage System (ESS) for Energy Shifting and Ramp-rate control generating facility. The Small Generating Facility will be equipped with high efficiency solar panels generating direct current that will be converted to alternating current (AC) using approximately 2,500 to 3,000kW inverters manufactured by SMA or equivalent type. The panels will generate approximately 60MW DC power that will be inverted to 550-655VAC and then transformed to 34.5kV by transformers located in close proximity to the inverter. These AC output of the PV inverters will be rated at greater than 41 MWAC. The solar generators are connected to ESS co-located on site. The ESS consists of a 22MW/66MWhr Lithium Ion battery energy storage system. The ESS PCS will generate VAC power that will be transformed by LV side of 434V to 550V to MV side of 34.5kV transformers located in close proximity to the PCS. The onsite underground constructed 34.5kV collection grid will bring the 1% ramp rate controlled solar generated electricity to the Dan Dan Substation where GPA will accept the metered power under the Power Purchase Agreements.

Addendum to Attachment 2 -- Project Site Picture

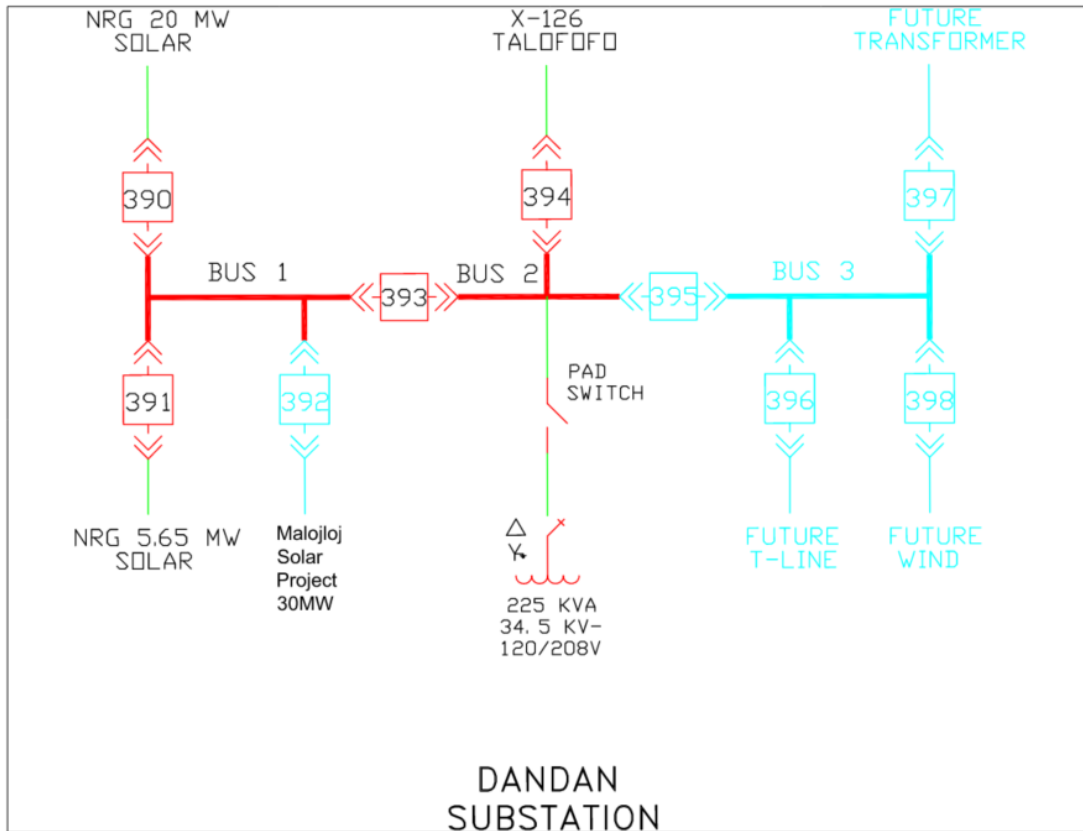




Project layout is subject to change as a result of archeological findings, wetlands or any other survey results.

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities and Metering Equipment



Attachment 5

Additional Operating Requirements for the Transmission Provider's Transmission System Needed to Accept the Interconnection Customer

The following requirements must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System:

If ramp rate is greater than 3 MW/minute and this situation lasts more than ten (10) times per day or five (5) consecutive times per day, seller shall reduce plant output to meet ramp rate is less than 3 MW/minute. If system issues remain, GPA reserves the right to restrict Seller's plant output until seller restores operation with a ramp rate less than 3 MW/minute.

- (a) GPA counts the failure power is greater than 3 MW/minute.
 - i. If the number of failure is greater than ten (10) times per day or five (5) consecutive times per day, GPA SCADA sends the warning command to seller's EMS/PMS or inform via email.
 - ii. Seller's EMS/PMS double check the number of failure times, and send back to GPA SCADA to verify the exact number of failure times.
 - iii. Seller sends the restore documentation included analysis the data, how to fix, fix plan and expected results to GPA for confirming.
 - iv. When seller restores operation with a ramp rate less than 3MW/minute for full renewable power (30 MW), than seller send the restore result documentation to GPA.
 - v. GPA reviews the restore result documentation and allows to operate full (30MW) power of seller's renewable plant.
- (b) If GPA's ESS or UFLS is activated twice during a single day, then GPA reserves the right to restrict Sellers's plant output until Seller restores operation with a ramp rate less than 3 MW/minute.

The Interconnection Customer is interconnecting into an established GPA power grid. The Interconnection Customer shall design, construct, and operate its facilities to ensure compatible operations with GPA and protect its facilities against any grid events. These measures shall comply with inverter ride-through and/or ramping requirements as stated in the System Impact Study.

The Interconnection Customer shall be responsible for the following project:

This project will replace existing line and overcurrent relays for 20 existing transmission lines with primary and backup SEL -411L and/or SEL-311L line differential relays. One each SEL-411L primary relay (if space permits, otherwise SEL-311L primary relay) and one each SEL-311L backup relay will be installed at each substation associated with the transmission line as provide in Table 1. Hence, a total of up to eighty six (86) SEL -411L and/or SEL311L relays shall

be installed, subject to the \$900,000 maximum obligation noted hereinbelow. The Interconnection Customer shall be responsible for purchasing and delivering to GPA's warehouse the relays, wires and accessories per GPA's written instructions as noted in hereinbelow. GPA will provide all labor and technical support in the setting of relays and install them.

Table 1 – Transmission Differential Relay Upgrade Assignments

34.5 kV Lines

21	X081-X178	Harmon - GIAT	Central	HANWHA
22	X097-X227	Harmon - Tumon (Underground)	Central	HANWHA
23	X-173-X245	GAA - Barrigada	Central	HANWHA
24	X174-X175	GAA - GIAT (Underground)	Central	HANWHA
25	X210-X226	Tamuning - Tumon (Underground)	Central	HANWHA
26	X214-X263	Tamuning - San Vitores	Central	HANWHA
27	X020-X311-X336	Piti - Orote	South	HANWHA
28	X021-X315-X334	Piti - Orote	South	HANWHA
29	X022-X037-X190	Piti - Tenjo - Apra	South	HANWHA
30	X024-X110	Piti - Anigua	South	HANWHA
31	X038-X124	Apra - Talofoto	South	HANWHA
32	X123-X143	Talofoto - Pulantat	South	HANWHA
33	X126-X394	Talofoto - Dandan (Underground)	South	HANWHA
34	X140-X247	Pulantat - Barrigada	South	HANWHA
35	X305-X036	Orote - Apra	South	HANWHA
36	X023-X043	Piti - Agana	Central	HANWHA
37	X039-X250	Apra - Umatac	Central	HANWHA
38	X040-X112	Agana - Anigua	Central	HANWHA
39	X045-X055	Agana - R. Barrigada	Central	HANWHA
40	X054-X246	Agana - Barrigada	Central	HANWHA

The Interconnection Customer's obligation shall be limited to delivering to GPA's warehouse the equipment and materials at its cost up to \$900,000 only in connection with differential relay replacement project for the System Stability Upgrades.

GPA shall provide the Interconnection Customer with detailed written instructions for equipment and materials for the differential relay replacement project, and the equipment and materials for the differential relay replacement project shall be mutually agreed by the Interconnection Customer and GPA.

Interconnection Customer shall make best efforts in delivering the Transmission Relay Upgrade equipment to GPA's warehouse prior to COD. However, GPA will not unreasonably withhold COD if the Transmission Relay Upgrade is not completed as long as Interconnection Customer complies with all other requirements for COD.

For the implementation Interconnection Customer shall coordinate with and support, as necessary, GPA's intended construction schedule and construction method and cooperate with GPA so that GPA can replace the existing relays at the predetermined date which was agreed on between Interconnection Customer and GPA.

Upon delivery of the differential relay replacement project for the System Stability Upgrades equipment to GPA's warehouse, ownership of all assets in relation to the differential relay replacement project for System Stability Upgrades and all rights thereof shall be transferred to the GPA.

Exhibit C New Project Summary

	Item	Configuration
1	Interconnection POI	Dandan Substation, with installation of new 3-phase conductors in the unused spare conduit connection Dandan to the Talofoto Substation
2	Interconnection Voltage	34.5 kV, 3 phase
3	Interconnection POI MW	30
4	PV Inverter AC MW	41.40
5	BESS MW	22
6	BESS MWh, Delivered	66
7	BESS Duration Hours	3.0
8	1 st Year Minimum Production MWh (PPA Appendix A)	75,156
9	1 st Year Energy Price in existing PPA, \$/MWh	64.22
10	Annual Energy Price Escalation	1.0%
11	1 st Year Total Microgrid Fee	\$5,985,000
12	Annual Microgrid Fee Escalation	0.0%
13	Effective Blended Price \$/MWh	143.85
14	Total Expected 1 st Year Cost to GPA	\$10,811,534
15	1 st Year Guaranteed Discharge Energy MWh	22,171
16	1 st Year Shift Ratio	29.5%
17	Target COD (Solar PV System)	12-31-2025
18	Target COD (BESS System)	04-30-2026



Pricing Amendment 2

Hanwha Energy Corporation HEC Guam A

Amendment 2							
Contract Year	Annual Price (\$/MWH)	Price Escalation	Guaranteed Net Annual Generation (MWH/YR)	MicroGrid Operations Fixed Annual Fee	Microgrid Cost, \$/MWH (based on Guarantee)*	Blended Rate (\$/MWh)	Projected Total Costs
1	\$ 64.22		75,156	\$ 5,985,000	\$ 79.63	143.85	\$ 10,811,518
2	\$ 64.86	1.0%	74,780	\$ 5,985,000	\$ 80.03	144.90	\$ 10,835,395
3	\$ 65.51	1.0%	74,407	\$ 5,985,000	\$ 80.44	145.95	\$ 10,859,674
4	\$ 66.17	1.0%	74,035	\$ 5,985,000	\$ 80.84	147.01	\$ 10,883,907
5	\$ 66.83	1.0%	73,664	\$ 5,985,000	\$ 81.25	148.08	\$ 10,908,090
6	\$ 67.50	1.0%	73,296	\$ 5,985,000	\$ 81.66	149.15	\$ 10,932,355
7	\$ 68.18	1.0%	72,930	\$ 5,985,000	\$ 82.06	150.24	\$ 10,957,003
8	\$ 68.86	1.0%	72,565	\$ 5,985,000	\$ 82.48	151.33	\$ 10,981,590
9	\$ 69.54	1.0%	72,202	\$ 5,985,000	\$ 82.89	152.44	\$ 11,006,183
10	\$ 70.24	1.0%	71,841	\$ 5,985,000	\$ 83.31	153.55	\$ 11,031,144
11	\$ 70.94	1.0%	71,482	\$ 5,985,000	\$ 83.73	154.67	\$ 11,056,105
12	\$ 71.65	1.0%	71,124	\$ 5,985,000	\$ 84.15	155.80	\$ 11,080,992
13	\$ 72.37	1.0%	70,769	\$ 5,985,000	\$ 84.57	156.94	\$ 11,106,305
14	\$ 73.09	1.0%	70,415	\$ 5,985,000	\$ 85.00	158.08	\$ 11,131,537
15	\$ 73.82	1.0%	70,063	\$ 5,985,000	\$ 85.42	159.24	\$ 11,157,114
16	\$ 74.56	1.0%	69,713	\$ 5,985,000	\$ 85.85	160.41	\$ 11,182,676
17	\$ 75.31	1.0%	69,364	\$ 5,985,000	\$ 86.28	161.59	\$ 11,208,498
18	\$ 76.06	1.0%	69,017	\$ 5,985,000	\$ 86.72	162.78	\$ 11,234,298
19	\$ 76.82	1.0%	68,672	\$ 5,985,000	\$ 87.15	163.97	\$ 11,260,077
20	\$ 77.58	1.0%	68,329	\$ 5,985,000	\$ 87.59	165.17	\$ 11,286,179
21	\$ 78.36	1.0%	67,987	\$ 5,985,000	\$ 88.03	166.39	\$ 11,312,519
22	\$ 79.15	1.0%	67,647	\$ 5,985,000	\$ 88.47	167.62	\$ 11,339,169
23	\$ 79.94	1.0%	67,309	\$ 5,985,000	\$ 88.92	168.86	\$ 11,365,782
24	\$ 80.74	1.0%	66,972	\$ 5,985,000	\$ 89.37	170.11	\$ 11,392,279
25	\$ 81.55	1.0%	66,638	\$ 5,985,000	\$ 89.81	171.36	\$ 11,419,156



Exhibit D

Projected Savings Case Summary

Case 1 - HEC Guam A (41.4 MWAC)

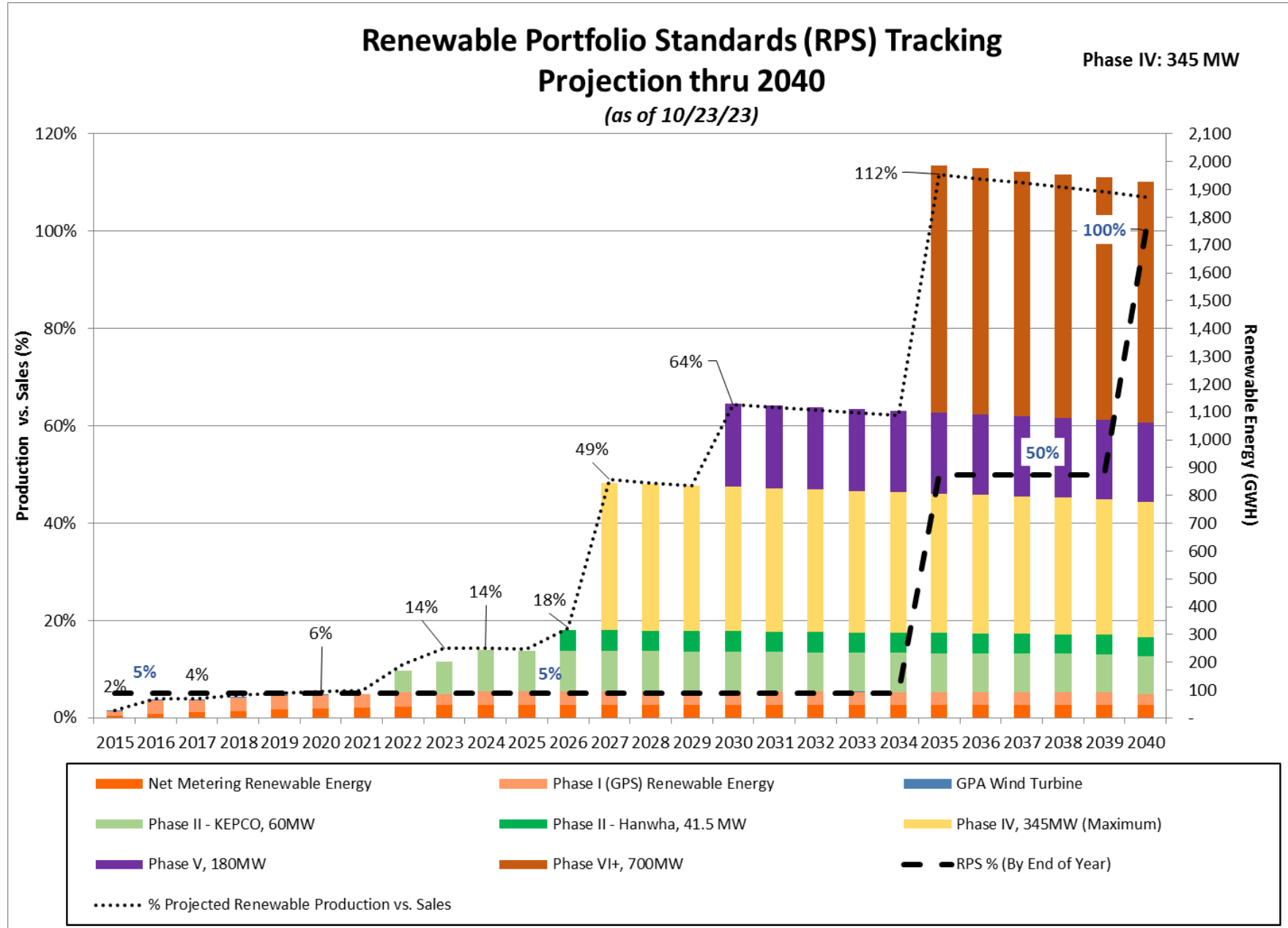
Contract Year	Year 1	Year 2	Year 3	Year 4	Year 5	TOTALS (Nominal \$)	TOTALS (PV @ 6% \$)
HEC Guam A Energy Rate (\$/MWH)	\$ 64.22	\$ 64.86	\$ 65.51	\$ 66.17	\$ 66.83		
Energy Guarantee (MWH)	\$ 75,156.00	\$ 74,975.00	\$ 74,363.00	\$ 73,966.00	\$ 73,570.00		
Phase II Energy Costs	\$ 4,826,519.00	\$ 4,862,879.00	\$ 4,871,521.00	\$ 4,894,331.00	\$ 4,916,684.00	\$ 24,371,934.00	\$20,522,288.65
Microgrid Operations Costs	\$ 5,985,000.00	\$ 5,985,000.00	\$ 5,985,000.00	\$ 5,985,000.00	\$ 5,985,000.00	\$ 29,925,000.00	\$25,210,997.26
Total Phase II Project Costs	\$ 10,811,519.00	\$ 10,847,879.00	\$ 10,856,521.00	\$ 10,879,331.00	\$ 10,901,684.00	\$ 54,296,934.00	\$45,733,285.91
Current LEAC Rate (\$/MWH)	\$ 223.57	\$ 223.57	\$ 223.57	\$ 223.57	\$ 223.57		
Replacement Energy Costs Based on Current LEAC	\$ 16,802,627.00	\$ 16,762,161.00	\$ 16,625,336.00	\$ 16,536,579.00	\$ 16,448,045.00	\$ 83,174,748.00	\$70,118,206.71
Estimated Savings	\$ 5,991,108.00	\$ 5,914,282.00	\$ 5,768,815.00	\$ 5,657,248.00	\$ 5,546,361.00	\$ 28,877,814.00	\$24,384,920.80



Exhibit B Project Milestones

No.	Milestone	Date
1.	NTP for preliminary engineering studies and 60% design.	10/31/2023
2.	EPC Vendor Selection	1/15/2024 or 60 days after PUC approval
3.	Long Lead Items Vendors Selection	1/30/2024
4.	Contract Consultant to Conduct Interconnection System Impact Study	3/15/2024
5.	Long Lead Items Vendors Contracting	3/31/2024
6.	EPC Contract Signing and Notice to Proceed	6/30/2024
7.	Interconnection System Impact Study Completion	7/31/2024
8.	Commence PV Module Deliveries	3/31/2025
9.	Commence Microgrid (ESS) Equipment Deliveries	9/15/2025
10.	Mechanical Completion (PV + ESS Microgrid)	11/30/2025
11.	Substantial Completion (PV + ESS Microgrid)	12/30/2025
12.	Commercial Operation Date (PV + ESS Microgrid)	12/31/2025





Project Site Photo Dandan, Inalåhan



GPA Resolution No. FY2024-03

Relative to Approving Amendment 2 to Phase II Renewable Energy Acquisition Power Purchase Agreement (PPA) for Hanwha Energy Corporation

What is the project's objective? Is it necessary and urgent?

To enable GPA to meet the USEPA consent decree requirement for 100MW of new Renewable Energy Installations.

Where is the location?

The new Hanwha Energy Corporation “HEC Guam A” 41.4 MWAC solar project is located in Dandan, Inalåhan.

How much will it cost?

The blended rate of \$143.85 Per MWh in the first contract year with 1% escalation per year.

When will it be completed?

25-year contract term with December 31, 2025 COD (Solar PV System) and April 30, 2026 COD (BESS System).

What is its funding source?

Funding source is LEAC.





GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2024-04:

Relative to: Authorizing the Management to Award the Contract for the Bulk Supply of Ultra Low Sulfur Diesel Fuel Oil No.2 to **HYUNDAI CORPORATION**.

What is the project's objective? Is it necessary and urgent?

The existing contract will expire in January 31, 2024. The new fuel supply contract is necessary to provide uninterrupted supply of fuel for the Baseload and Peaking units.

Where is the location?

Bulk Ultra Low Sulfur Diesel Fuel Oil will be supplied to the following plants:

1. Piti 7
2. Piti 8&9
3. Tenjo Vista
4. Ukudu plants

How much will it cost?

The 3-year contract is estimated to cost approximately **\$846,864,000** requiring prior approval from the PUC.

When will it be completed?

The contract is for an initial period of three (3) years to commence on or about February 01, 2024 and to expire on January 31, 2027, with the option to extend for two (2) additional one-year terms.

What is its funding source?

Fuel (LEAC) revenue funds

The RFP/BID responses:

Three (3) bidders responded to the solicitation under IFB GPA-04-23. **HYUNDAI CORPORATION** was determined to be the lowest responsive and responsible bidder.



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

RESOLUTION NO. FY2024-04

**AUTHORIZING MANAGEMENT TO AWARD THE CONTRACT FOR THE
BULK SUPPLY OF ULTRA LOW SULFUR DIESEL (ULSD) FUEL OIL**

WHEREAS, GPA was authorized by the CCU under GPA Resolution No. 2023-12 and approved by the PUC under Docket 23-12 to issue bids for the procurement of a new Ultra Low Sulfur Diesel (ULSD) Fuel Oil Bulk Supply contract for delivery by pipeline transfer to the power plants; and

WHEREAS, the Procurement Officer has provided adequate public announcement for the need for such fuel supply services through Invitation for Multi-Step Bid No. GPA-040-23 describing the type of services required and specifying the type of information and data required of each offeror; and

WHEREAS, Hyundai Corporation, IP&E Holding LLC, and Mobil Oil Guam submitted bids for GPA consideration; and

WHEREAS, the results and evaluation of the bids are provided in **Exhibit A**; and

WHEREAS, the Fixed Premium Fee price proposal for the three-year contract base period is \$8.080/bbl for Hyundai Corporation, \$10.300/bbl for Mobil Oil Guam, \$14.700/bbl for IP&E Holdings LLC; and

WHEREAS, HYUNDAI CORPORATION was determined to be the lowest, most responsive bidder meeting the requirements of the bid solicitation; and

WHEREAS, the estimated Fixed Premium Fee cost based on estimated supply quantities has a value of approximately \$16,160,000 for the first year, \$20,200,000 for the second year, and \$21,816 for the third year for a total of **\$58,176,000** for the three-year contract base period; and

WHEREAS, the Ultra-Low Sulfur Diesel (ULSD) Fuel Oil Bulk Supply Contract with **HYUNDAI CORPORATION** shall be for an initial period of three (3) years and is anticipated to commence in February 01, 2024 and to expire in January 31, 2027 with two one-year extension options renewable annually upon mutual agreement of both parties; and

WHEREAS, the award of the contract to **HYUNDAI CORPORATION** based on estimated supply quantities has an estimated contract value of approximately \$235,240,000 for the first year, \$294,050,000 for the second year, and \$317,574,000 for the third year for a total of **\$846,864,000** for the three-year contract base period.

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

1. The General Manager of the Guam Power Authority is hereby authorized to enter into a three (3) year contract commencing February 01, 2024 and expiring January 31, 2027 for an estimated total contract cost of **\$846,864,000** with **HYUNDAI CORPORATION** for the Bulk Supply of Ultra Low Sulfur Diesel (ULSD) Fuel Oil No.2.
2. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating authority to the annual value of the contract and execute such agreements and documents necessary for a contract with **HYUNDAI CORPORATION**.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 31st day of October 2023.

Certified by:

Attested by:

JOSEPH T. DUENAS
Chairperson

PEDRO ROY MARTINEZ
Secretary

I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

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

AYES: _____

NAYS: _____

ABSTENTIONS: _____

ABSENT: _____

CCU Regular Board Meeting, October 31, 2023 - GPA

EXHIBIT A : MS IFB GPA-040-23 BID PRICE PROPOSAL ANALYSIS

3-YEAR BASE PERIOD (MANDATORY)	BASE CONTRACT- 1st of 3 YEARS			BASE CONTRACT- 2nd of 3 YEARS			BASE CONTRACT- 3rd of 3 YEARS			3-YEAR BASE CONTRACT PERIOD		
	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
MS IFB GPA-040-23												
A. Bid Reference Price (\$/bbl)	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540
B. Fixed Premium Fee Cost (\$/bbl)	\$8.080	\$14.700	\$10.300	\$8.080	\$14.700	\$10.300	\$8.080	\$14.700	\$10.300	\$8.080	\$14.700	\$10.300
C. Bid Price (A+B), \$/bbl	\$117.620	\$124.240	\$119.840	\$117.620	\$124.240	\$119.840	\$117.620	\$124.240	\$119.840	\$117.620	\$124.240	\$119.840
D. Estimated Quantity (bbls)	2,000,000	2,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,700,000	2,700,000	2,700,000	7,200,000	7,200,000	7,200,000
E. ESTIMATED PREMIUM FEE COST (B x D), \$	\$16,160,000.00	\$29,400,000.00	\$20,600,000.00	\$20,200,000.00	\$36,750,000.00	\$25,750,000.00	\$21,816,000.00	\$39,690,000.00	\$27,810,000.00	\$58,176,000.00	\$105,840,000.00	\$74,160,000.00
F. ESTIMATED CONTRACT COST (C x D), \$	\$235,240,000.00	\$248,480,000.00	\$239,680,000.00	\$294,050,000.00	\$310,600,000.00	\$299,600,000.00	\$317,574,000.00	\$335,448,000.00	\$323,568,000.00	\$846,864,000.00	\$894,528,000.00	\$862,848,000.00

Based on the Mandatory Bid Price Proposal for the three (3) year contract base period, the lowest bidder is: **HYUNDAI CORPORATION**

Ranking (1 as the Lowest Bidder)

1	3	2
---	---	---

2-YEAR EXTENSION (OPTIONAL)	1st of 2 YEARS CONTRACT EXTENSION			2nd of 2 YEARS CONTRACT EXTENSION			2-YEAR CONTRACT EXTENSION PERIOD		
	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
MS IFB GPA-040-23									
A. Bid Reference Price (\$/bbl)	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540
B. Fixed Premium Fee Cost (\$/bbl)	\$7.880	\$14.700	\$10.600	\$7.880	\$14.700	\$11.000	\$7.880	\$14.700	\$10.800
C. Bid Price (A+B), \$/bbl	\$117.420	\$124.240	\$120.140	\$117.420	\$124.240	\$120.540	\$117.420	\$124.240	\$120.340
D. Estimated Quantity (bbls)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000
E. ESTIMATED PREMIUM FEE COST (B x D), \$	\$19,700,000.00	\$36,750,000.00	\$26,500,000.00	\$19,700,000.00	\$36,750,000.00	\$27,500,000.00	\$39,400,000.00	\$73,500,000.00	\$54,000,000.00
F. ESTIMATED CONTRACT COST (C x D), \$	\$293,550,000.00	\$310,600,000.00	\$300,350,000.00	\$293,550,000.00	\$310,600,000.00	\$301,350,000.00	\$587,100,000.00	\$621,200,000.00	\$601,700,000.00

SUMMARY (3-YEAR BASE + 2-YEAR EXTENSION)	3-YEAR BASE CONTRACT PERIOD			2-YEAR CONTRACT EXTENSION PERIOD			SUMMARY (3-YEAR BASE + 2-YEAR EXTENSION)		
	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
MS IFB GPA-040-23									
ESTIMATED PREMIUM FEE COST	\$58,176,000.00	\$105,840,000.00	\$74,160,000.00	\$39,400,000.00	\$73,500,000.00	\$54,000,000.00	\$97,576,000.00	\$179,340,000.00	\$128,160,000.00
ESTIMATED CONTRACT COST	\$846,864,000.00	\$894,528,000.00	\$862,848,000.00	\$587,100,000.00	\$621,200,000.00	\$601,700,000.00	\$1,433,964,000.00	\$1,515,728,000.00	\$1,464,548,000.00

NUMBER OF MULTI-STEP INVITATIONS ISSUED:

3

NUMBER OF MS-IFB RECEIVED:

3



PROCUREMENT DIVISION

GUAM POWER AUTHORITY

MULTI-STEP INVITATION NUMBER:

GPA-040-23

OPENING DATE:

OPENING TIME:

10/16/2023

2:00 P.M.

ABSTRACT OF MULTI-STEP-IFB 'PHASE II'

DESCRIPTION OF SUPPLIES OR SERVICES:

BULK SUPPLY OF DIESEL FUEL OIL NO.2

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION	BASE 1 YEAR	2 YEAR BASE	3 YEAR BASE	1 st YR EXT	2 nd YR EXT
QTY.					
UNIT	LOT	LOT	LOT	LOT	LOT
DELIVERY					
BIDDER					
No.: [] Vendor Name: Hyundai Corporation					
[] BID GUARANTEE:					
[] Bid Bond #: _____ Amount \$ _____					
[] Certificate of Authority [] Power of Attorney					
[] Standby Letter of Credit # _____ Amount \$ _____					
[] Letter of Credit # _____ Amount \$ _____					
[] Cashier's or Certified Check # _____ Amount \$ _____					
[] Wire Transfer					
[] Statement of Qualifications					
[] Affidavits (Original Form)					
[] Affidavits (Copy Form): Originals submitted with _____					
[] Major Shareholders [] Non-Collusion [] No Gratuities or Kickbacks					
[] Ethical Standards [] Wage Determination [] Restriction Against Sex Offenders					
[] Business License [] Contractors License					
[] Local Procurement Signed and Submitted					
[] Literature					
BASIC					
UNIT COST	8.08	8.08	8.08	7.88	7.88
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					





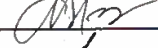

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

[Signature]
SIGNATURE

Basis For Award	
<input type="checkbox"/>	Lowest Responsive Bidder
<input type="checkbox"/>	Tie Bid
<input type="checkbox"/>	Only Bid
<input type="checkbox"/>	Other Than Lowest Responsive Bidder

TABULATED BY: *[Signature]* DATE: 10/16/23

PAGE 1 OF 3

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT			
PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
1 AUBRY FLORENCIA	GPA - SPORD		10/16/23
2 LEMUEL N. SUMADSA	GPA - SPORD		10/16/23
3 JAAS GUERRERO	IP: E CUMM		10-16-23
4 Andrew Park	Hyundai Corp.		10/16/2023
5 Arlene Salas	Mobil Oil		10-16-2023
6 Liberty Manglon	Mobil Oil		10/6/2023
7			
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NUMBER OF MULTI-STEP INVITATIONS ISSUED:

3

NUMBER OF MS-IFB RECEIVED:

3



PROCUREMENT DIVISION

GUAM POWER AUTHORITY

MULTI-STEP INVITATION NUMBER:

APA-040-23

OPENING DATE:

10/16/2023

OPENING TIME:

2:00 P.M.

ABSTRACT OF MULTI-STEP-IFB 'PHASE II'

DESCRIPTION OF SUPPLIES OR SERVICES:

BULK SUPPLY OF DIESEL FUEL OIL NO. 2

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION	BASE 1 YEAR	2 ND YEAR BASE	3 RD YEAR BASE	4 TH YEAR EXT	5 TH YEAR EXT
QTY.					
UNIT	LOT	LOT	LOT	LOT	LOT
DELIVERY					
BIDDER					
No.: 2 Vendor Name: JPT & Holdings, LLC					
<input type="checkbox"/> BID GUARANTEE: <input type="checkbox"/> Bid Bond #: _____ Amount: \$ _____ <input type="checkbox"/> Certificate of Authority <input type="checkbox"/> Power of Attorney <input type="checkbox"/> Standby Letter of Credit # _____ Amount \$ _____ <input type="checkbox"/> Letter of Credit # _____ Amount \$ _____ <input type="checkbox"/> Cashier's or Certified Check # _____ Amount \$ _____ <input checked="" type="checkbox"/> Wire Transfer					
<input type="checkbox"/> Statement of Qualifications <input type="checkbox"/> Affidavits (Original Form) <input type="checkbox"/> Affidavits (Copy Form): Originals submitted with _____ <input type="checkbox"/> Major Shareholders <input type="checkbox"/> Non-Collusion <input type="checkbox"/> No Gratuities or Kickbacks <input type="checkbox"/> Ethical Standards <input type="checkbox"/> Wage Determination <input type="checkbox"/> Restriction Against Sex Offenders <input type="checkbox"/> Business License <input type="checkbox"/> Contractors License <input type="checkbox"/> Local Procurement Signed and Submitted <input type="checkbox"/> Literature					
BASIC					
UNIT COST	14,700	14,700	14,700	14,700	14,700
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

[Signature]
SIGNATURE

Basis For Award

Lowest Responsive Bidder
 Tie Bid
 Only Bid
 Other Than Lowest Responsive Bidder

TABULATED BY:

[Signature]

DATE:

10/16/23

PAGE

2

OF

3

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT			
PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
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NUMBER OF MULTI-STEP INVITATIONS ISSUED:

3

NUMBER OF MS-IFB RECEIVED:

3



PROCUREMENT DIVISION

GUAM POWER AUTHORITY

MULTI-STEP INVITATION NUMBER:

GPA-040-23

OPENING DATE:

OPENING TIME:

10/16/2023

2:00 P.M.

ABSTRACT OF MULTI-STEP-IFB 'PHASE II'

DESCRIPTION OF SUPPLIES OR SERVICES:

BULK SUPPLY OF DIESEL FUEL OIL NO. 2

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION	<u>BASE 1 YEAR</u>	<u>2 YEAR OPIE</u>	<u>3 YEAR OPIE</u>	<u>1st YR OPT</u>	<u>2nd YR OPT</u>
CITY					
UNIT	<u>LOT</u>	<u>LOT</u>	<u>LOT</u>	<u>LOT</u>	<u>LOT</u>
DELIVERY					
BIDDER					
No.: <u>03</u> Vendor Name: <u>Mobil Oil Guam Inc.</u>					
<input type="checkbox"/> BID GUARANTEE:					
<input type="checkbox"/> Bid Bond #: _____ Amount: \$ _____					
<input type="checkbox"/> Certificate of Authority <input type="checkbox"/> Power of Attorney					
<input type="checkbox"/> Standby Letter of Credit # _____ Amount \$ _____					
<input type="checkbox"/> Letter of Credit # _____ Amount \$ _____					
<input type="checkbox"/> Cashier's or Certified Check # _____ Amount \$ _____					
<input type="checkbox"/> Wire Transfer					
<input type="checkbox"/> Statement of Qualifications					
<input type="checkbox"/> Affidavits (Original Form)					
<input type="checkbox"/> Affidavits (Copy Form): Originals submitted with _____					
<input type="checkbox"/> Major Shareholders <input type="checkbox"/> Non-Collusion <input type="checkbox"/> No Gratuities or Kickbacks					
<input type="checkbox"/> Ethical Standards <input type="checkbox"/> Wage Determination <input type="checkbox"/> Restriction Against Sex Offenders					
<input type="checkbox"/> Business License <input type="checkbox"/> Contractors License					
<input type="checkbox"/> Local Procurement Signed and Submitted					
<input type="checkbox"/> Literature					
BASIC					
UNIT COST	<u>10,300</u>	<u>10,200</u>	<u>10,300</u>	<u>10,600</u>	<u>11,000</u>
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

[Signature]
SIGNATURE

Basis for Award

Lowest Responsive Bidder

Tie Bid

Only Bid

Other Than Lowest Responsive Bidder

TABULATED BY: [Signature] DATE: 10/16/23

PAGE 3 OF 3

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT			
PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
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Presentation To:

Consolidated Commission on Utilities

CCU Board Meeting
October 31, 2023



Management Report

CCU Board Meeting

October 31, 2023

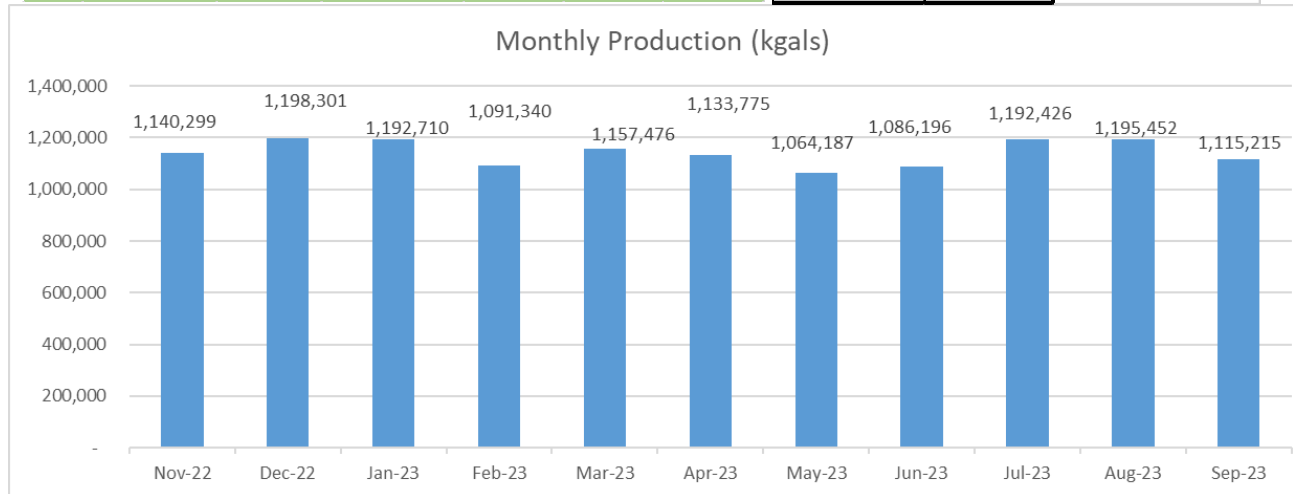




Operations Update

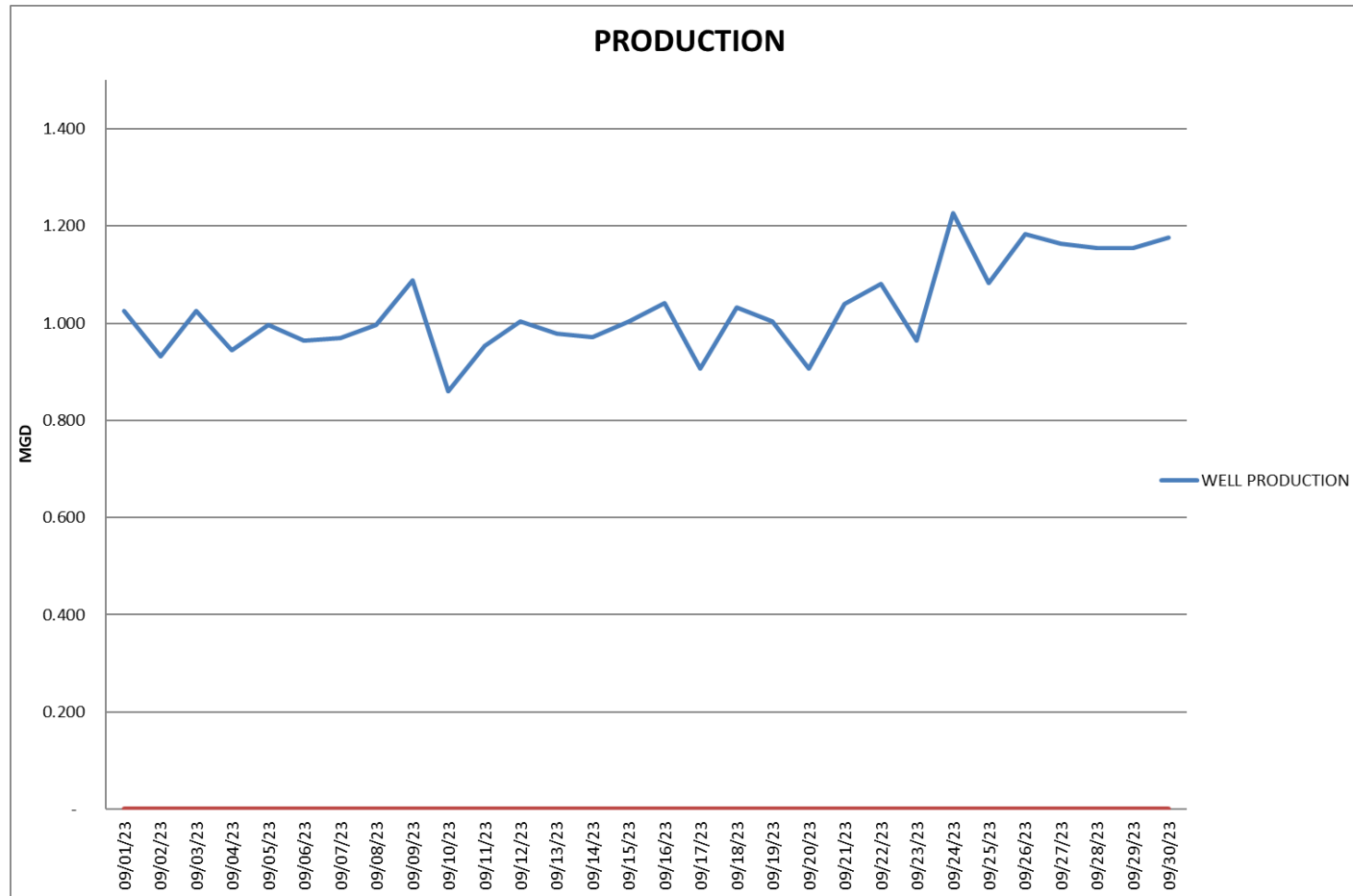
Water Production (September 2023)

Monthly Production Summary - September 2023				DW Status as of 9/30/2023		REMARKS			
Deep Wells			34.0 MGD		Active	96	DW units on line		
Active wells =	96 of 120								
Avg days in operation =	30 days								
Total Production =	1,021,444 Kgals				Standby	1	A29		
Springs			0.44 MGD						
Avg days in operation =	30 days								
Total Production =	13,349 Kgals				Grounded Motors	12	A18-A26-D01-D02-D03-D09-F01-F10-F13-F20-M05-Y16		
Ugum Surface Water Plant			1.7 MGD						
Avg days in operation =	30 days								
Total Production =	49,589 Kgals				Out of Commission	9	A02-A07-A28-D05-D13-M01-M14-MJ01-MJ05		
Tumon Maui Well			1.03 MGD						
Avg days in operation =	30 days								
Total Production =	30,833 Kgals				Secured - PFO	2	A23 and-A25		
1,115,215 Kgals		37.2 MGD							
TOTAL		120							





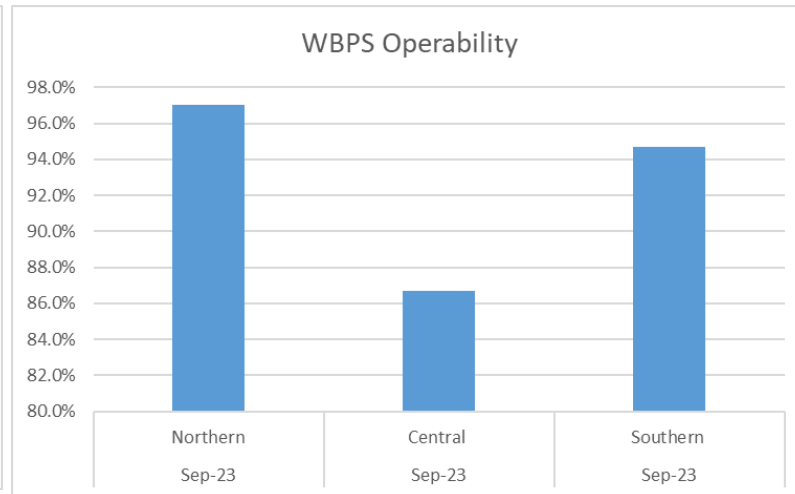
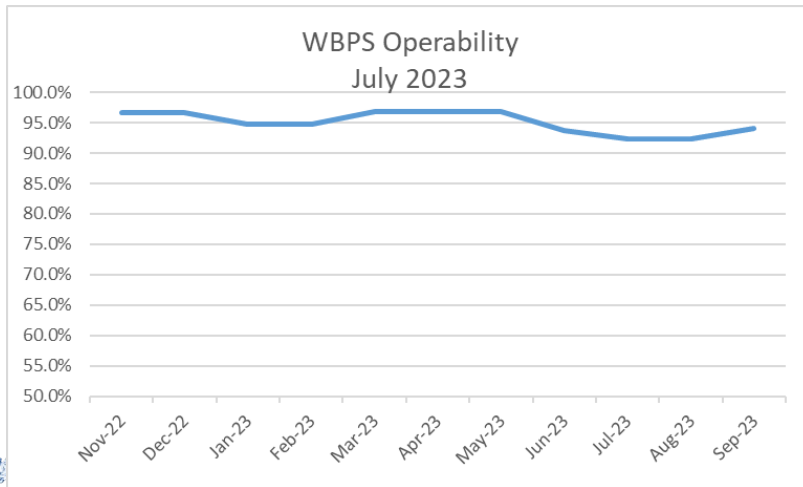
Tumon Maui Well Production (September 2023)





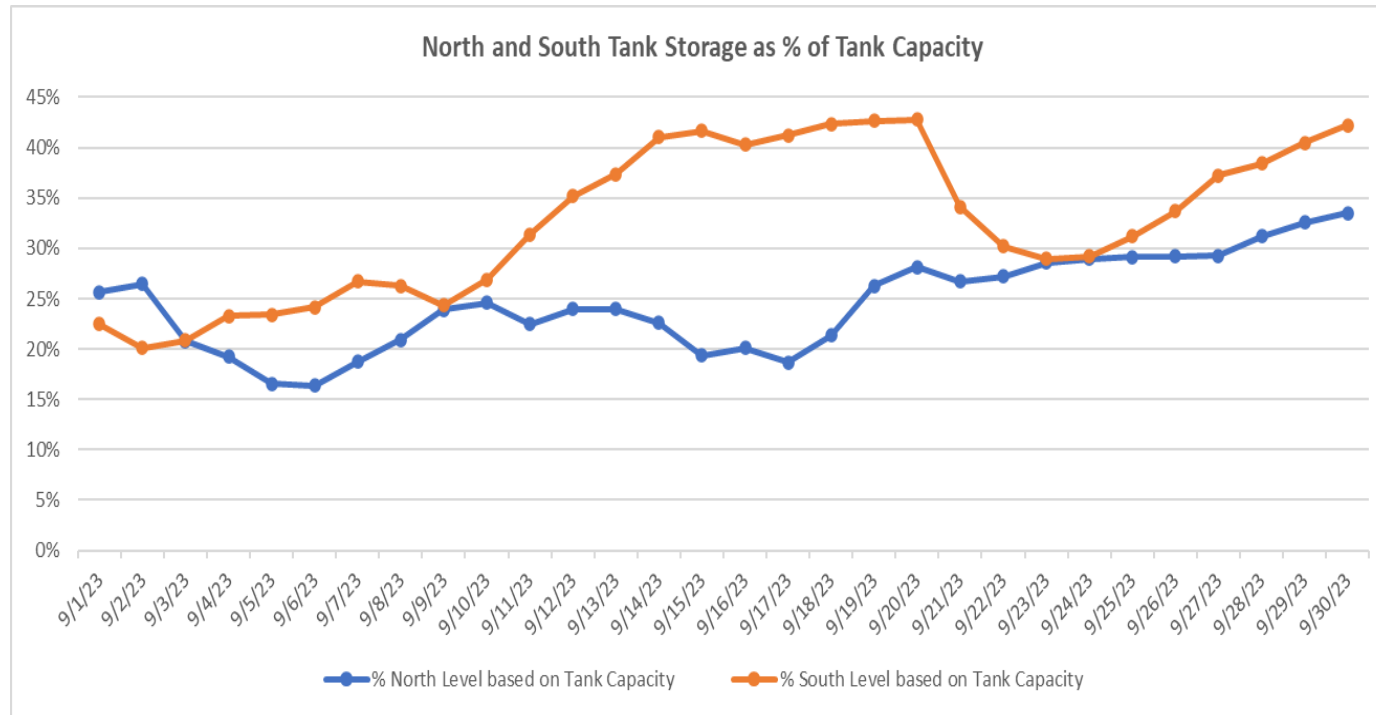
Water Distribution (September 2023)

Monthly Distribution Summary - September 2023					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	14	33	32	97.0%
	Central	7	15	13	86.7%
	Southern	8	19	18	94.7%
		29	67	63	94.0%





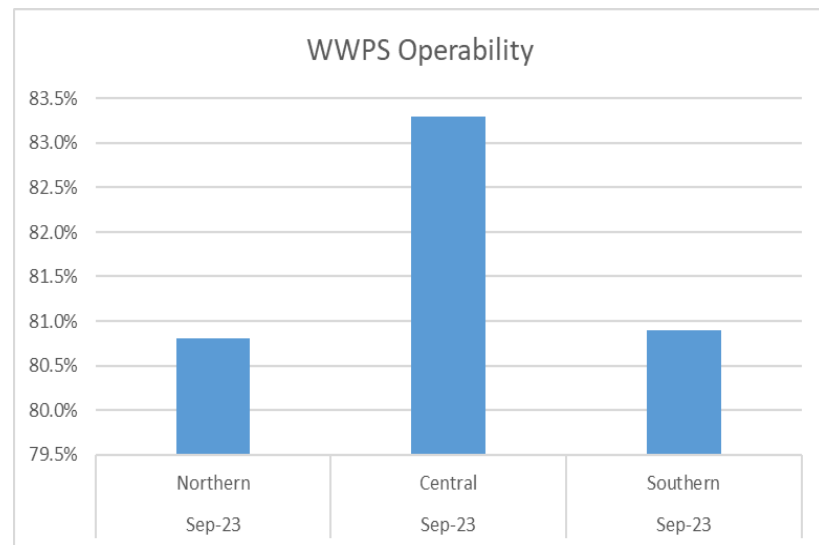
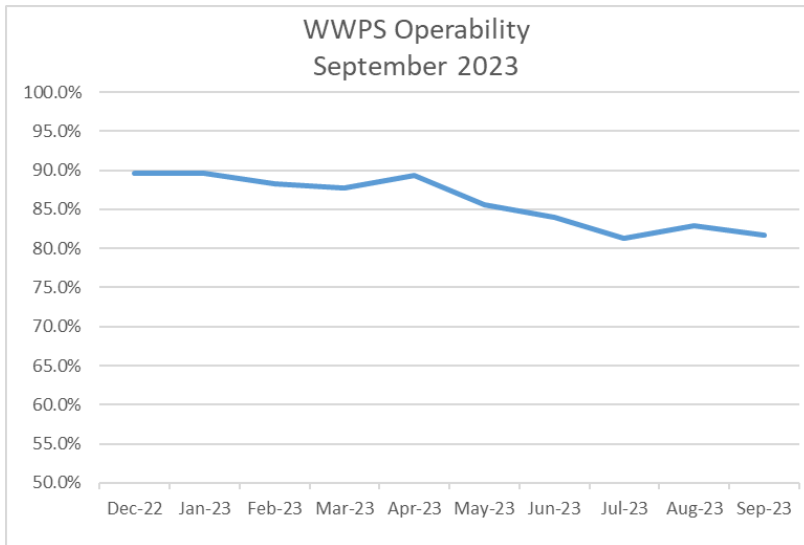
Water Distribution – Tank Levels (September 2023)





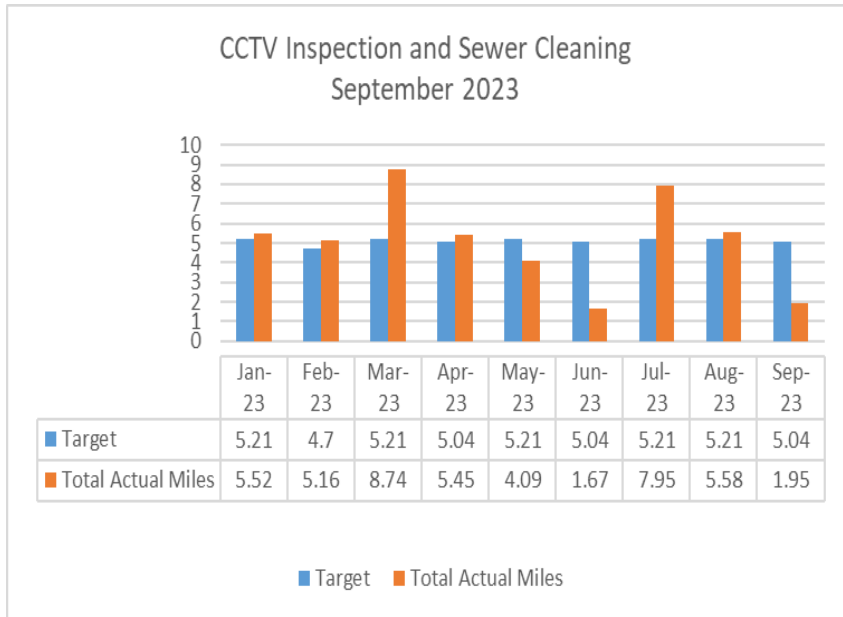
Wastewater Collections (September 2023)

Monthly Collections Summary - September 2023					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	22	52	42	80.8%
	Central	29	66	55	83.3%
	Southern	32	68	55	80.9%
		83	186	152	81.7%





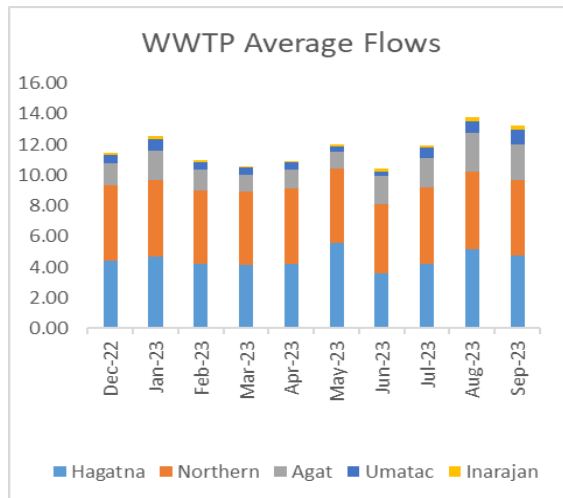
Wastewater Collections – CCTV (September 2023)





Wastewater Treatment (September 2023)

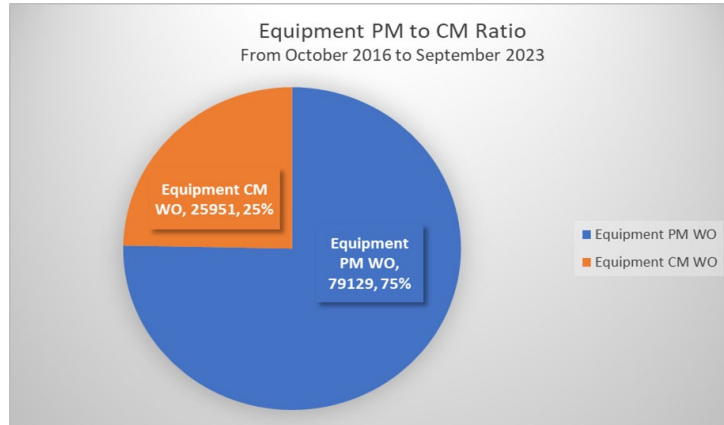
Monthly Wastewater Treatment Summary - September 2023				
WW Treatment Plants - Flows				
	Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)
	Hagatna	4.72	236,220	\$ 21,260
	Northern	4.97	281,600	\$ 25,344
	Agat	2.34	39,460	\$ 3,551
	Umatac	0.93		
	Inarajan	0.29		
		13.25	557,280	\$ 50,155



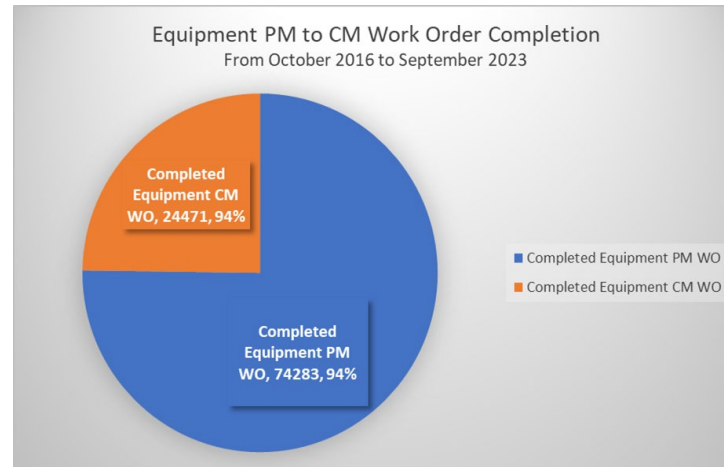


Asset Management (through September 2023)

I. Equipment Preventive Maintenance to Corrective Maintenance *Ratio*



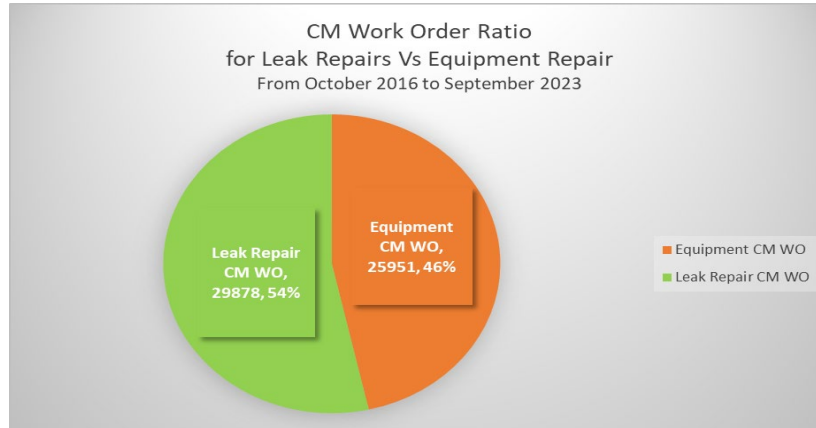
II. Equipment Preventive Maintenance to Corrective Maintenance *Work Order Completion*



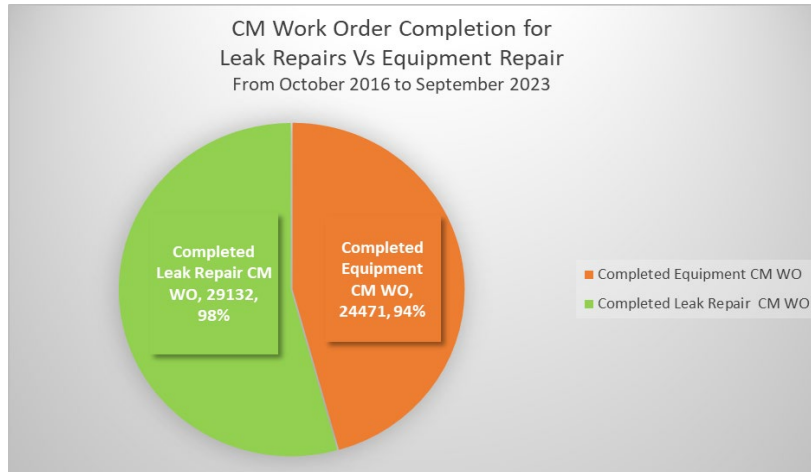


Asset Management (through September 2023)

III. Corrective Maintenance Work Order **Ratio** for Leak Repairs vs. Equipment Repair



IV. Corrective Maintenance Work Order **Completion** for Leak Repairs vs. Equipment Repair





One Guam Update (September 2023)

- **TMW**

- DOD has informed GWA that the Marines/Camp Blaz would like to receive water prior to the completion of Camp Blaz. There are some issues receiving water from the current DOD wells. There is a need to receive water from GWA until issues are resolved. GWA Customer Service has been working with DOD/Camp Blaz to get account name changed on Potts Junction meter - currently the meter account is under DOD 's contractor Granite Obayashi. Meeting will be scheduled with GWA and DOD (the Navy and the Marine Corps/Camp Blaz) on minimum pressure at the entry point, and what is needed on the Camp Blaz's distribution system. Vince P. and Gino will coordinate the activation. Account name is expected to be changed within the week.
- Temporary License will be issued for TMW to GWA for 2024. License will be prepared within the next 30 days.
- Replacement of pumps and motors for TMW is needed. GWA is processing the Purchase Order to obtain the equipment.

- **AG1 and Tarague waterline License**– License is expected within 30 days.

- **Property Transfers**

- Transfer of Navy Laterals at Murray Road/Schoeffel Heights to GWA – Right of Entry to be issued within 30 days.
- Transfer of ACEORP – No update; Environmental Condition Report was completed. There is a DOD communication easement through the property. DOD will have right to access the easement.

- **Information Requested**

- DOD requesting information on GWA's GAC system performance to evaluate how effective GAC might be for their facilities.
- DOD needs a map of GWA's wells that are 1 mile away from Naval Hospital, Radio Barrigada and NCTS.

(Continued on next page)





One Guam Update (September 2023 – continuation)

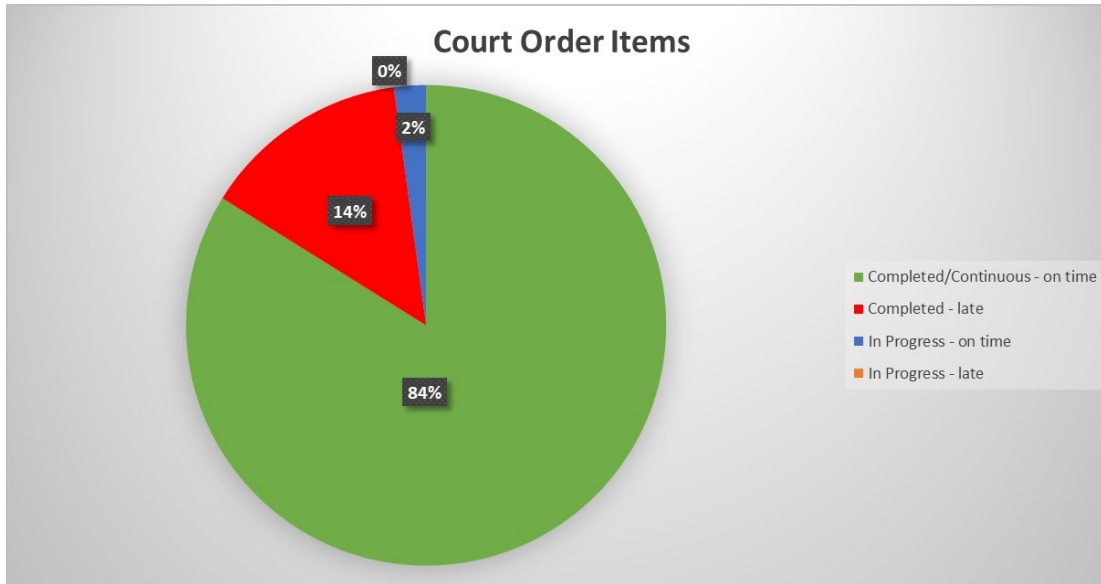
- **Other**

- GWA WW Collection System Easement at Marbo/Skaggs - No update
- Schoeffel Heights/Murray Road Access (ROE) – No update.
- Sewer Easement (Summer Breeze) – DOD does not have authority to give GWA the easement however it doesn't preclude GWA from accessing the sewer line. Maria will get back with DOD Real Estate to confirm.





Court Order Summary (through September 2023 – no changes)



Court Order Summary

	Court Order Items	%	Performance % Completed	Performance (on-time or completed)
Completed/Continuous - on time	78	84%	97.8%	100.0%
Completed - late	13	14%		
In Progress - on time	2	2%		
In Progress - late	0	0%		
Totals	93	100%		





Court Order – Status Information (September 2023 through October 14, 2023)

The following SSOs were reported for September 2023 through October 14, 2023:

- 1) 9/06/2023, No SSO# –Marine Drive, Route 1, Tamuning - FOG
- 2) 9/10/2023, No SSO# –Francisco Javier Avenue, Agana Heights - FOG
- 3) 10/10/2023, SSO#1398446 –Serenu Avenue, Tamuning - I/I due to heavy rain
- 4) 10/12/2023, SSO#1399282 –Southern Link Pump Station - Pump Station Failure
- 5) 10/14/2023, SSO#1399690 –Route 10, Barrigada - Hydraulic Capacity due to heavy rain





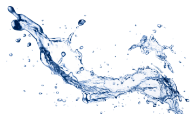
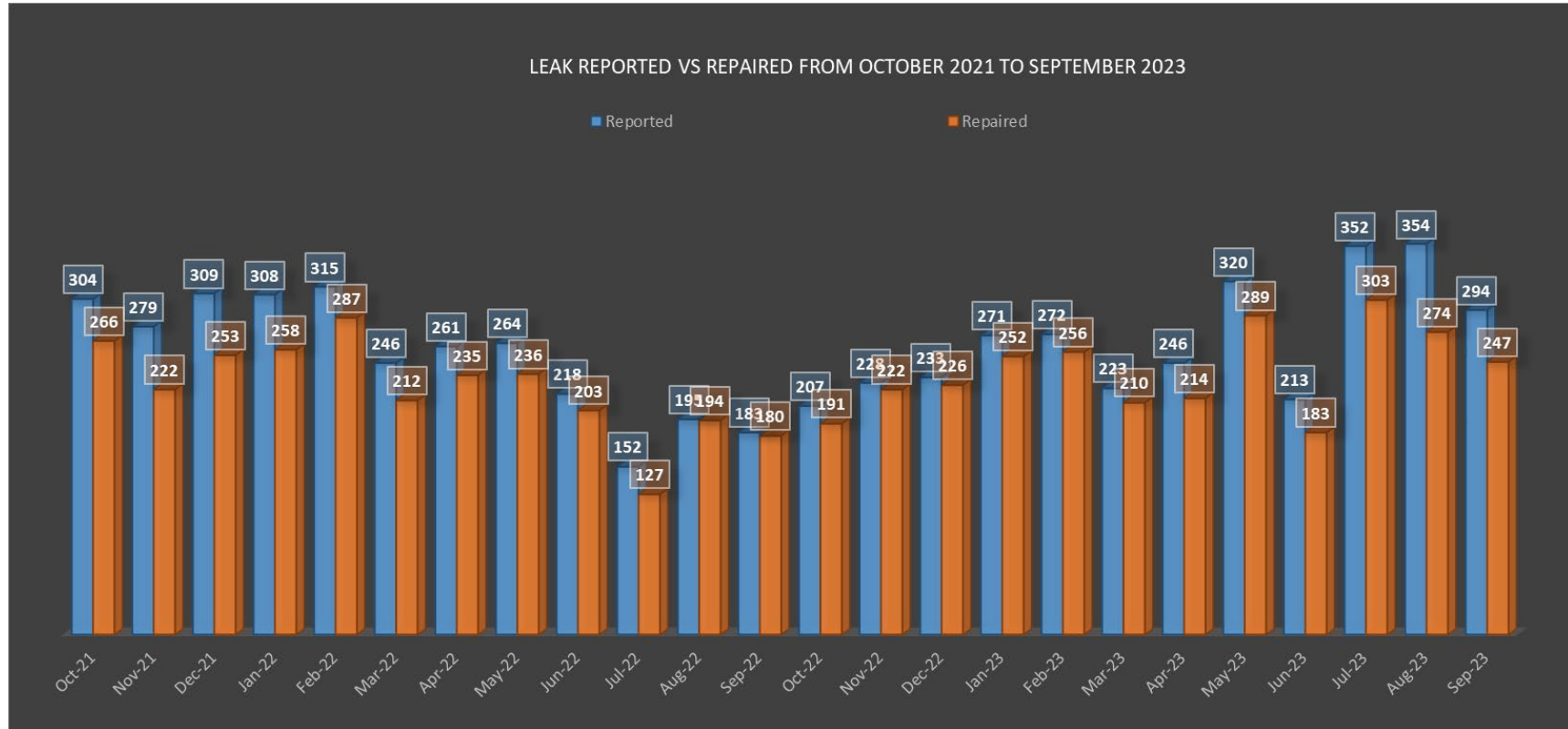
Land Acquisition Summary (through September 2023)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Astumbo-L10164	Gov't. - CLTC	Petition of Land Registration package forwarded to Attorney General by DLM 11/04/19. AG pending court filing 06/30/2021 – Follow up status sent to DLM 10/06/2021; 11/03/2021; 01/27/2022; 03/04/2022; 05/12/2022; 07/07/2022;09/12/2022; 12/27/2022; DLM response 07/11/2023 have not been able to meet with Assignment AG for LR proceedings. Follow up with DLM 09/05/2023; 10/02/2023
	Piti-L259	Private/Federal	Received final comments from DoAg. Waiting on the archaeological report before we can submit 299 forms. Waiting for permission from NPS to access the lot and perform the Archeological survey.
	Ugum River Intake/Booster Pump Station	Private	When the UGUM Water treatment plant was built in 1990, no land reservations for the area by the booster pump station, the Ugum river intake and access road. Land Agent currently researching the area under Lot 292, owned by the Aguon Family. GWA would need to secure a Grant of Easement for the access road and booster pump facility along the river intake.
Deep Wells	AG-12-L10154-4	Dept. of Agriculture/Manhita Farms	Right of Entry Agreement sent to Manhita Farms for signature 05/24/18. 2 nd follow up sent on 04/10/19; 08/03/2021. ROE Agreement information sent to GWA legal counsel for further review and processing 01/28/2022; 08/11/2023 –GM signed and submitted to DCA for final review and processing at DLM; 09/26/2023-Submitted to DCA for final map processing
Booster Pump Station	Agfayan-T3734 B19 L28	Private	TGE working on structural design for pump station area for L28, B19, T3734, Inarajan 11/07/19. Letter of Decision received by CLTC 06/09/2021. CLTC has responded for in-kind service letter 10/08/2021. 1 st appraisal report submitted to GWA 05/11/2022. 2 nd appraisal submittal to GWA 09/20/2022. Appraisal report sent to GM/legal counsel for review, approval and response 09/22/2022. Request for updated Appraisal report sent to TG Engineers for cost estimate 09/28/2023
Asan Springs	Asan-L501	Federal	<ul style="list-style-type: none"> A draft Environmental Assessment has been prepared and was submitted to NPS April 28, 2023. NPS provided their comments on September 07, 2023 and are currently being addressed. 09/18/2023: The Office of Congressman Moylan has offered assistance to work with the NPS in completing the EA and Finding of No Significant Impact (FONSI) along with the Right of Way agreement to GWA, the EA is a prerequisite of the ROE agreement.



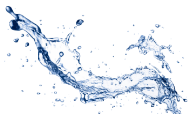
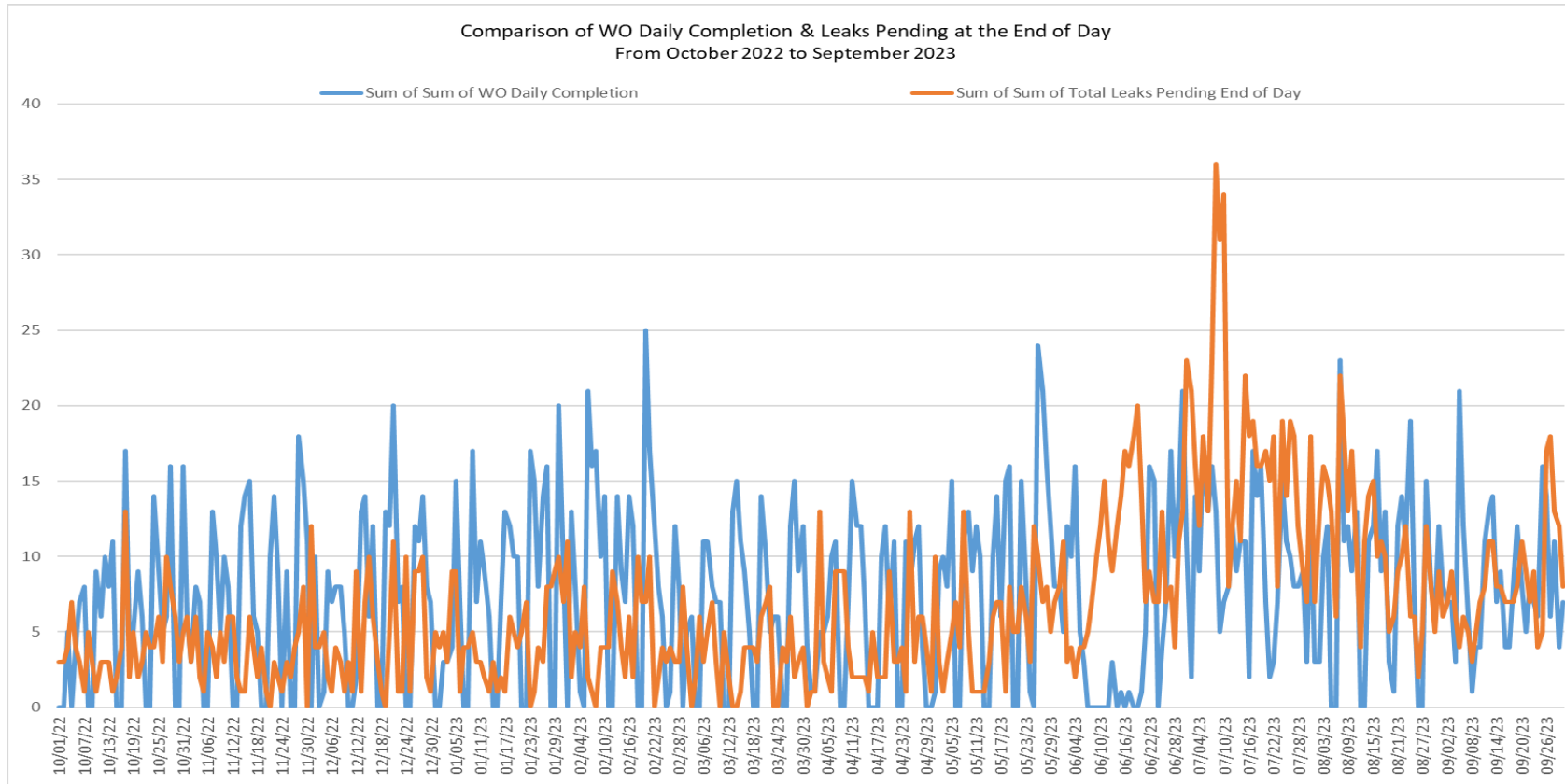


Comparison of Leaks Reported vs. Leaks Repaired (through September 2023)



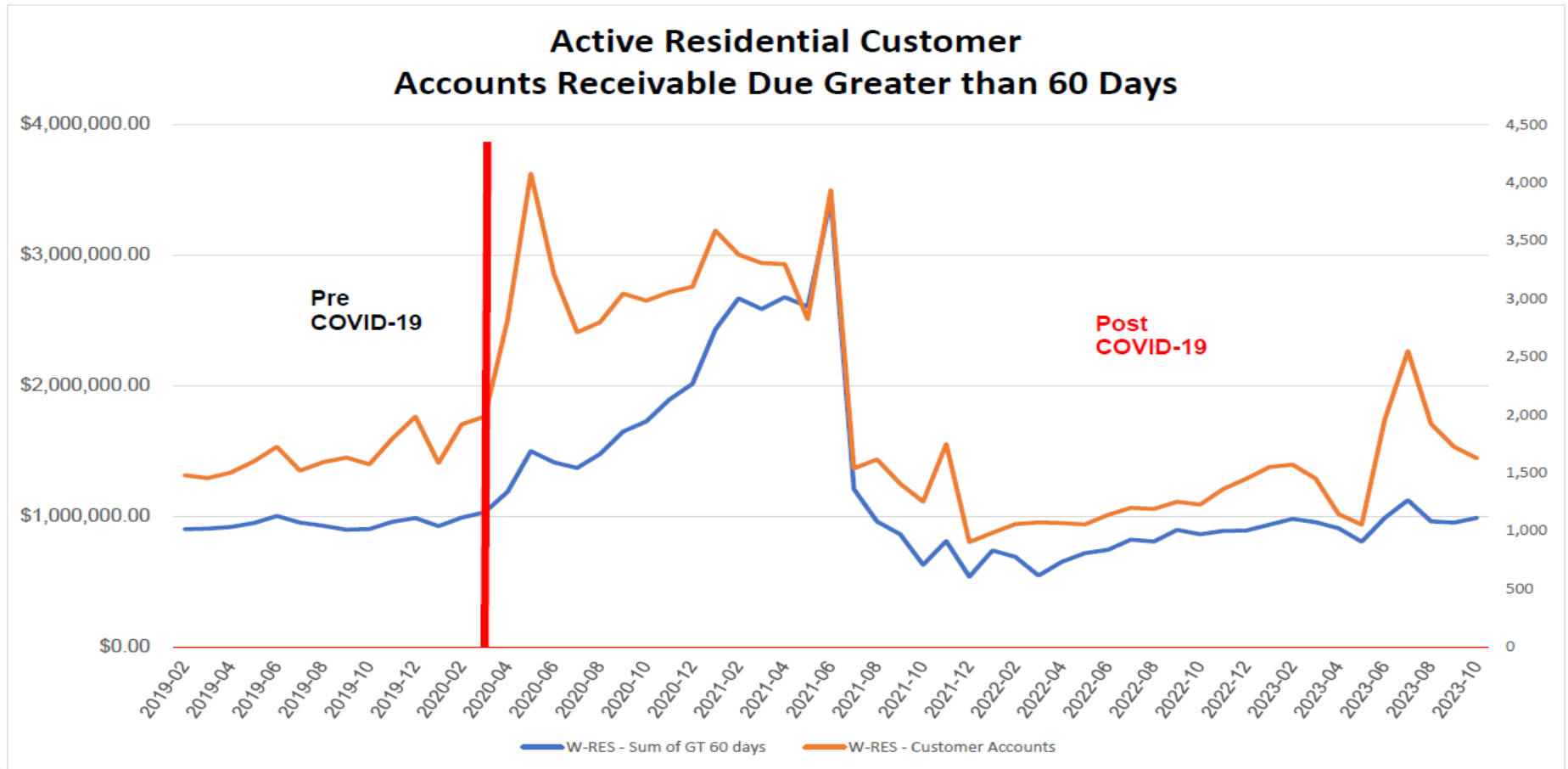


Daily Leak Repairs (through September 2023)





Accounts Receivables – Active Residential Customers (dated October 13, 2023)

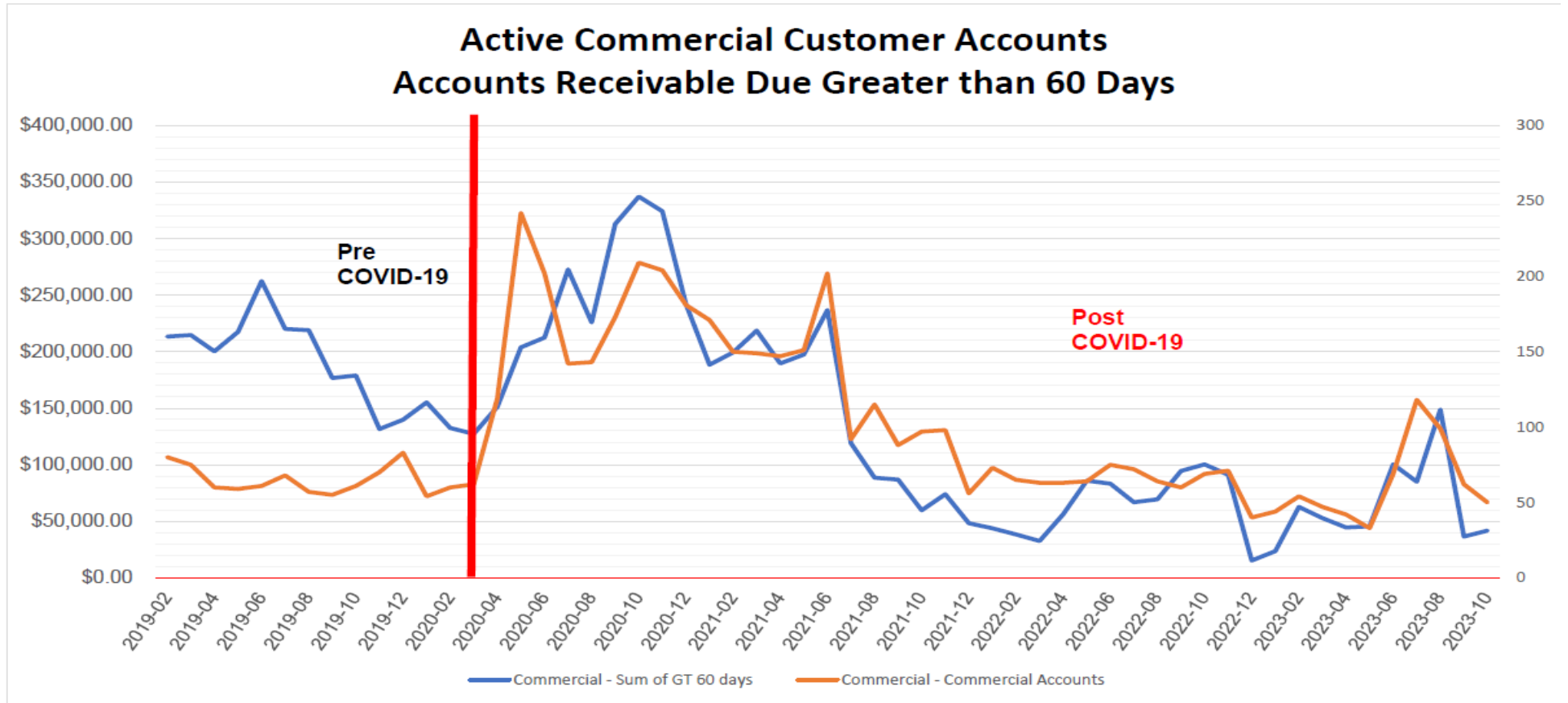


* Excluding customers on payment plans





Accounts Receivables – Active Commercial Customers (dated October 13, 2023)



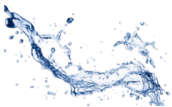
* Excluding customers on payment plans





Highlights of Customer Care Section Operations (September 2023)

- The average wait time for all 3 locations is 4.6 minutes down from 7 minutes in Aug 2023.
- The average number of Facebook visits increased to 6,808 as compared to Aug 2023 @ 2,514.
- Instagram profile visits for Sept 2023 is 373 as compared to 492 Aug 2023.
- Average Facebook page responsive rate for Sept 2023 is 74% as compared to Aug 2023 at 80%
- Sept 2023 average number of active pay plans is 370 is similar to Aug 2023 at 365.
- There was a decrease in emails received in Sept 2023 @ 446 as compared to Aug 2023 @ 611
- Meter Reading Unit reported a 97.93% successful electronic read percentage as compared to Aug 2023 @ 98.8%.
- 12.5% of GWA's active meters recorded ongoing leakages as compared to 13.4% in Aug 2023 and 14% in July 2023.





GWA Financial Overview

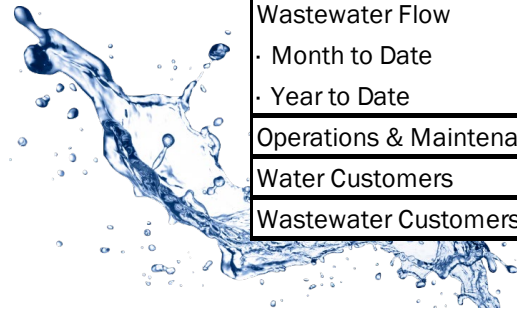
SEPTEMBER 2023





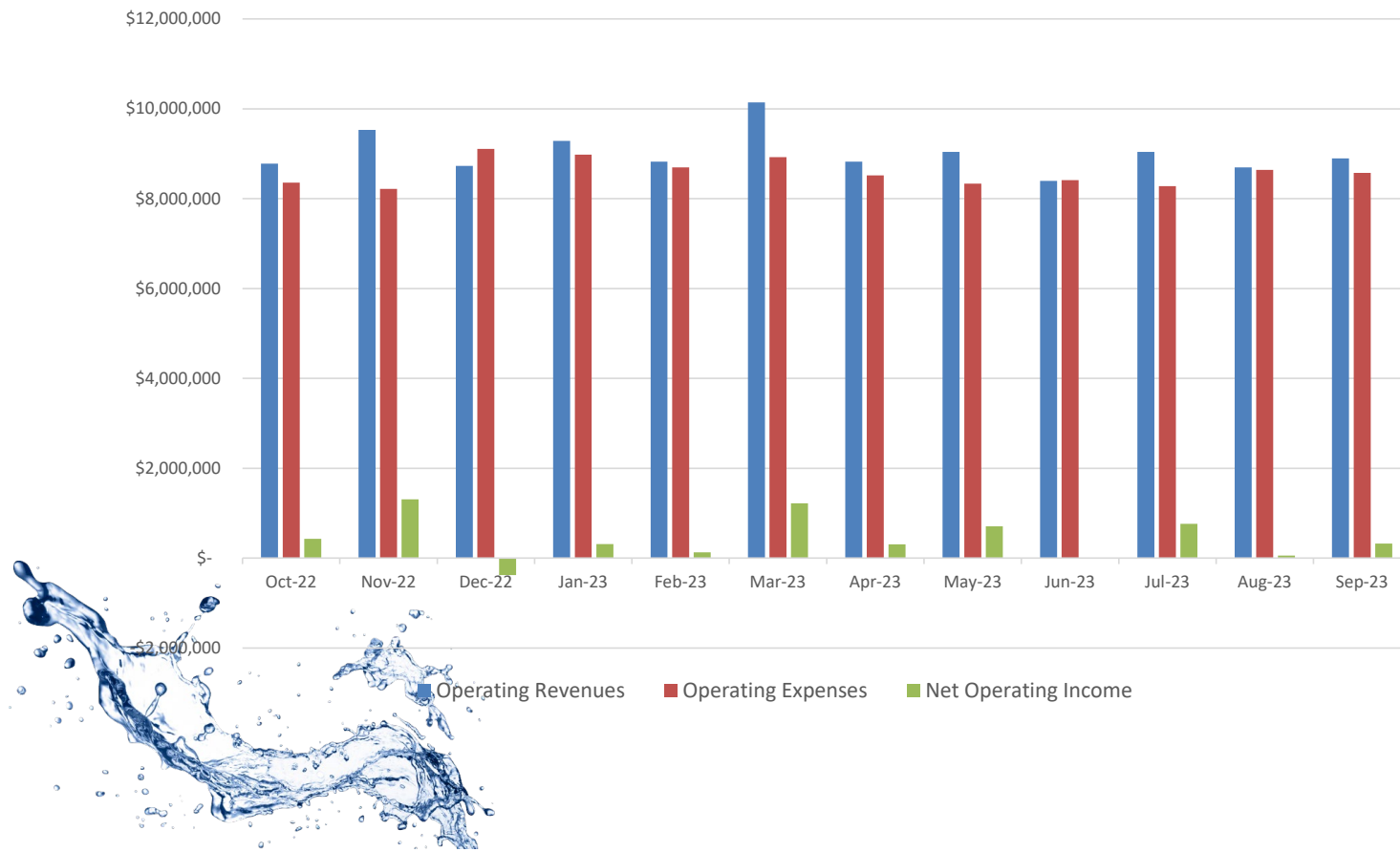
Key Financial Indicators

Indicator	Target	Jul-23	Aug-23	Sep-23
DSC YTD				
· Per Section 6.12 of Indenture	1.25	1.31	1.31	1.31
· Per PUC / CCU	1.30	1.31	1.31	1.31
Days - Cash on Hand	120 days	273 days	282 days	264 days
Collection Ratio				
· Month to Date	99%	93%	107%	93%
· Year to Date	99%	97%	98%	97%
Days Billed	30 days	31 days	30 days	31 days
Account Receivable Days	30 days	35 days	34 days	35 days
Account Payable Days	45 days	35 days	33 days	30 days
Employee Count	400 FTE	364 FTE	359 FTE	356 FTE
Water Demand				
· Month to Date	440,748	439,401	404,535	399,479
· Year to Date	5,288,972	4,257,998	4,662,533	5,062,012
Wastewater Flow				
· Month to Date	318,166	323,204	322,641	294,046
· Year to Date	3,817,995	3,137,032	3,459,672	3,753,719
Operations & Maintenance Expense*	\$6,567,186	\$5,896,225	\$6,221,283	\$6,161,223
Water Customers	43,658	43,588	43,657	43,658
Wastewater Customers	30,781	30,766	30,791	30,757





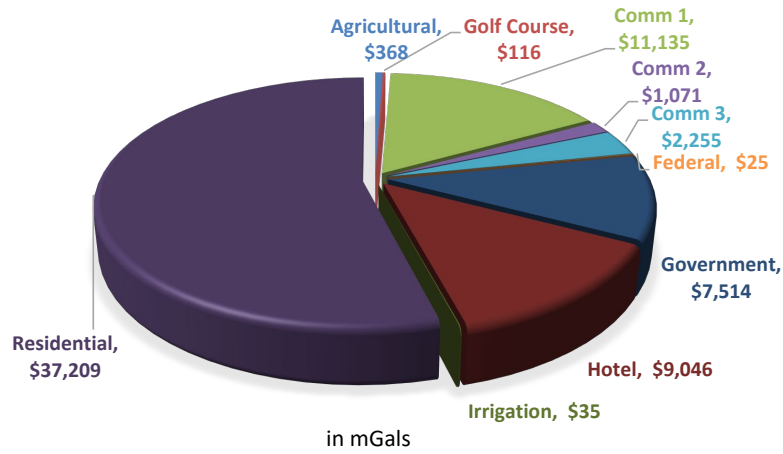
Income Statement



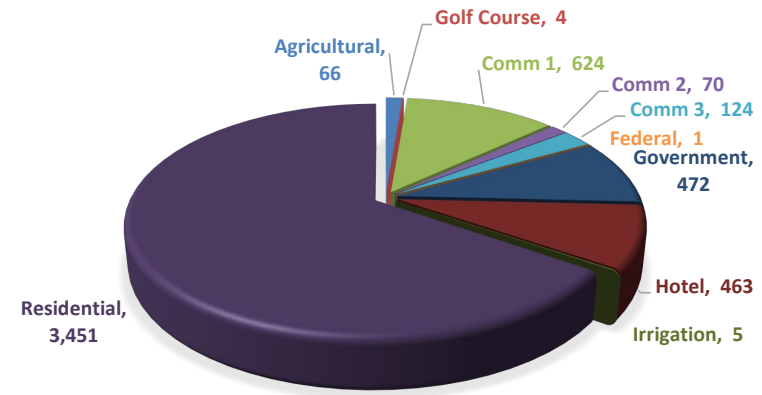
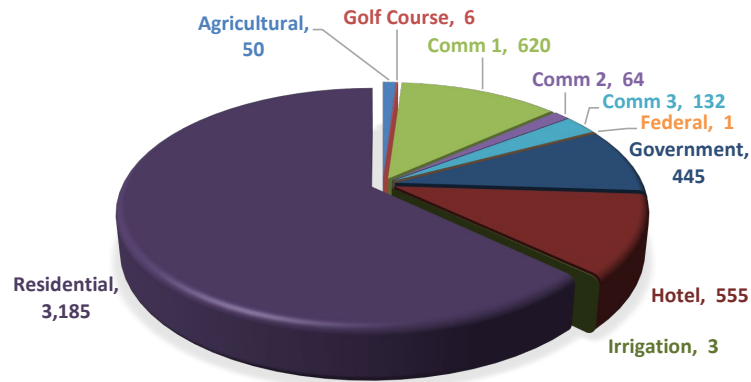
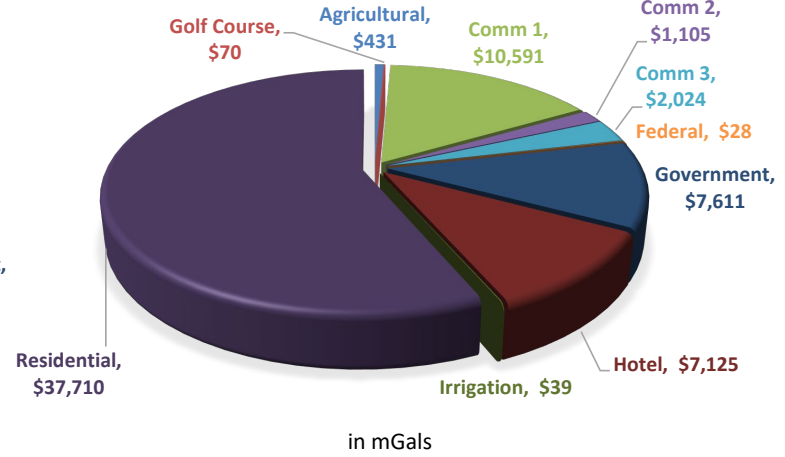


SEPTEMBER YTD Water Revenue/Demand by Rate Class

FISCAL YEAR 2023 (in '000)



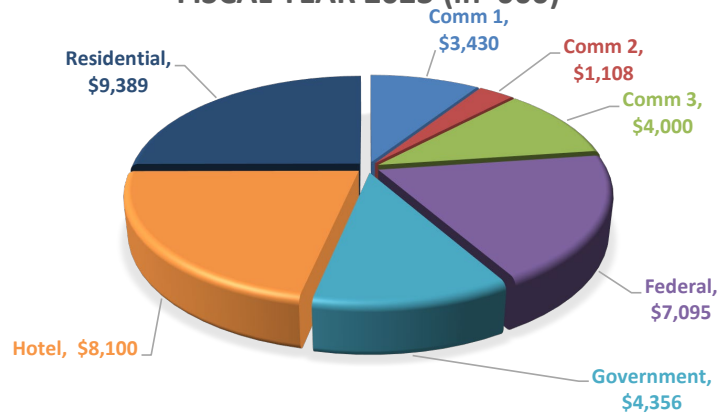
FISCAL YEAR 2022 (in '000)



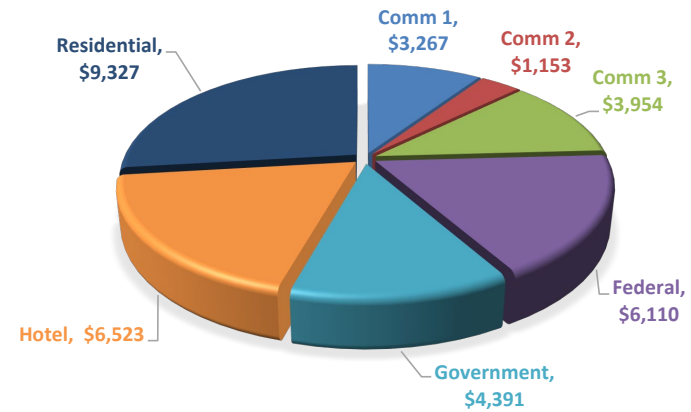


SEPTEMBER YTD Waste Water Revenue/FLOW by Rate Class

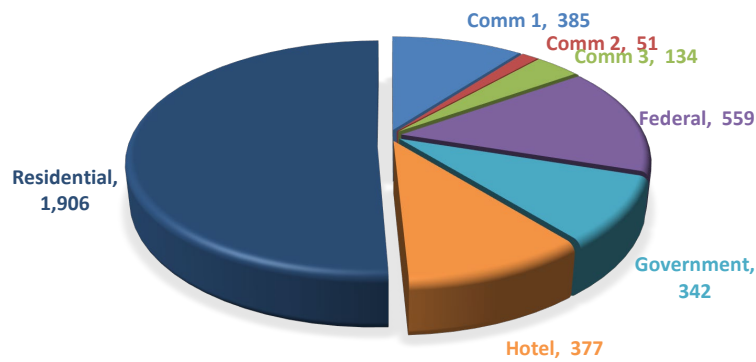
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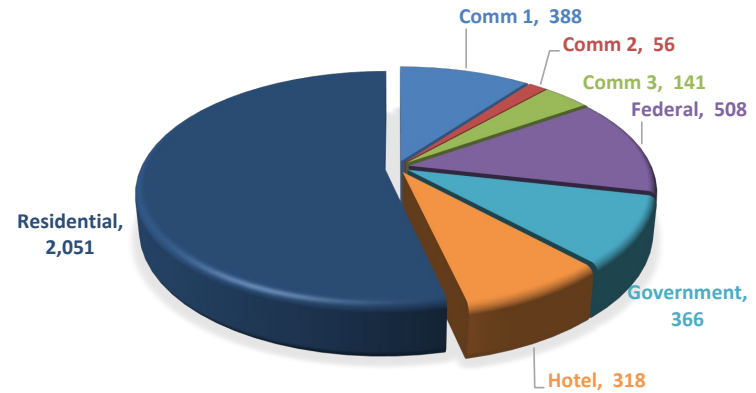
FISCAL YEAR 2022 (in '000)



in mGals



in mGals





Water Demand & Wastewater Flow – 4 Years

