



Citizen-Centric Report

FISCAL YEAR 2024 (October 2023 – September 2024)

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OUR VISION

GPA will be the best utility providing outstanding energy solutions to our island community.

OUR MISSION

GPA shall provide:

Reliable
Efficient, Effective, Environmentally Sound
Affordable, Accountable
Leading Energy Solutions

ABOUT US

Guam Power Authority (GPA) was established in 1968 as a public corporation and autonomous instrumentality of the Government of Guam. GPA is fully independent from its central government as it does not receive subsidies from the Government of Guam, with revenues derived solely from rates. GPA is a publicly-owned, retail electric utility that provides electric generation and transmission and distribution services throughout Guam and is the sole provider of such services.

GPA has been serving Guam for more than 50 years and has evolved from an entity with basically no assets to one which now owns all generation, transmission and distribution assets outside of Guam's US military bases. GPA generates all energy for the entire Guam community including the US military.

The Authority is governed by the Consolidated Commission on Utilities (CCU), an elected five-member Board and is subject to regulations of the Guam Public Utilities Commission (GPUC).

GOVERNANCE AND LEADERSHIP

Consolidated Commission on Utilities

GPA is governed by the Consolidated Commission on Utilities (CCU), an elected five-member Board and is subject to regulations of the Guam Public Utilities Commission (GPUC).

Joseph (Joey) T. Duenas, Chairman
Francis E. Santos, Vice Chairman
Pedro Roy Martinez, Secretary
Michael Limtiaco, Commissioner
Simon A. Sanchez II, Commissioner



Guam Power Authority

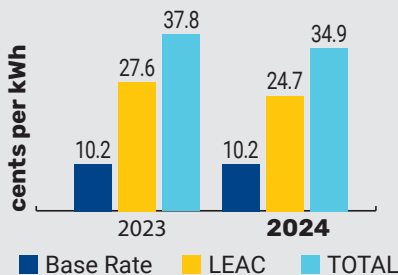
John M. Benavente, P.E. General Manager

OUR CUSTOMERS

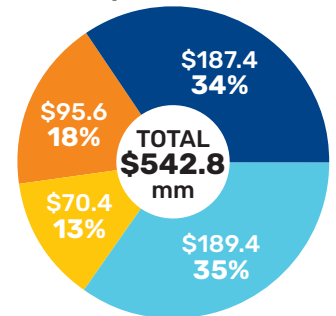
Segment Demographics	FY 2023	FY 2024
Residential	44,943	45,953
Commercial	5,924	6,028
Gov't of Guam	1,774	1,795
U.S. Navy	1	1
TOTAL	52,642	53,777

OUR RATES

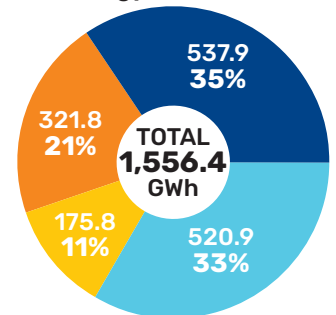
FY 2024 SYSTEMS AVERAGE RATE
As of September 30, 2024 (cents per kWh)



FY 2024 Electric Revenue Composition (\$mm)

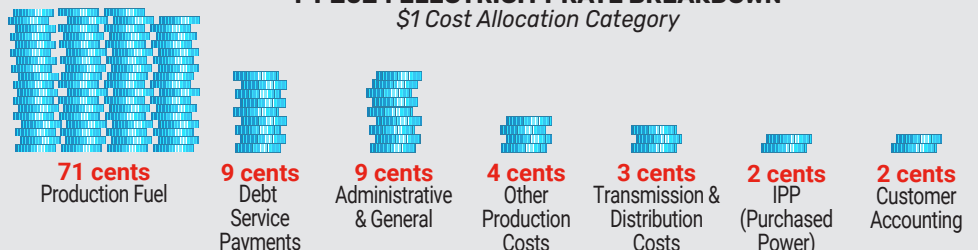


FY 2024 Customer Energy Sales (GWh)



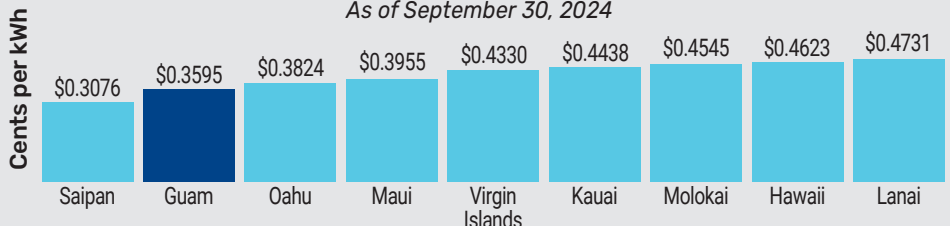
FY 2024 ELECTRICITY RATE BREAKDOWN

\$1 Cost Allocation Category



REGIONAL RATE COMPARISON

As of September 30, 2024



All rates were based on 1000 kWh consumption



Our Progress

CITIZEN-CENTRIC REPORT FISCAL YEAR 2024

Scan for detailed information
and highlights from past years.



FY 2024 ACCOMPLISHMENTS AND KEY STRATEGIES

ENERGY AFFORDABILITY

- **Stable Base Rate:** Maintained at \$0.102/kWh for 11 straight years.
- **FTE:** 443
- **Energy Credits:** \$100/month utility credits totaling \$63M issued in FY2024 to ease customer burden.
- **Fuel Cost Management:** Despite nearly \$47M fuel under-recovery, GPA prudently adjusted the LEAC (peaking at \$0.318576/kWh), later stabilized at \$0.261995.
- **Strategic Energy Moves:** Leveraged low-cost renewables and battery storage (25 MW from Ukudu) to support cost control and sustainability.
- **Ukudu Power Plant:** Contract amended to reduce cost from \$571M to \$527M; COD moved up to Sept 2025, saving \$18.6M; penalties of \$240K/day for delays.
- **Support Programs:** Over \$1.4M in rental/homeowner aid provided; broadened access to government energy assistance.
- **Phase IV Renewables:** Received 330 MW in solar + storage bids to shift 50% of production to night use, reducing peak costs.



SUPERIOR CUSTOMER SERVICE

- **Digital Access:** Continued roll-out of e-services for bill payment, usage monitoring, rebates, and notifications.
- **Unified Phone System:** GPA & GWA merged IVR systems into one toll-free payment line.
- **Energy Credit Distribution:** Extended Prugrāman Ayuda Para I Taotao-ta program disbursed \$100/month to 51,000 customers.
- **National Awards:** APPA Award of Excellence communications honors received for third year in a row.
- **Assistance Programs:**
 - **LIHEAP:** \$985K in relief to 815 households.
 - **Energy Sense Rebates:** \$1.5M issued to 5,304 customers for energy-efficient appliances.
 - **ERA Program:** Over \$1.2M in utility aid provided to pandemic-impacted households.



TECHNOLOGY & CYBERSECURITY SOLUTIONS

- **Digital Advancements:** Expanded tools and platforms to improve customer service and experience.
- **My Energy Xpert (MEX):** Launched free online home energy audit tool with tailored savings tips.
- **Phone System Upgrade:** Integrated IVR with GWA into single toll-free line for bill payments.
- **Community Outreach Tools:** Launched WhatsApp groups for alerts on outages, road closures, and conservation.
- **Cybersecurity Enhancements:** Strengthened protections with new infrastructure, MFA, secure fiber, and Zero Trust framework.
- **Cyber Training & Events:** IT staff led and joined cybersecurity forums and tabletop exercises to share best practices.
- **Federal Collaboration:** Worked with national cybersecurity agencies to reinforce Guam's critical infrastructure.
- **Ongoing IT/OT Hardening:** Expanded fiber network and infrastructure safeguards.
- **Sustainability Conference:** Hosted over 40 speakers at UOG CIS preconference to present on clean energy, cybersecurity, storage, EVs, and digital tools.



ENERGY RELIABILITY

- **Clean Energy Master Plan (IRP):** Ensures regulatory compliance and long-term system planning.
- **Progress at Ukudu:** 91.61% complete (accumulated total as of Sep 2024); major work like pipelines and testing finalized.
- **Post-Typhoon Mawar Recovery:** Action plan implemented and added capacity to limit load-shedding.
- **Phase IV Solar PV + Battery Project:** Will shift energy to night hours, cut peak costs, and boost generation. CCU approved 192 MW (2 of 5 proponents).
- **Legacy Plant Support:** Piti 7 CT and Navy-Owned Orote plant overhauls approved to maintain system reliability until Ukudu is live.
- **Federal & Local Collaboration:** Continued partnerships with U.S. National Labs and agencies for grid modernization and resiliency efforts.



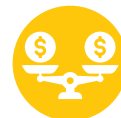
WORKFORCE DEVELOPMENT

- **In-House Training:** 16 plant operator/maintenance trainees advancing in 3-year program.
- **Apprenticeships:** 36 active; 6th cohort graduated, 7th cycle (20 apprentices) began in 2024.
- **Internships:** Expanded with UOG, covering fields like engineering, cybersecurity, HR, and more.
- **Engineering Talent:** 3 new engineers recruited in FY 2024 to build long-term capacity.
- **Employee Engagement:** Reintroduced service awards (64 honored) and launched weekly EmPOWERing You newsletter.
- **National Recognition:** Received APPA's Diamond Safety Award for excellence in operating safety practices.



FINANCIALLY SOLVENT

- **Bond Refunding:** Achieved \$4.6M in NPV savings.
- **Cost Controls:** FY 2024 O&M expenses were \$6M below budget; base rate unchanged for 11th year.
- **Clean Audit:** Received from Ernst & Young; maintained strong liquidity with 90 days Cash on Hand and on-time vendor payments.
- **Stable Credit Ratings:** S&P, Moody's, and Fitch all maintained GPA's stable outlook, positive investment-grade ratings.
- **Insurance Outlook:** Rates expected to remain steady in FY 2025 despite market increases.
- **Two-Year Budget:** CCU approved FY 2024–2025 budget; 2nd consecutive biennium.
- **Net Metering & New Customer Growth:** 2,707 customers with 36 MW capacity as of Sep 2024. Over 1,000 new customers in FY 2024.
- **Debt-Service Coverage:** FY 2024 DSC estimated at 1.4; receivables remained low.
- **Fuel & Renewable Hedging:** 85 MW solar with 1% escalator, 40 MW storage, 275 kW wind, and 30–90 days of fuel inventory provide rate stability.
- **LEAC Recovery:** Under-recovery reduced from \$47M to \$14.5M despite post-Mawar fuel price volatility.





Our Finances

CITIZEN-CENTRIC REPORT FISCAL YEAR 2024

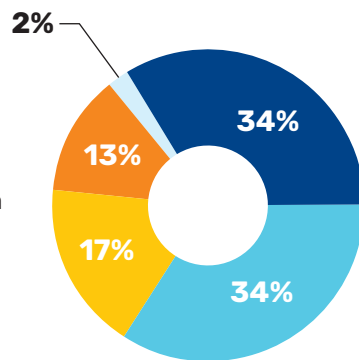
FY 24 REVENUES

Type (in \$000)	FY 24	FY 23	% Change
Residential	\$ 187,362	\$ 188,415	-0.6%
Commercial	\$ 189,397	\$ 191,817	-1.3%
Government of Guam	\$ 95,581	\$ 77,583	23.2%
U.S. Navy	\$ 70,437	\$ 90,867	-22.5%
Other Income	\$ 11,063	\$ 14,163	-21.9%
Total	\$ 553,841	\$ 562,844	-1.6%

The Authority's operating revenue decrease by almost \$6 million is mainly due to the drop in fuel prices. The \$3.1 million decrease in Other Income is attributable to the decreases in miscellaneous revenues and grants received from the US Government.

FY 2024

- Residential
- Commercial
- Government of Guam
- U.S. Navy
- Other Income



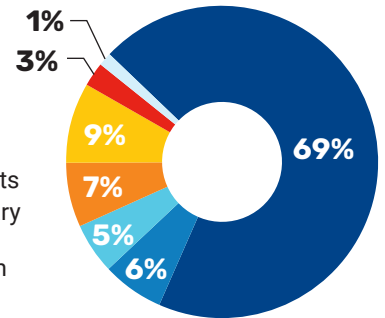
FY 24 EXPENSES

Type (in \$000)	FY 24	FY 23	% Change
Customer Accounting	\$ 8,307	\$ 7,840	6.0%
Transmission & Distribution	\$ 13,791	\$ 11,038	24.9%
Administrative & General	\$ 47,360	\$ 33,790	40.2%
IPP & Other Production Costs	\$ 36,701	\$ 27,997	31.1%
Interest & Other Extraordinary Expenses	\$ 29,441	\$ 39,916	-26.2%
Depreciation & Amortization	\$ 35,021	\$ 35,216	-0.6%
Production Fuel	\$ 385,762	\$ 399,920	-3.5%
Total	\$ 556,384	\$ 555,718	0.1%

Production Fuel decreased by \$14 million, which is mainly attributable to decrease in fuel costs. This was offset by the increase in GPA's operating and maintenance expenses due to a lease of the 20 MW diesel generators to meet load demand and increase in pension, insurance, retiree healthcare and benefits, and material costs. Other Extraordinary Expenses of \$5.7 million due to additional typhoon Mawar expenses were incurred that have not been approved by FEMA as of September 30, 2024.

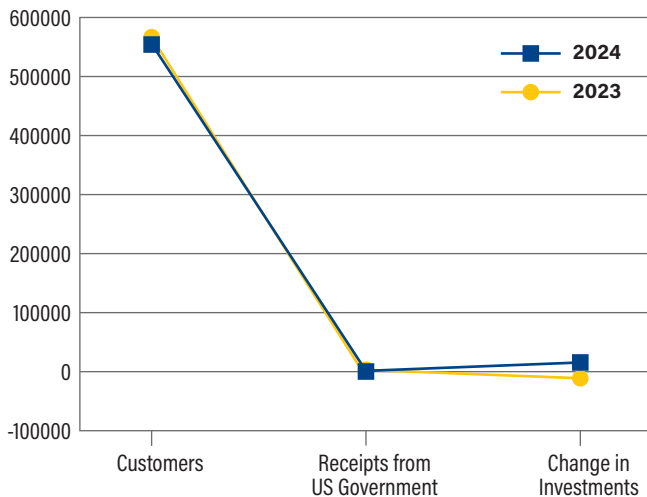
FY 2024

- Customer Accounting
- Transmission & Distribution
- Administrative & General
- IPP & Other Production Costs
- Interest & Other Extraordinary Expenses
- Depreciation & Amortization
- Production Fuel



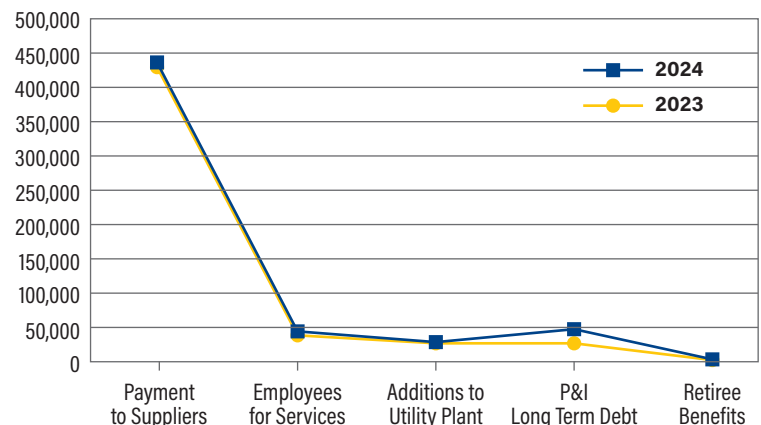
SOURCES OF FUNDS

Type (in \$000)	FY 24	FY 23
Customers	\$ 554,168	\$ 566,760
Receipts from US Government	\$ 1,355	\$ 3,302
Change in Investments	\$ 15,583	\$ (11,156)
Total	\$ 571,105	\$ 558,906



USES OF FUNDS

Type (in \$000)	FY 24	FY 23
Payment to Suppliers	\$ 436,483	\$ 429,633
Employees for Services	\$ 45,118	\$ 39,356
Additions to Utility Plant	\$ 29,494	\$ 27,743
P&I - Long Term Debt	\$ 48,318	\$ 27,766
Retiree Benefits	\$ 4,397	\$ 3,382
Total	\$ 563,810	\$ 527,789



All financial activities of GPA are in line with the mission, vision and goals established by the Authority. GPA's financial statements for fiscal year 2024 received a clean audit opinion from Ernst & Young, LLP. GPA's comprehensive financial statements may be viewed online at www.guampowerauthority.com.



Our Future Challenges

CITIZEN-CENTRIC REPORT FISCAL YEAR 2024

LOOKING AHEAD – THE PATH FORWARD

GPA continues to face a critical shortfall of public power generation supply for Guam. GPA will overcome this energy gap with the commissioning of the new 198 MW Ukudu Power Plant in September 2025. In the meantime, GPA developed an action plan for the recovery of existing capacity and adding new capacity to address the shortfall.

Looking ahead, with the highly fuel-efficient Ukudu Power Plant and all 330 MW Phase IV renewable energy projects online, GPA is anticipated to achieve over 50% renewable energy by 2028, reduce fuel imports by over 900,000 barrels, or 39 million gallons per year, resulting in overall reduction in energy bills and net savings to our customers.

Clean Energy Master (CEM) Plan/Integrated Resource Plan (IRP)

- GPA is leading the exciting journey to achieve reliable, resilient, affordable clean, renewable energy for all Guam ratepayers.
- The multifaceted GPA CLEAN ENERGY PLAN (Integrated Resource Plan): Reduces our carbon footprint; Improves energy reliability; Ensures energy resiliency; Reduces waste; Improves affordability
- GPA commits to 50% renewable energy production by 2030 and 100% renewable energy and non-GHG emissions energy production by 2040.

USEPA/DOJ Negotiated Consent Decree

- GPA continues to comply with its Consent Decree and adjust compliance action plans for issues beyond GPA's control. Most of the Consent Decree requirements have been met with the exception of a few outstanding items: **New Power Plant** - Ukudu Operation date with ULSD and capable of liquefied natural gas (Delayed, targeting COD September 2025); **Cabras 1 & 2** - Permanent retirement of aging plants (targeted NLT March 2026); **Permits & Reports** - Commenced and Ongoing; **Solar & ESS** - Complete construction of 100 MW solar (Ongoing and delayed. New proposed COD NLT March 30, 2026.)

Planning for the Future and Sustainable Guam

- Ukudu Power Plant – Long-term Generation Capacity in Progress; Cornerstone for Renewables**
 - This new power plant, which is under construction and scheduled for commissioning in 2025, encountered several delays due to COVID-19 and damages sustained from Typhoon Mawar.
 - The new plant will provide improved generation reliability and substantially reduce fuel operating costs once commissioned.
 - The new plant is a critical part of the USEPA-GPA Consent Decree which also requires the retirement of Cabras units 1&2 within 6 months of the Ukudu plant's commissioning.
 - Ukudu Power Plant is a highly efficient combined-cycle unit that will contribute to reducing fuel costs. The new plant is expected to reduce fuel consumption by over 900,000 barrels, or 39 million gallons per year.
- Making it All Work! Reliable, Resilient, Affordable Power**

GPA has been taking measured steps toward increasing renewable energy integration into its grid—leveraging advancements in technology and reductions in technology costs. GPA is now in a fast Sprint towards 50% Renewable Energy. Solar PV, Wind Power, and other Inverter Based Resources (IBR) make the grid less stable, less reliable, and less resilient. The next three years are all about adding the systems necessary to make it all work and improve power system stability, reliability, resiliency, and affordability.
- Phase IV Renewables Bid**
 - Bids from proponents have been received. All five (5) bidders have progressed to the next phase. Approximately 330 MW of renewable energy with energy shifting Energy Storage Batteries is what will be contracted. Contract 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.

Cybersecurity Strategies

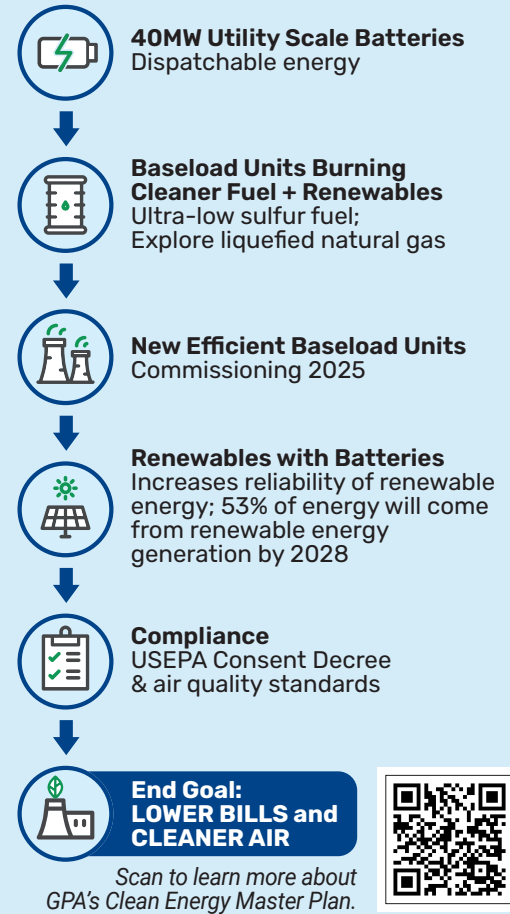
- To mitigate the risk of business operations, impact and damage from cybersecurity incidents or cyber-attacks, GPA invests in cybersecurity and operational safeguards, including training, awareness programs, phishing simulations, and has an in-house cybersecurity team that detects and responds to cybersecurity threats. GPA and GWA have jointly initiated cybersecurity policies and protocols and conducted system testing and assessment to identify necessary security improvements.

Infrastructure Resiliency Planning

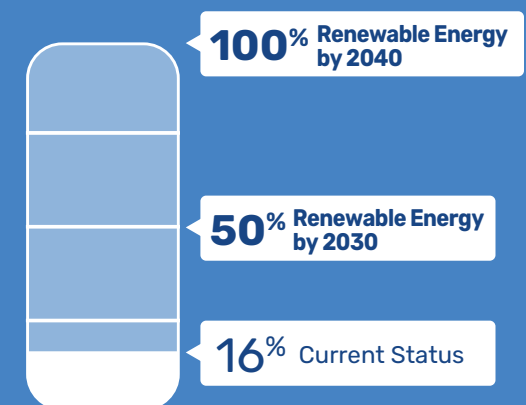
- 198 MW Ukudu Power Plant** - The new highly efficient combined cycle plant is slated for commissioning by September 2025. Plant construction progresses steadily with pre-commissioning and performance testing scheduled early 2025.
- One Guam Power Infrastructure Plan** - This plan includes requesting \$6.4 billion estimated costs for immediate critical physical infrastructure needs, as well as an additional \$4 billion to underground remaining distribution systems. This work will ensure a more resilient and reliable energy supply for Guam, as well as quicker recoveries from natural disasters.
- Battery Energy Storage Systems (ESS)** - Centralized ESS capacity provides significantly improved grid reliability, and adds significant flexibility by charging directly from utility-scale renewable energy systems in daytime and from conventional generation plants during early morning low-demand periods. GPA will seek CCU and PUC approval for 90MW/450MWH.

CLEAN ENERGY MASTER PLAN

Your renewable energy resources are expanding. We've added 85MW utility scale solar into the grid and we'll be adding more in the next 5 years.



16% RENEWABLE ENERGY



2 utility-scale renewable energy solar farms totaling 85MW currently online, with more being procured.

WE WANT TO HEAR FROM YOU

Please contact GPA and let us know what information we can provide to you in future reports.

John J.E. Kim, CPA, GPA Chief Financial Officer

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