GPWA Regular Board Meeting

November 28, 2023

Presentation To:

Consolidated Commission on Utilities

ISSUES FOR DECISION

GPA Resolution No. FY2024-05

Request to Increase the Contract Expenditures for the Supply of Diesel Fuel Oil No. 2 for the GPA Water System Diesel (WSD) Generators

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

To provide ultra-low sulfur diesel (ULSD) to GPA WSD generators located at Guam Waterworks Authority sites. The initial approved costs estimated for this contract did not include the extended generator operations and fuel consumption during Typhoon Mawar.

Where is the location?

Various GWA sites including water wells, treatment plants, pump stations and lift stations.

How much will it cost?

The additional estimated costs for contract years 2 through 5 over the approved $1,150,200 is $2,146,077 for a total contract cost of $3,296,277.

When will it be completed?

The 5-year contract term will expire September 30, 2027.

What is its funding source?

LEAC

GPA Resolution No. FY2024-05

Exhibit A: Historical Expenses

GPA-012-22: Diesel Supply to WSD & GWA Generator Sites

Historical Expenses	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Oct	$0	$2,875	$0	$8,940	$15,348	$27,840
Nov	$12,804	$0	$4,319	$0	$33,835	$0
Dec	$0	$0	$4,047	$0	$0	$0
Jan	$4,061	$567	$0	$14,266	$1,405	$6,135
Feb	$52,902	$1,063	$0	$0	$33,002	$10,829
Mar	$9,154	$9,132	$12,020	$223	$52,830	$16,884
Apr	$0	$0	$415	$0	$5,482	$0
May	$137,839	$11,310	$446	$0	$14,127	$6,778
Jun	$518,052	$32,275	$2,145	$0	$0	$0
Jul	$39,809	$6,008	$0	$0	$7,650	$48,651
Aug	$90,506	$112,829	$7,531	$8,195	$0	$76,172
Sep	$117,232	$3,754	$7,143	$0	$3,960	$135,148
Summary	**$982,359**	**$179,813**	**$38,066**	**$31,624**	**$167,639**	**$328,437**
Total Gals	**254,894**	**39,463**	**14,055**	**11,290**	**54,700**	**119,237**
$/gal	**$3.854**	**$4.556**	**$2.708**	**$2.801**	**$3.065**	**$2.754**
Remarks	**(Actual)** Temporary off-grid operation Super Typhoon Mawar	**(Actual)** Typical Expenditure Typhoon Tokage	**(Actual)** Typical Expenditure	**(Actual)** Typical Expenditure	**(Actual)** Typical Expenditure Typhoon Wutip	**(Actual)** Typhoon Mangkhut
Estimated Typhoon Costs:	*$655,891*	*$112,829*			*$52,830*	*$135,148*
Estimated Typhoon Gallons:	*176,434*	*24,528*			*17,505*	*57,049*

GPA Resolution No. FY2024-05

Exhibit B: Contract Expenditure - Revised Projection

GPA-012-22: Diesel Supply to WSD & GWA Generator Sites

Contract Expenses	3-Year Base Period			2-Year Extension Option		SUMMARY (5-Years)
	1st year FY 2023	2nd year FY2024	3rd year FY 2025	1st year FY 2026	2nd year FY 2027	
MOPS (Avg), $/gal	$2.305	$2.986	$2.986	$2.986	$2.986	$2.759
Fixed Premium, $/gal	$1.549	$1.549	$1.549	$1.549	$1.549	$1.549
Unit Cost (Avg), $/gal	**$3.854**	**$4.535**	**$4.535**	**$4.535**	**$4.535**	**$4.308**
Quantity (gal)	**254,894**	**127,559**	**127,559**	**127,559**	**127,559**	**765,130**
Annual Cost ($)	**$982,359**	**$578,480**	**$578,480**	**$578,480**	**$578,480**	**$3,296,277**
Cumulative Cost ($)	**$982,359**	**$1,560,839**	**$2,139,318**	**$2,717,798**	**$3,296,277**	
Remarks	**(Actual)** Temporary off-grid operation Typhoon Mawar	**(Projected)** Temporary off-grid operation	**(Projected)** Temporary off-grid operation	**(Projected)** Temporary off-grid operation	**(Projected)** Temporary off-grid operation	**(Projected)**

** Note: July 2023 consumption of 10,630 gallons is used for estimating remaining contract years (Base Term Years 2 & 3 and Extension Year 1&2) totaling 127,559 gallons annually.*

GPA Resolution No. FY2024-06

Relative to Approving the Purchase of Water System Diesel (WSD) Generators

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

To initiate the replacement program of Water System Diesel (WSD) generators which are the backup power supply for the Guam Waterworks Authority (GWA) water wells, wastewater facilities, and water booster pump stations. The initial procurement of 104 generators includes 94 generators for priority sites identified in coordination with GWA as well as 10 portable generators with trailers to serve as additional backup for other critical sites as needed. Most of the existing generators are over 29 years old, nearing end of life, which has become difficult to maintain their availability and reliability.

Where is the location?

Various GWA sites including water wells, treatment plants, pump stations and lift stations.

How much will it cost?

The estimated cost is $11.4M ($9.5 million estimate plus 20% contingency).

When will it be completed?

Estimated equipment delivery lead times varies with some over a year.

What is its funding source?

Revenue

GPA Resolution No. FY2024-08

To Authorize the Management of Guam Power Authority to Petition the Guam Public Utilities Commission to Adjust the Levelized Energy Adjustment Clause for the Period of February 1, 2024 through July 31, 2024

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

The objective is to meet the December 15, 2023 upcoming LEAC filing deadline with the PUC.

GPA proposes to adjust the LEAC factor to $0.264327/kWh for the periods of February 1, 2024 through July 31, 2024. The most recent Morgan Stanley market projects the average fuel price is expected to be $120.28/bbl for the period ending July 31, 2024. Projected under-recovery for the same period at the proposed reduced LEAC rate of $0.264327/kWh is about $19.5 million.

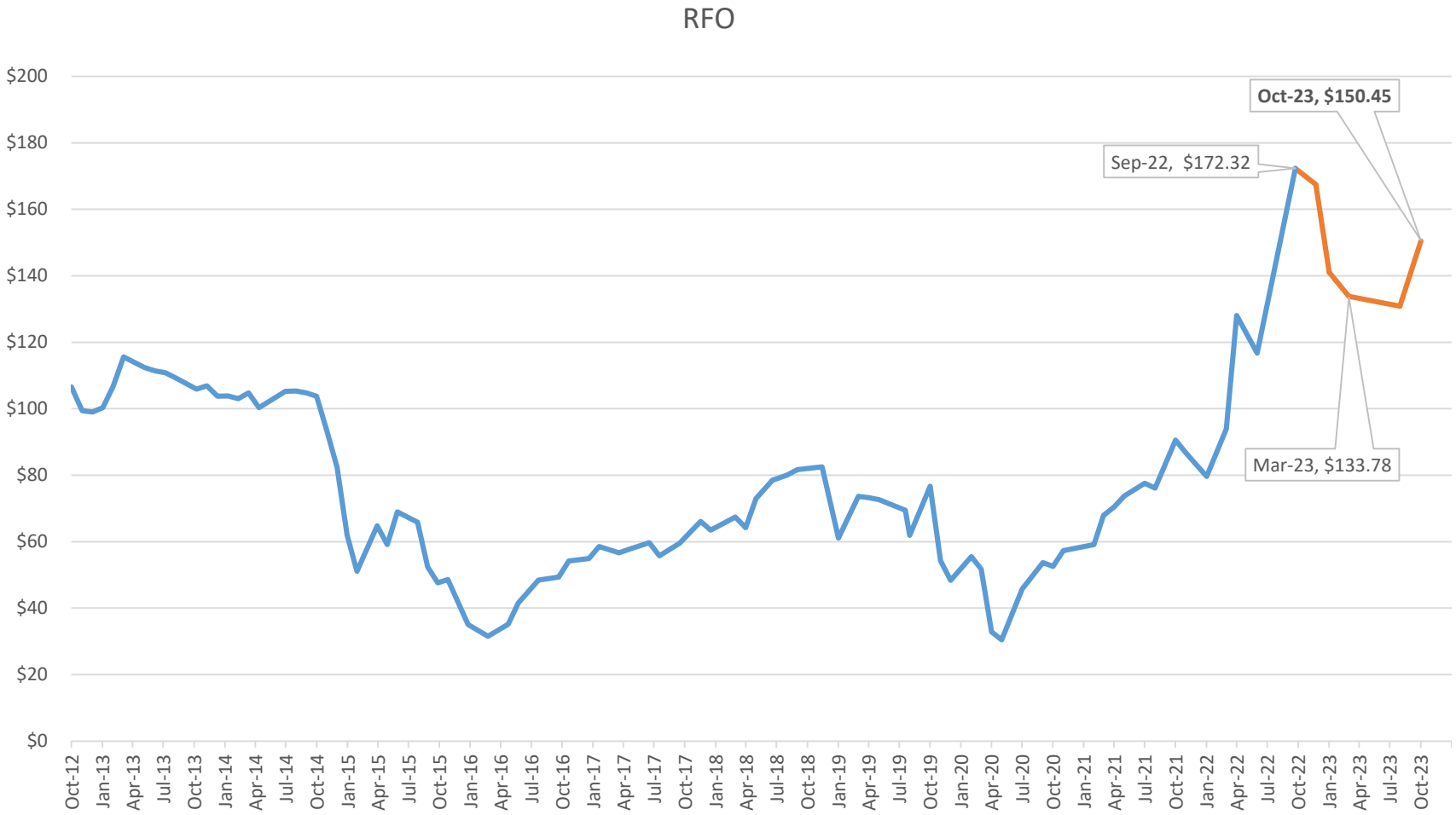
How much will it cost?

The LEAC is billed and collected thru the monthly electric billings of our customers.

When will it be completed?

To cover the periods of February 1, 2024 thru July 31, 2024

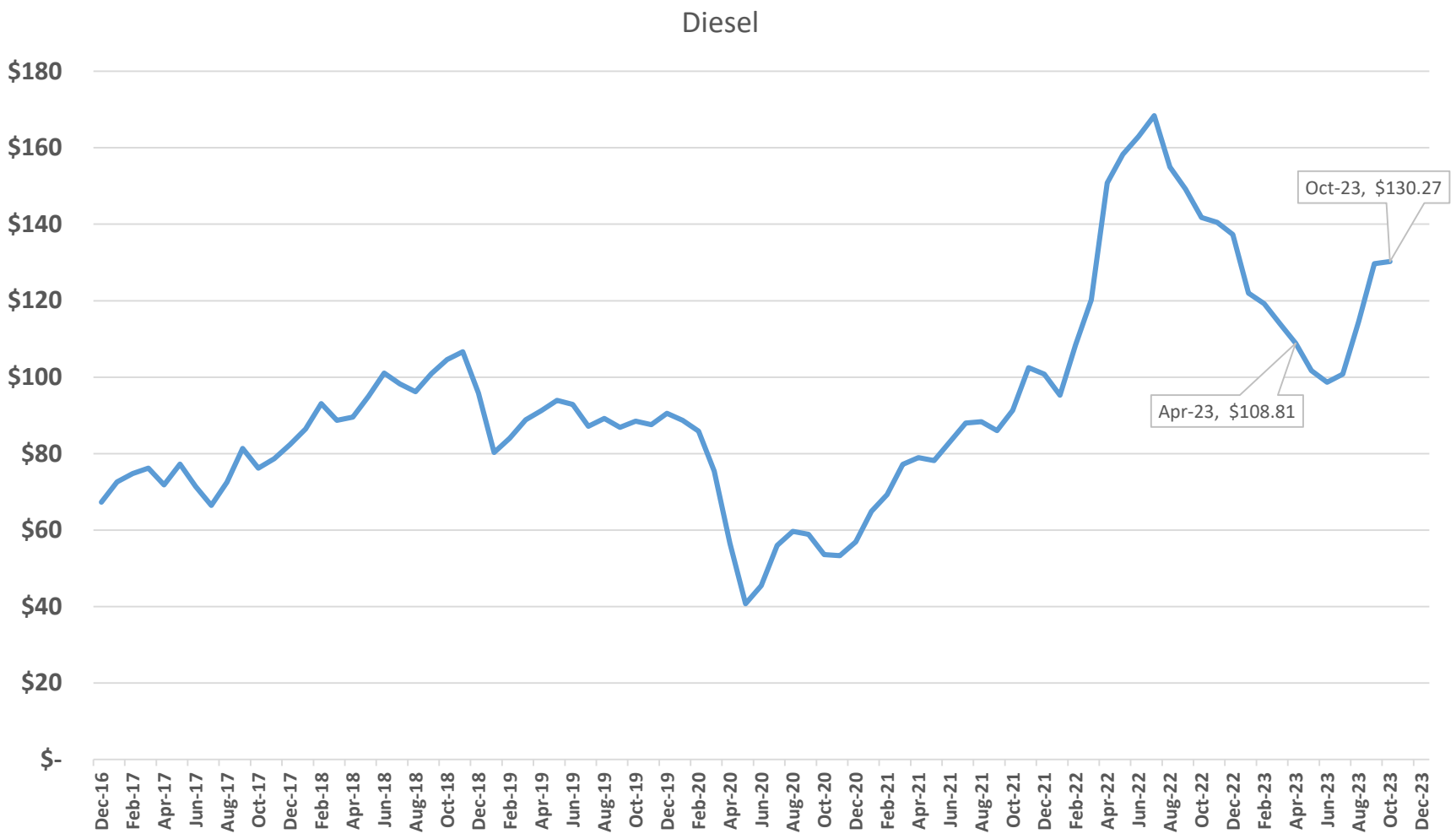
LEAC Update – GPA RFO Purchases (Per Barrel)



Note:

- Russia invaded Ukraine on February 24, 2022

LEAC Update – GPA Diesel Purchases (Per Barrel)



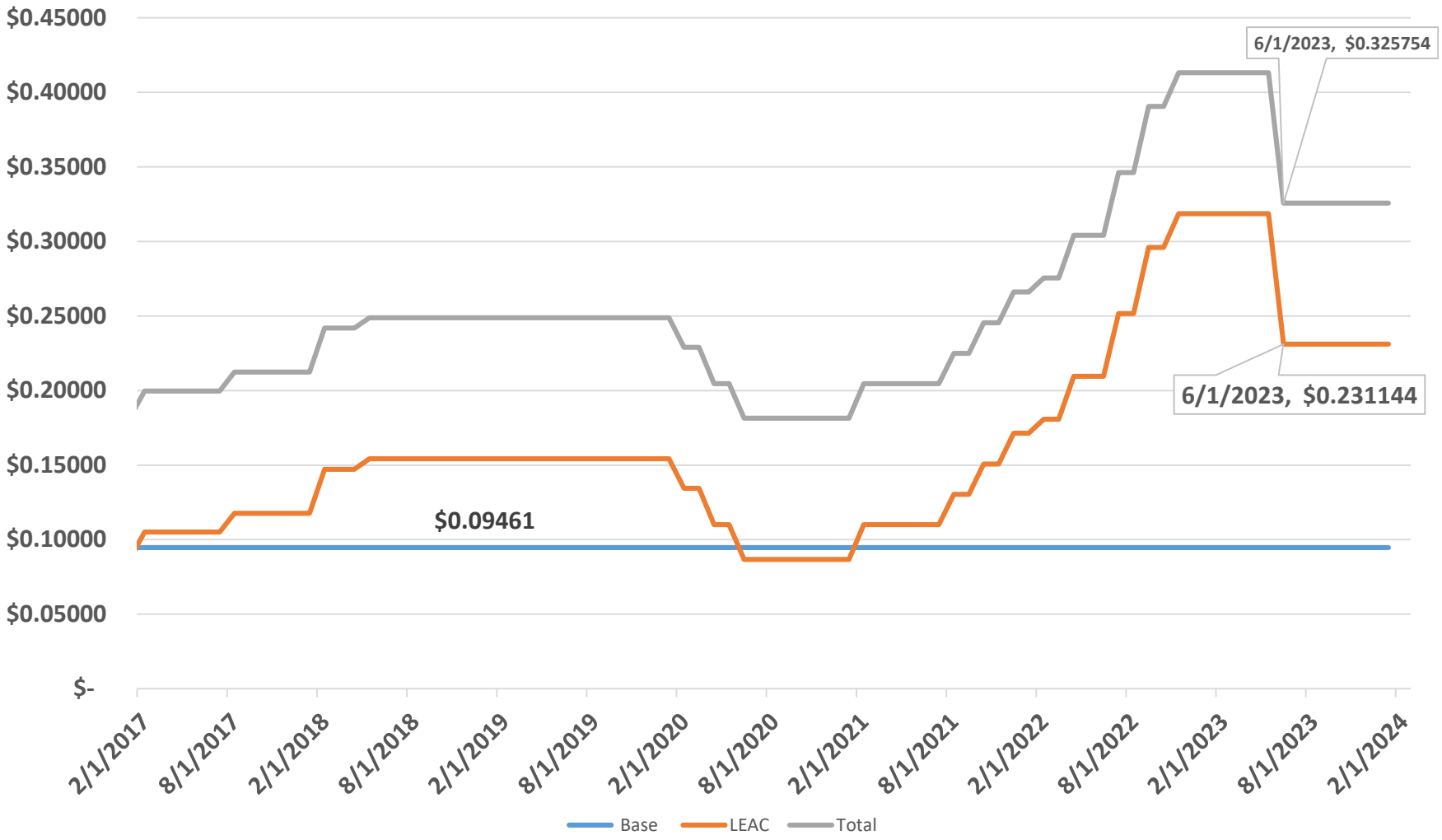
Note:

- Russia invaded Ukraine on February 24, 2022

LEAC Update – Morgan Noon Call Pricing

Date	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Gassoil 10ppm											
10/31/2023	$ 111.38	$ 109.78	$ 108.48	$ 107.43	$ 107.43	$ 105.17	$ 105.17	$ 105.17	$ 103.76	$ 103.76	$ 103.76
11/2/2023	112.75	111.01	109.36	108.11	108.16	105.32	105.32	105.32	103.56	103.56	103.56
11/3/2023	114.77	113.07	111.37	110.07	110.12	107.10	107.10	107.10	105.07	105.07	105.07
11/6/2023	111.67	109.77	108.37	107.22	107.27	104.78	104.78	104.78	102.97	102.97	102.97
11/7/2023	110.96	109.66	108.41	107.26	107.33	104.75	104.75	104.75	102.96	102.96	102.96
11/8/2023	106.67	106.07	105.07	104.12	104.17	101.96	101.96	101.96	100.32	100.32	100.32
11/10/2023	101.29	101.29	100.94	100.47	100.48	98.99	98.99	98.99	97.72	97.72	97.72
11/14/2023	107.16	106.06	105.31	104.59	104.61	102.40	102.40	102.40	100.79	100.79	100.79
11/15/2023	106.77	106.02	105.27	104.49	104.49	102.12	102.12	102.12	100.37	100.37	100.37
11/16/2023	106.07	105.37	104.57	103.77	103.75	100.99	100.99	100.99	99.27	99.27	99.27
Ten-day average	**$ 108.95**	**$ 107.81**	**$ 106.71**	**$ 105.75**	**$ 105.78**	**$ 103.36**	**$ 103.36**	**$ 103.36**	**$ 101.68**	**$ 101.68**	**$ 101.68**

LEAC Update – Historical Residential LEAC Rate



LEAC Update – Historical LEAC Over / (Under) Recovery

LEAC Period From	To	Approved LEAC Rate	Actual Over (Under) Recovery	
2/1/2013	7/31/2013	$ 0.209271	$ 1,345,259	
8/1/2013	10/31/2013	$ 0.182054	$ 1,300,093	
2/1/2014	7/31/2014	$ 0.172986	$ (1,137,034)	
8/1/2014	10/31/2014	$ 0.176441	$ (4,646,872)	
11/1/2014	1/31/2015	$ 0.146666	$ 661,428	
2/1/2015	7/31/2015	$ 0.102054	$ 1,757,878	
8/1/2015	1/31/2016	$ 0.104871	$ (2,467,151)	
2/1/2016	7/31/2016	$ 0.086613	$ (2,668,603)	
8/1/2016	1/31/2017	$ 0.086613	$ (9,915,360)	
			$ (5,315,360)	(a)
2/1/2017	7/31/2017	$ 0.105051	$ (14,050,504)	
8/1/2017	1/31/2018	$ 0.117718	$ (16,775,982)	
2/1/2018	4/30/2018	$ 0.147266	$ (13,005,689)	
5/1/2018	7/31/2018	$ 0.154242	$ (8,422,674)	
8/1/2018	1/31/2019	$ 0.154242	$ (13,336,698)	
2/1/2019	7/31/2019	$ 0.154242	$ (10,225,349)	
8/1/2019	1/31/2020	$ 0.154242	$ (2,193,618)	
2/1/2020	3/31/2020	$ 0.134474	$ (1,803,778)	
4/1/2020	5/31/2020	$ 0.110039	$ (2,981,023)	
6/1/2020	7/31/2020	$ 0.086800	$ (3,563,177)	
8/1/2020	1/31/2021	$ 0.086800	$ (13,230,995)	
2/1/2021	7/31/2021	$ 0.110000	$ (32,452,576)	
8/1/2021	9/30/2021	$ 0.130400	$ (14,168,086)	(b)
10/1/2021	11/30/2021	$ 0.150800	$ (19,695,128)	
12/1/2021	1/31/2022	$ 0.171458	$ (22,490,844)	
2/1/2022	3/31/2022	$ 0.180837	$ (29,444,602)	
4/1/2022	6/30/2022	$ 0.209522	$ (42,759,975)	
7/1/2022	8/31/2022	$ 0.251638	$ (47,101,089)	
9/1/2022	10/31/2022	$ 0.296043	$ (41,914,469)	
11/1/2022	1/31/2023	$ 0.318576	$ (32,523,031)	
2/1/2023	5/31/2023	$ 0.318576	$ (12,423,514)	
6/1/2023	1/31/2024	$ 0.231144	$ (33,417,289)	Estimated

Notes:
(a) Under-recovery balance after applying $4.6 million from Cabras 3 & 4 Extra Expense claim.
(b) Under-recovery balance after applying $10 million from Self-Insurance Fund and $15 million from GovGuam.

LEAC Update - Rate

	FEB 24 - JUL 24 Pricing 10-Day Average from 10.31.2023 - 11.16.2		
	No Change	**50% Recovery**	**Full Recovery**
Average Price per Bbl-RFO & ULSFO 0.20%	$ 136.82	$ 136.82	$ 136.82
Average Price per Bbl-Diesel	$ 111.86	$ 111.86	$ 111.86
Number 6 (HSFO/LSFO)	$ 62,403	$ 62,403	$ 62,403
Number 2 (Diesel)	100,293	100,293	100,293
Renewable (Solar)	$ 11,020	$ 11,020	$ 11,020
TOTAL COST	$ 173,716	$ 173,716	$ 173,716
Handling Costs	$ 8,889	$ 8,889	$ 8,889
Total Current Fuel Expense	$ 182,605	$ 182,605	$ 182,605
Civilian Allocation	79.202%	79.202%	79.202%
LEAC Current Fuel Expense	$ 144,628	$ 144,628	$ 144,628
Estimated DSM for this period	$ -	$ -	$ -
Deferred Fuel Expense at the beginning of the period	$ 33,417	$ 33,417	$ 33,417
Total LEAC Expense	$ 178,045	$ 178,045	$ 178,045
Less: Trans. Level Costs	$ 7,849	$ 8,939	$ 10,038
Distribution Level Costs	$ 185,894	$ 186,984	$ 188,083
Over recovery/(Under) at the end of the period	**$ (39,371)**	**$ (19,500)**	**$ -**
Adjusted Distribution Level Costs	$ 146,522	$ 167,484	$ 188,083
Distribution Level Sales (mWh)	565,988	565,988	565,988
LEAC Factor Distribution	**$0.231144**	**$0.264327**	**$0.296838**
Current LEAC Factor Distribution	$ 0.231144	$ 0.231144	$ 0.231144
Increase/(Decrease)	-	0.033183	0.065694
Monthly Increase/(Decrease) - 1000 kWh	**$ -**	**$ 33.18**	**$ 65.69**
% Increase/(Decrease) in LEAC	0.00%	14.36%	28.42%
% Increase/(Decrease) in Total Bill	0.00%	10.10%	19.99%
Discount (3%) - Primary 13.8 KV	**$ 0.224219**	**$ 0.255403**	**$ 0.286816**
Discount (4%) - 34.5 KV	**$ 0.223573**	**$ 0.254572**	**$ 0.285882**
Discount (5%) - 115 KV	**$ 0.220821**	**$ 0.251030**	**$ 0.281905**

LEAC Update – Sample Residential Bill

	RATE SCHEDULE R							
	Existing Rate Eff 6-01-23		No Adjustment Eff 02-01-24		50% Recovery Eff 02-01-24		100% Recovery Eff 02-01-24	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
KWH		1,000		1,000		1,000		1,000
Monthly Charge	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00
Non-Fuel Energy Charge								
First 500 KWH	0.069550	34.78	0.069550	34.78	0.069550	34.78	0.069550	34.78
Over 500 KWH	0.086870	43.44	0.086870	43.44	0.086870	43.44	0.086870	43.44
Emergency Water-well charge	0.002790	1.40	0.002790	1.40	0.002790	1.40	0.002790	1.40
Self-Insurance Charge	0.002900	2.90	0.002900	2.90	0.002900	2.90	0.002900	2.90
Total Electric Charge before Fuel Recovery Charges		97.52		97.52		97.52		97.52
Fuel Recovery Charge	**0.231144**	231.14	**0.231144**	231.14	**0.264327**	264.33	**0.296838**	296.84
Total Electric Charge		$ 328.66		$ 328.66		$ 361.85		$ 394.36
Increase/(Decrease) in Total Bill				$ -		$ 33.18		$ 65.69
% Increase/(Decrease) in Total Bill				**0.00%**		**10.10%**		**19.99%**
% Increase/(Decrease) in LEAC rate				**0.00%**		**14.36%**		**28.42%**

GPA Resolution No. FY2024-09

Relative to Authorizing the Increase of Contract Amount for Janitorial Services for Various Locations

What is the project's objective? Is it necessary and urgent?
To provide janitorial services on a daily basis, excluding holidays and weekends.

Where is the location?
The Gloria B. Nelson Public Service Building, the Transmission & Distribution Buildings, Generation Administrative Building, and the GPA satellite office in the Julale Shopping Center in Hagåtña.

How much will it cost?
The annual cost is $251,856. The total contract cost through the 5-year term is $1,259,280.

When will it be completed?
The second and final extension year ends July 31, 2025.

What is its funding source?
Revenue Funds.

GM REPORT

November 2023

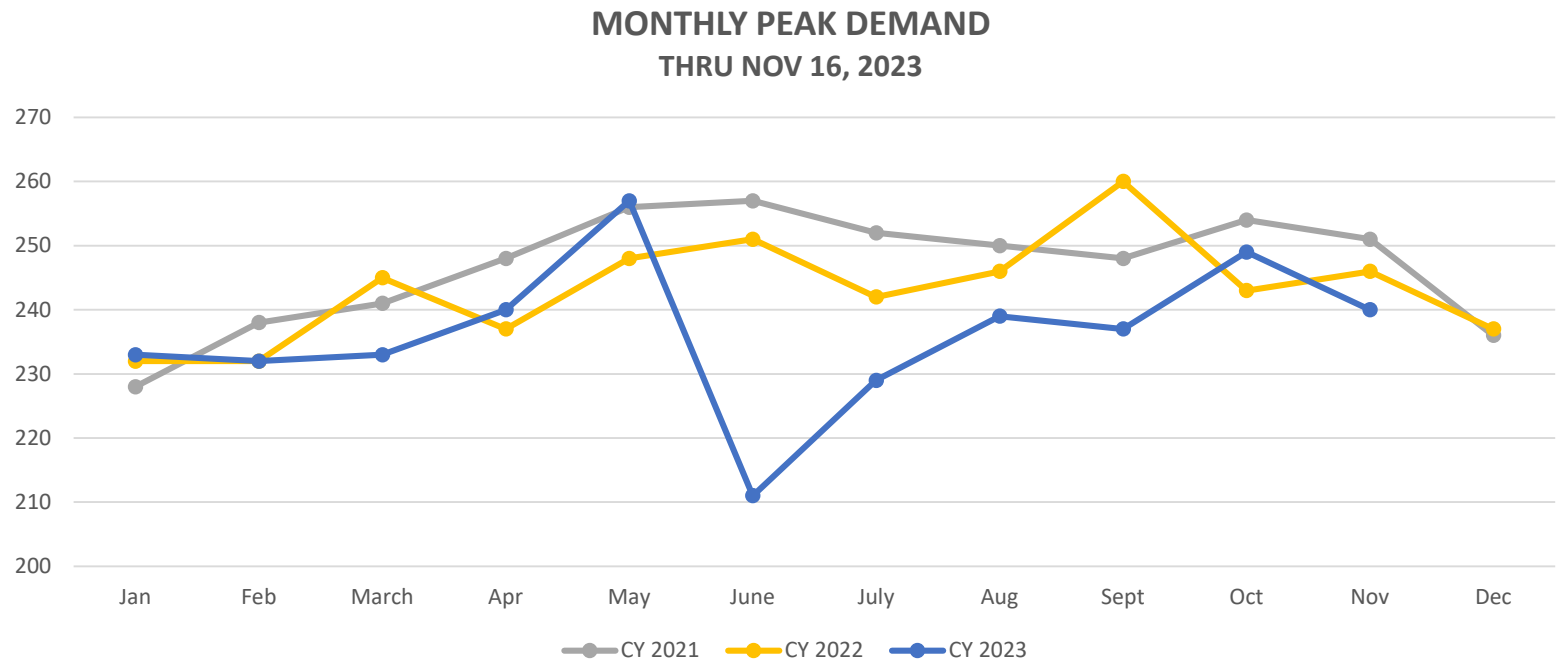
JOHN M. BENAVENTE, P.E.
General Manager
GUAM POWER AUTHORITY

Projected December Generation Status

1. Reserve Margin Forecast for December 2023:

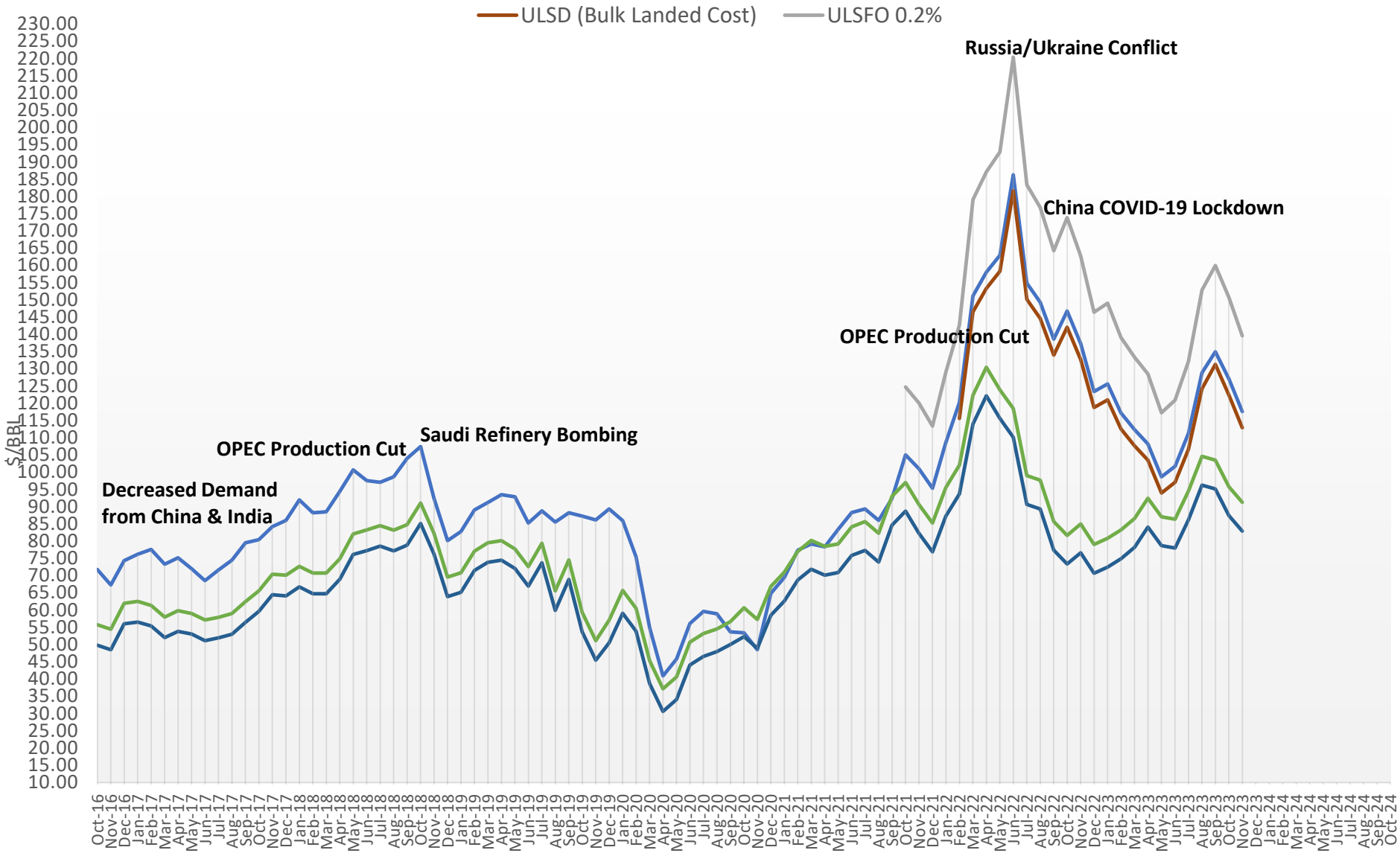
Targeted Available Capacity:	270 MW (All Baseloads Available)
Projected Demand:	235 MW
Anticipated Reserve Margin:	35 MW
Interruptible Load Availability:	15 MW
Total Reserves:	50 MW

2. System Peak Demand:



GPA Fuel Landed Cost (Per Barrel Thru November 17, 2023)

3. 0.2% ULSRFO 139.52; ULSD Bulk 112.52



General Manager's Report

4. **PUC Update:**

GPA Docket – **Thursday, November 30, 2023** Regular Meeting

- GPA Docket 23-17, *Petition to Approve EPCM, Phase I, Liquefied Natural Gas (LNG) Pre-Development Study, Scope, and Costs*
- GPA Docket 24-04, *Petition for Approval to Authorize GPA to Exercise Its Option to Renew Unarmed Security Guard Services*
- GPA Docket 24-05, *Petition for Approval to Award Hyundai Corporation GPA's Contract for Bulk Supply Ultra Low Sulfur Diesel (ULSD) Fuel Oil*
- GPA Docket 24-06, *Petition to Approve Amendment 2 to Hanwha Energy Corporation's, Phase II, Renewable Energy Acquisition Power Purchase Agreement*
- GPA Docket 24-07, *Petition to Approve 40 Megawatts (MW) Temporary Power Procurement*

Approved Dockets on October 26, 2023:

GPA Docket 24-01, *Petition for Approval and Authorization for GPA to Award Property Insurance*

GPA Docket 24-02, *Petition for Approval and Authorization for GPA to Award Casualty Insurance*

Dockets Pending PUC Review:

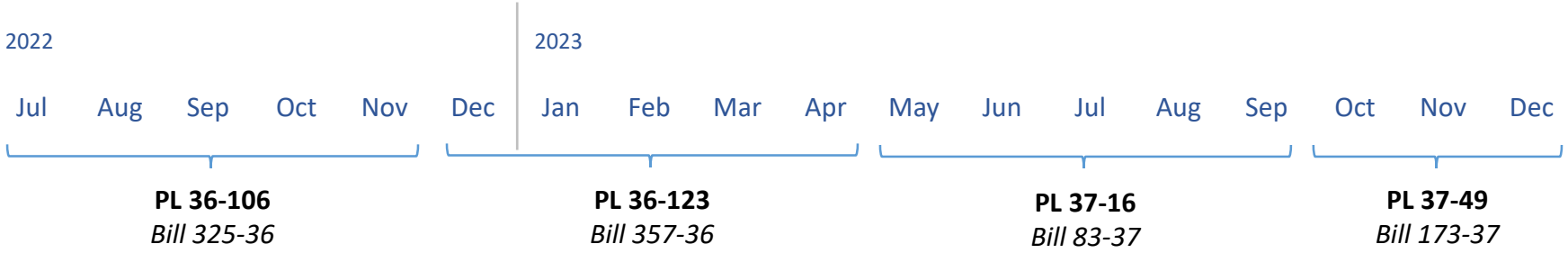
GPA Docket 24-03, *Petition to Review 12 G.C.A. §8502 (c)(2)(B) relative to Net Metering*

General Manager's Report

5. Customer Assistance :

Prugråman Ayuda Para I Taotao-ta Energy Credit 3rd Extension

- Governor Leon Guerrero signed Bill 173-37 into law on November 10, 2023. Public Law 37-49, the third extension of the *Prugråman Ayuda Para I Taotao-ta Energy Credit Program*, provides eligible GPA ratepayers a $100 credit from October through December 2023.
- GPA is working with DOA to receive the allotments. Once received, the credits will be applied to eligible active GPA accounts.



Guam Homeowner Assistance Fund Program (HAF)

- $47,079.01 was applied to qualified ratepayer accounts from October 7, 2023, through November 9, 2023. [Batches 73-76]

Emergency Rental Assistance Program (ERA)

- $352,316.06 was applied to qualified ratepayer accounts from October 7, 2023, through November 9, 2023. [Batches 264-277]

General Manager's Report

6. DSM Online Report – October 2023

OVERALL COUNTS

Month	ALL			COMMERCIAL			RESIDENTIAL		
	Applications	Equipment	Rebates	Applications	Equipment	Rebates	Applications	Equipment	Rebates
FY-2022*	696	981	$ 290,175	7	12	$ 3,150.00	689	969	$ 287,025
FY-2023	5,721	7,989	$ 2,374,625	67	101	$ 35,400.00	5,654	7,888	$ 2,339,225
Oct-23	416	571	$ 171,675	7	12	$ 3,400.00	409	559	$ 168,275
Nov-23									
Dec-23									
Jan-24									
Feb-24									
Mar-24									
Apr-24									
May-24									
Jun-24									
Jul-24									
Aug-24									
Sep-24									
TOTAL	6,833	9,541	$ 2,836,475	81	125	$ 41,950.00	6,752	9,416	$ 2,794,525

AVERAGES

Month	ALL		COMMERCIAL		RESIDENTIAL	
	Applications	Equipment	Applications	Equipment	Applications	Equipment
As of Oct-23	$ 415	$ 297	$ 518	$ 336	$ 414	$ 297

** DSM Online went live on 8/17/22. FY2022 Figures are from 8/17/2022 to 9/30/2022 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 – October 2023

APPLICATIONS PER STATUS

MONTHS	ALL	COMMERCIAL			RESIDENTIAL		
	Applications	Processing	Approved	Denied	Processing	Approved	Denied
FY-2022*	696	-	3	4	-	595	94
FY-2023	5,721	10	29	28	1,308	3,318	1,028
Oct-23	416	7	-	-	345	-	64
Nov-23							
Dec-23							
Jan-24							
Feb-24							
Mar-24							
Apr-24							
May-24							
Jun-24							
Jul-24							
Aug-24							
Sep-24							
TOTAL	6,833	17	32	32	1,653	3,913	1,186

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.
- Resolved fuel supply configuration issue with GUP on Oct. 24, 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.
  - ✓ GPA is attending weekly DPW meetings to help GUP/DUP attain work permit for Route 16.

General Manager's Report

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

Typhoon Bolaven:

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

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 demolition for 1 of the 2 treated water tanks. Demolition of the remaining treated water tank is ongoing.

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
- DUP presented Route 16 work plan to DPW on Nov. 2nd, 2023

General Manager's Report

7. New Power Plant Update: GUP Activities (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
  - Excavation has started on Route 34.

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
  - The COD is currently under discussion between GPA and GUP.

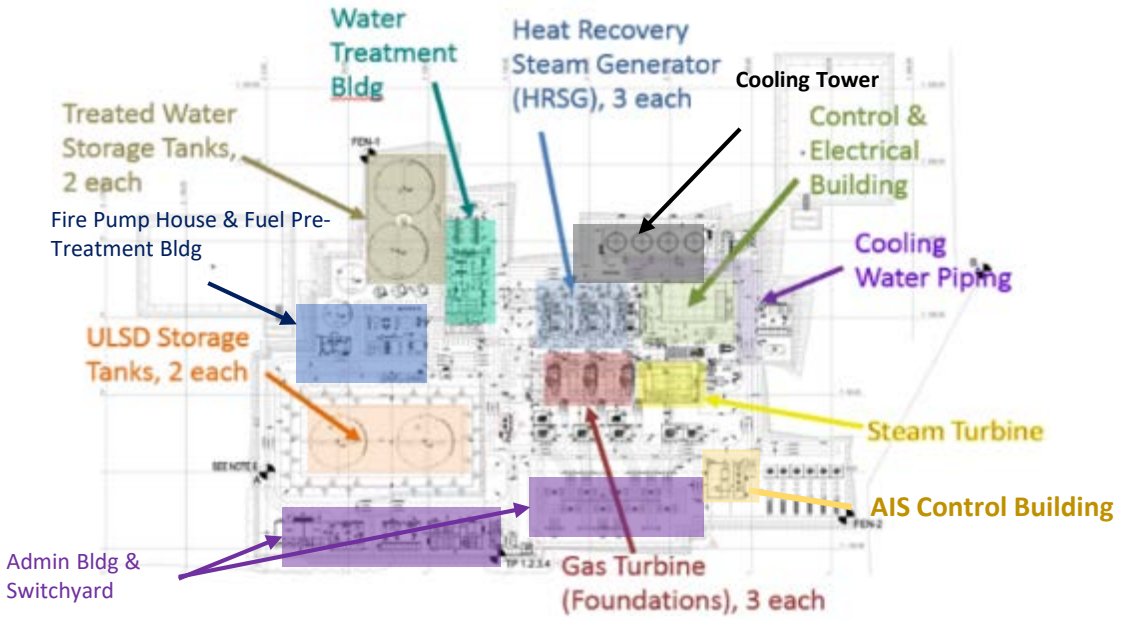
Transportation Logistics

- 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

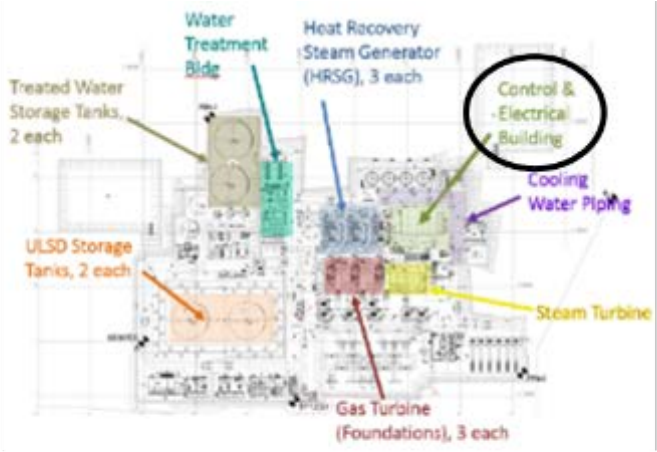
Ukudu Power Plant Construction Status: *Summary*

- Plant construction progresses steadily.
- Both ULSD tanks are demolished, while the demolition of the last remaining treated water tank is ongoing.
- Major achievements include:
  - Installation of DCS control cabinets
  - Installation of circulating water pumps
  - Excavation for the reuse water pipeline along Route 34.

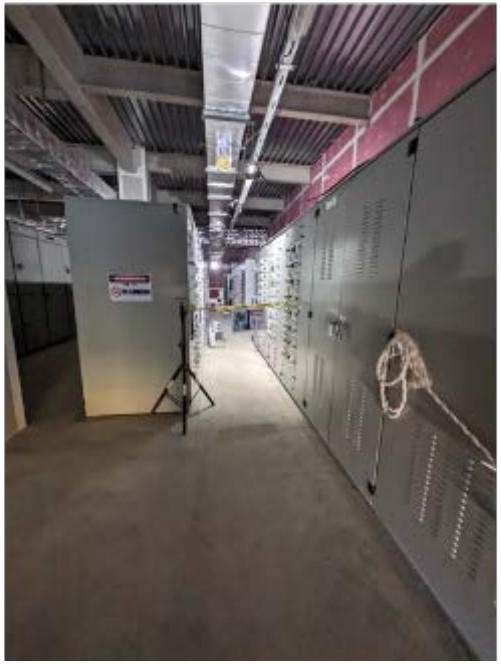


General Manager's Report

Ukudu Power Plant Construction Status

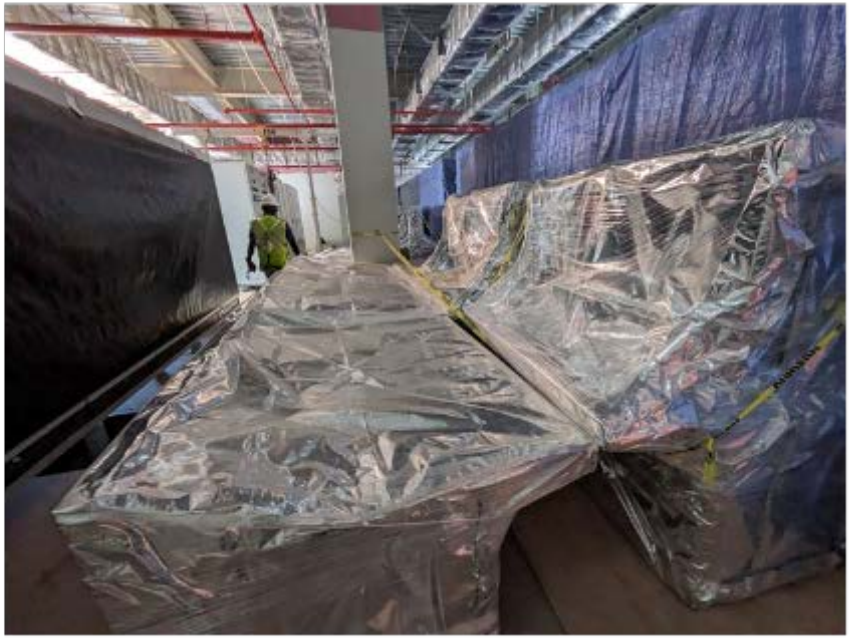


Second Floor – Switchgear installation is ongoing



Control & Electrical Building

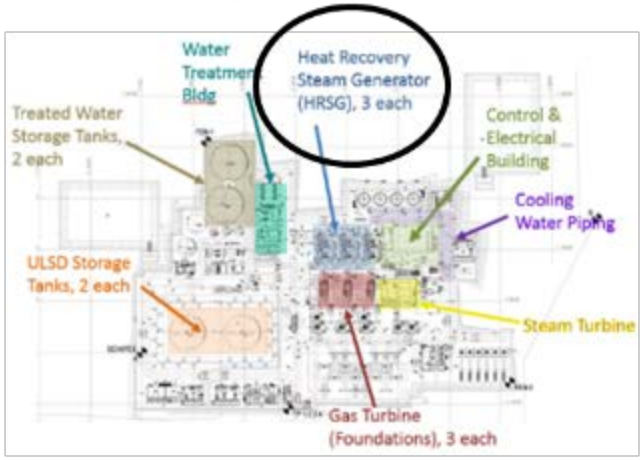
Third Floor – DCS control cabinets in place



General Manager's Report

Ukudu Power Plant Construction Status

Heat Recovery Steam Generator (HRSG)



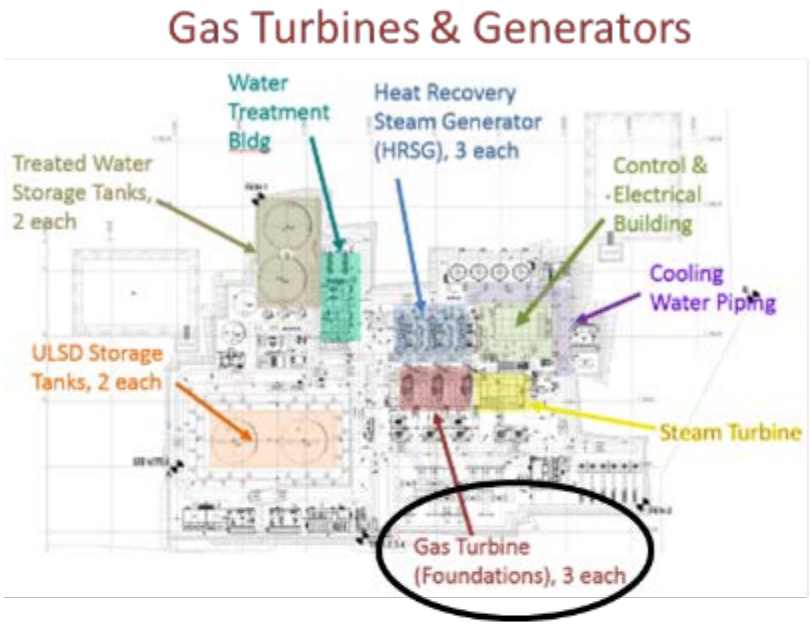


HRSG: insulation repair and replacement is ongoing. Internal welding is in progress



General Manager's Report

Ukudu Power Plant Construction Status



GTG Building – Exterior siding installation is nearly complete.

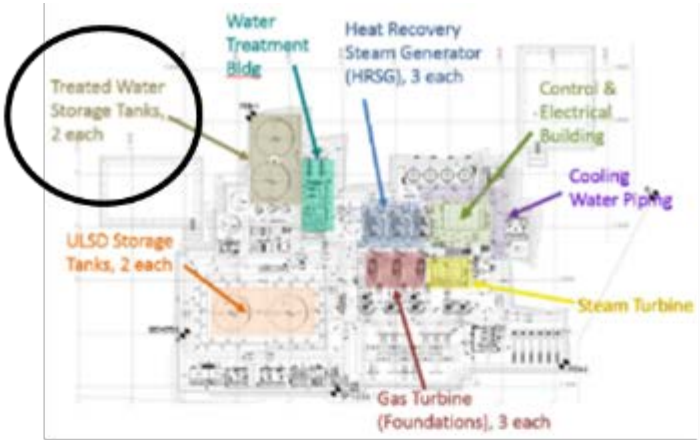




GTG 2: Transformer fire wall construction is ongoing

General Manager's Report

Ukudu Power Plant Construction Status



Demineralized Water Tank– Stair construction is nearly completed

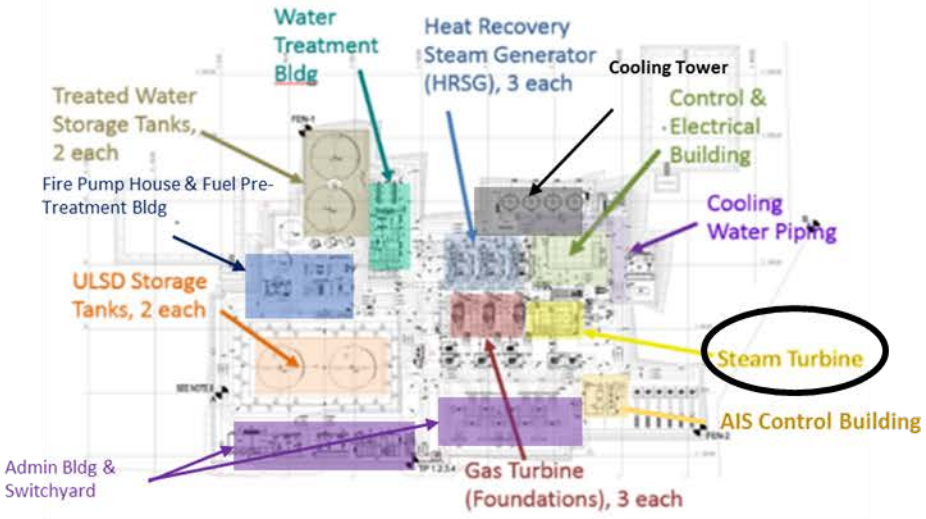


Treated Water Storage Tanks – Demolition is completed for 1 treated water tank.



General Manager's Report

Ukudu Power Plant Construction Status



BESS – Excavation for the battery control building foundation is ongoing

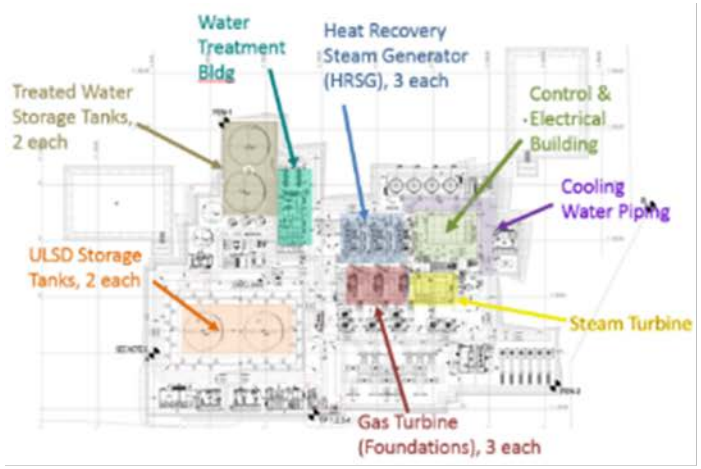


Steam Turbine & Generator – Building structural steel is nearly completed



General Manager's Report

Ukudu Power Plant Construction Status



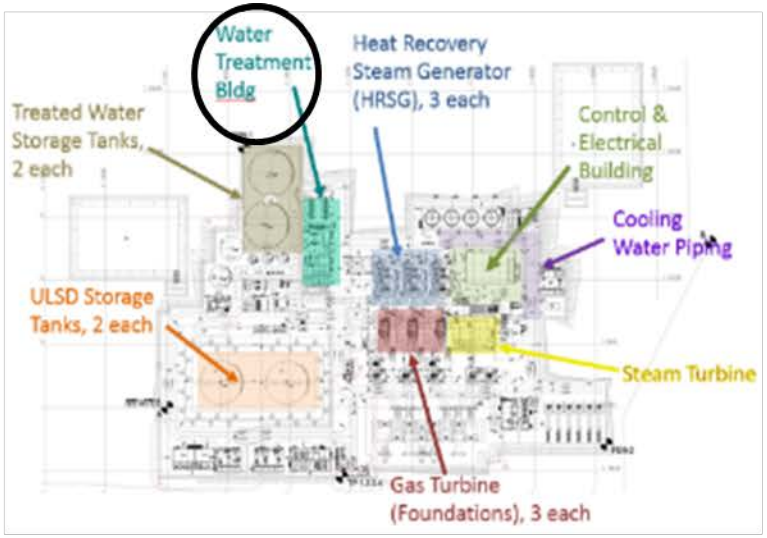
ULSD Storage Tank A &B – Demolition of both storage tanks is completed. Removing anchor bolts for replacement.





General Manager's Report

Ukudu Power Plant Construction Status



Water Treatment Building – Water treatment equipment is ongoing.

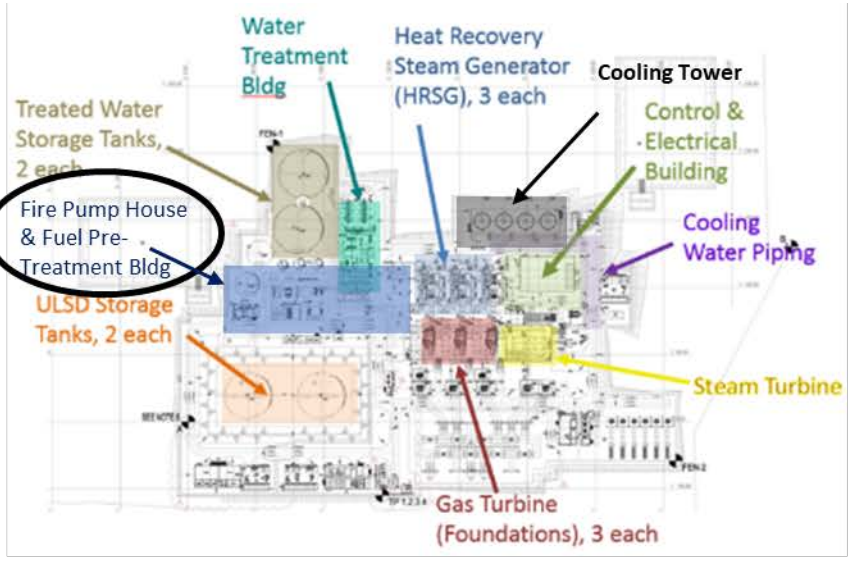


Potable water line installation is ongoing



General Manager's Report

Ukudu Power Plant Construction Status



Air Compressor Building– Construction is ongoing

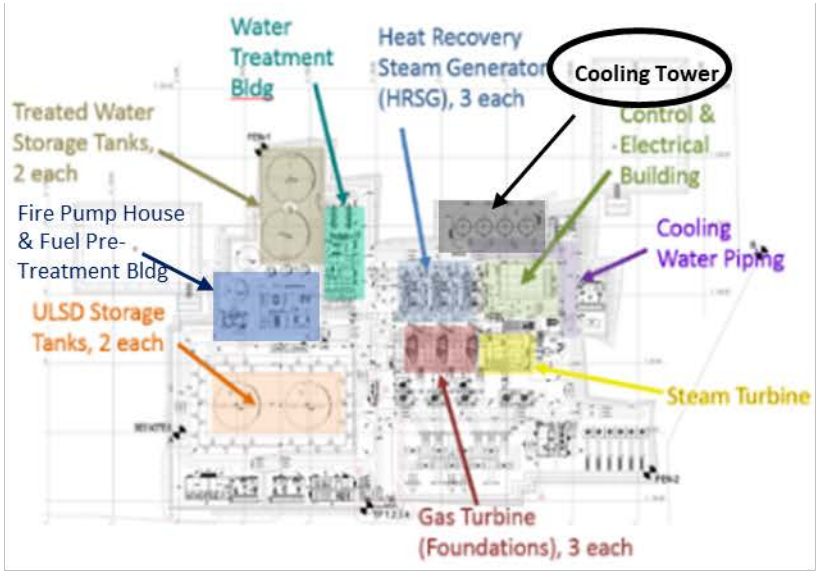


Fire Loop – Main trench pipe installation is in progress near ULSD Tank



General Manager's Report

Ukudu Power Plant Construction Status



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

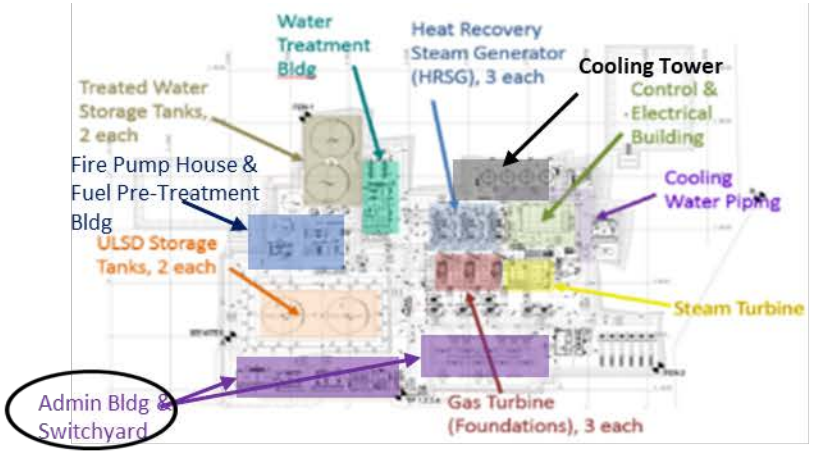


Circulating water pumps are in place



General Manager's Report

Ukudu Power Plant Construction Status



Admin Building – Construction is ongoing



Switchyard – Ring bus structures are in place



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

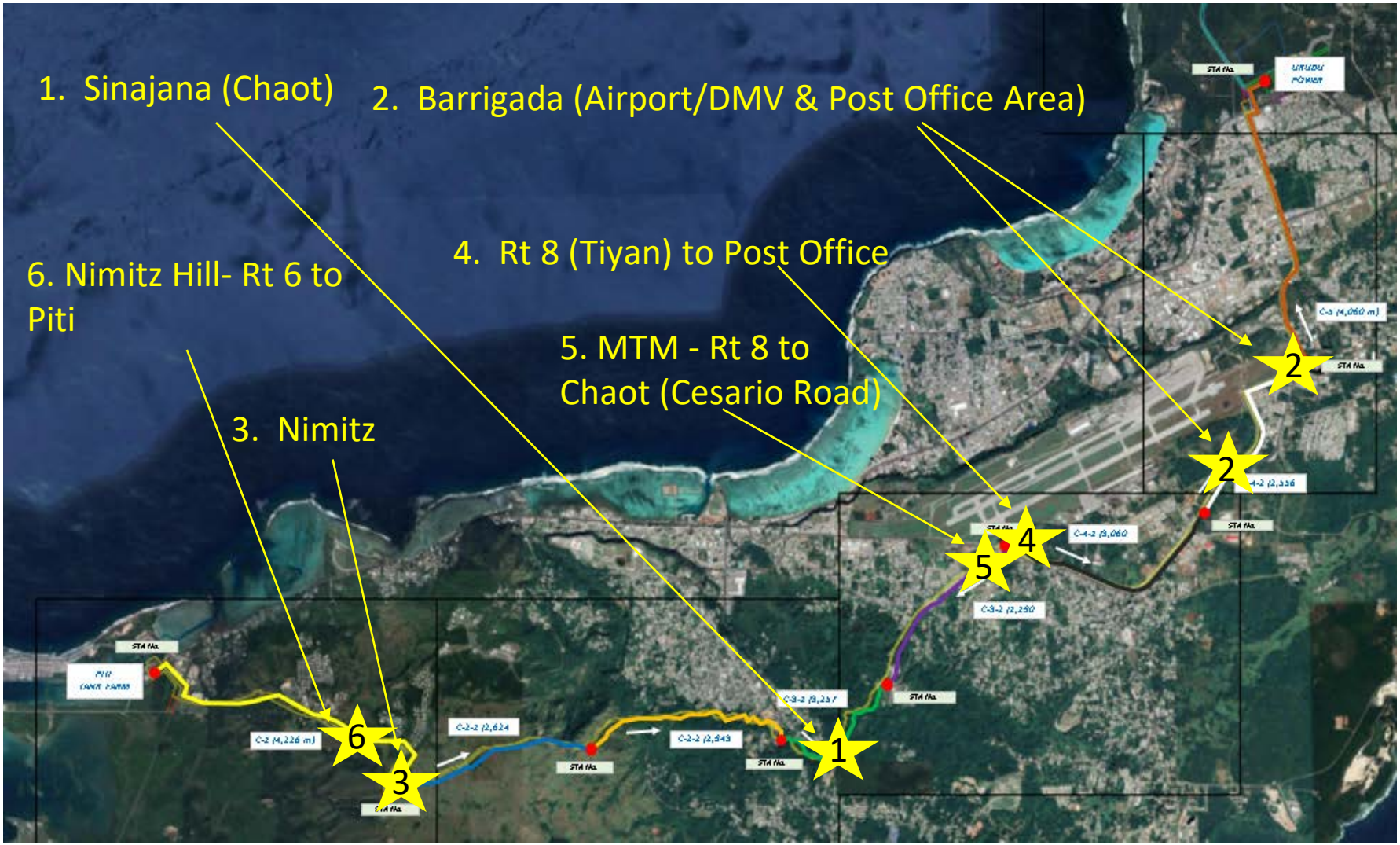
Ukudu Power Plant Construction Status (Transportation)

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

Contractor is reworking the Chaot Bridge East section to the revised design.





2. Barrigada

Concrete pouring for isolation pits are ongoing.



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.)

Road crossing was completed on Sgt. Roy T. Damian Street. Construction for the road crossing near JS Store is ongoing.





6. Nimtiz Hill- Rt 6 to Piti

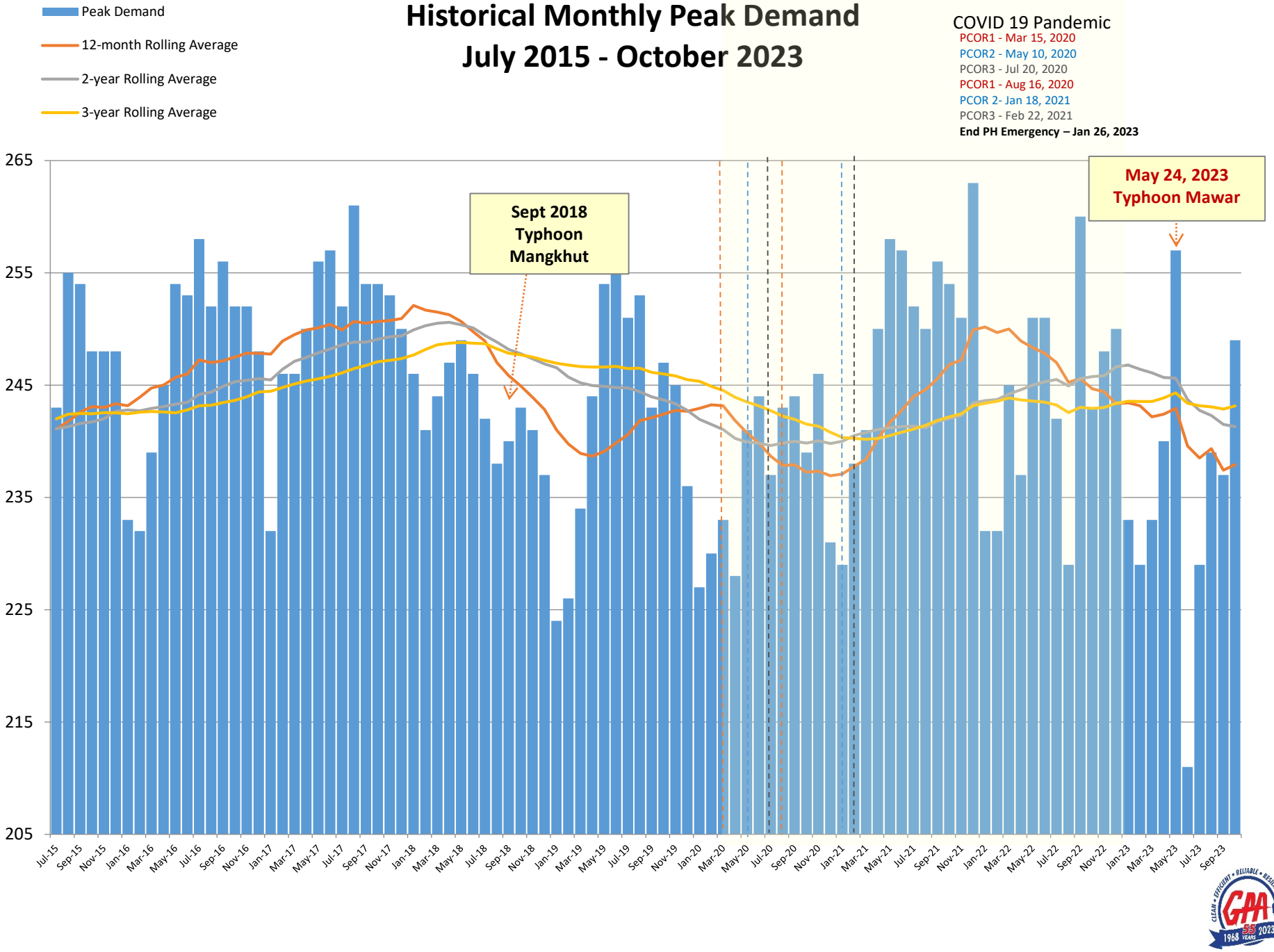
Flowable fill pouring and bedding sand compaction in progress along Route 6. Backfilling completed at Turner and Larson road.





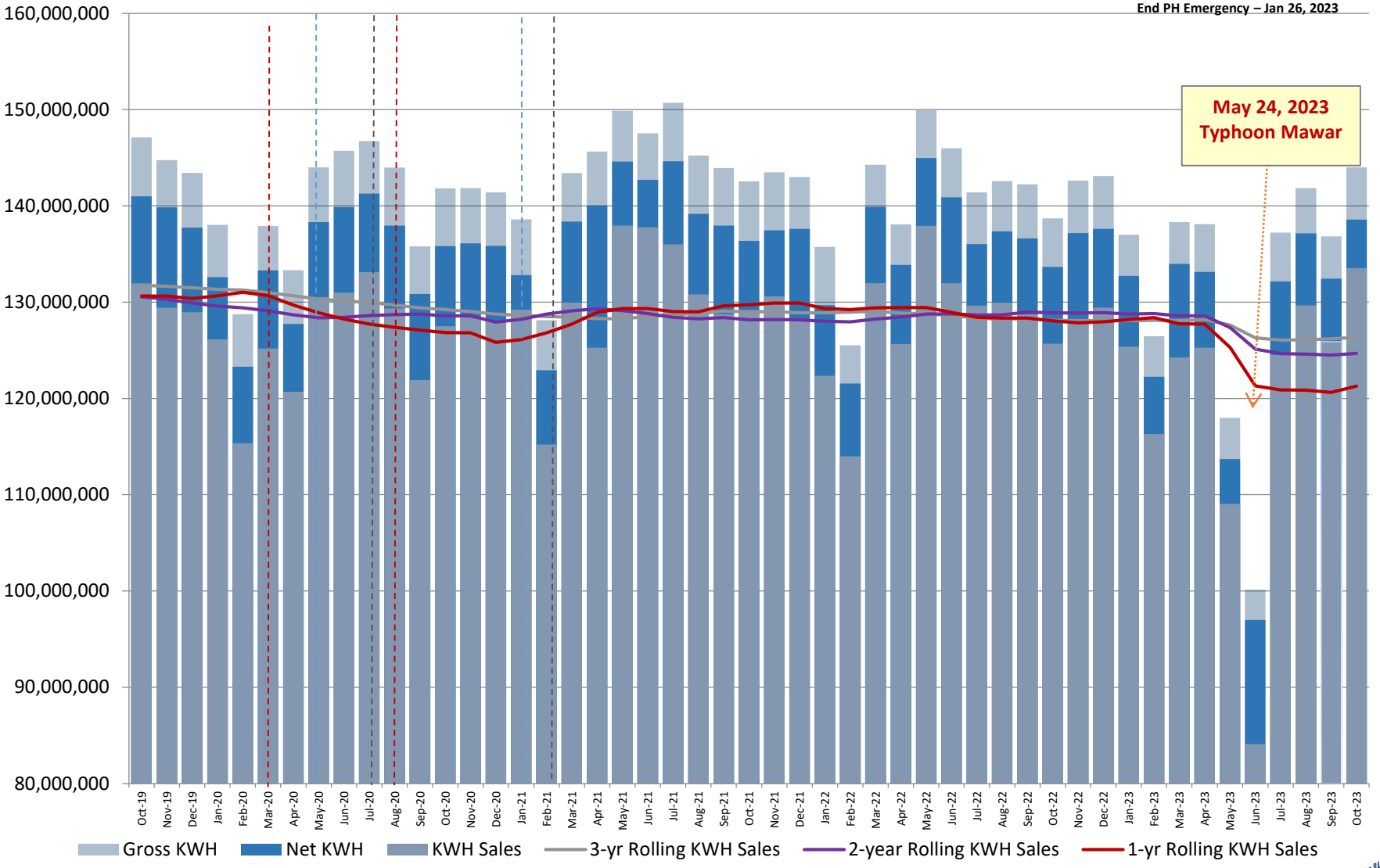
8. Generation KPIs Update
October 2023

Historical Monthly Peak Demand
July 2015 - October 2023

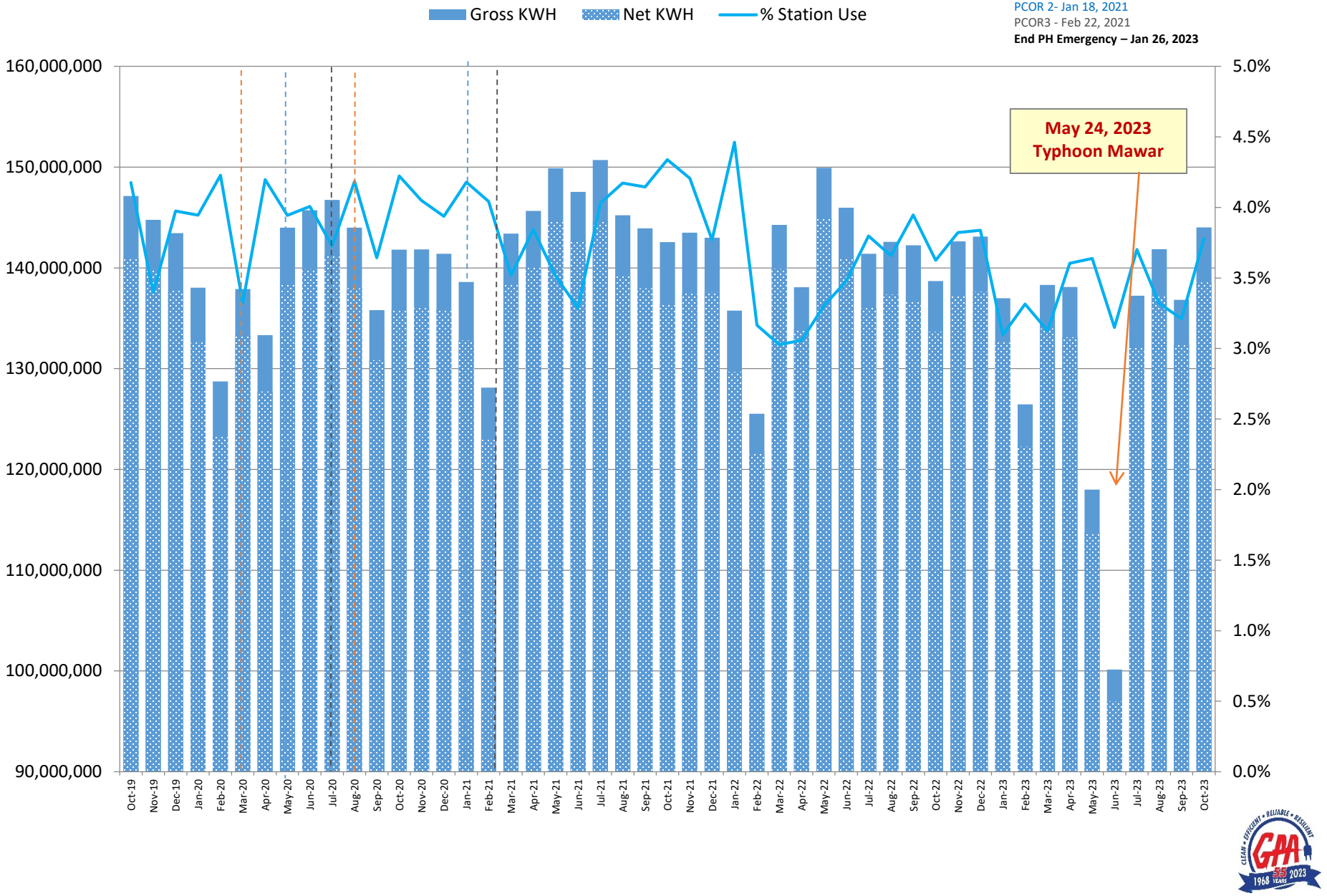


Historical kWh Sales
Oct 2019 - Oct 2023

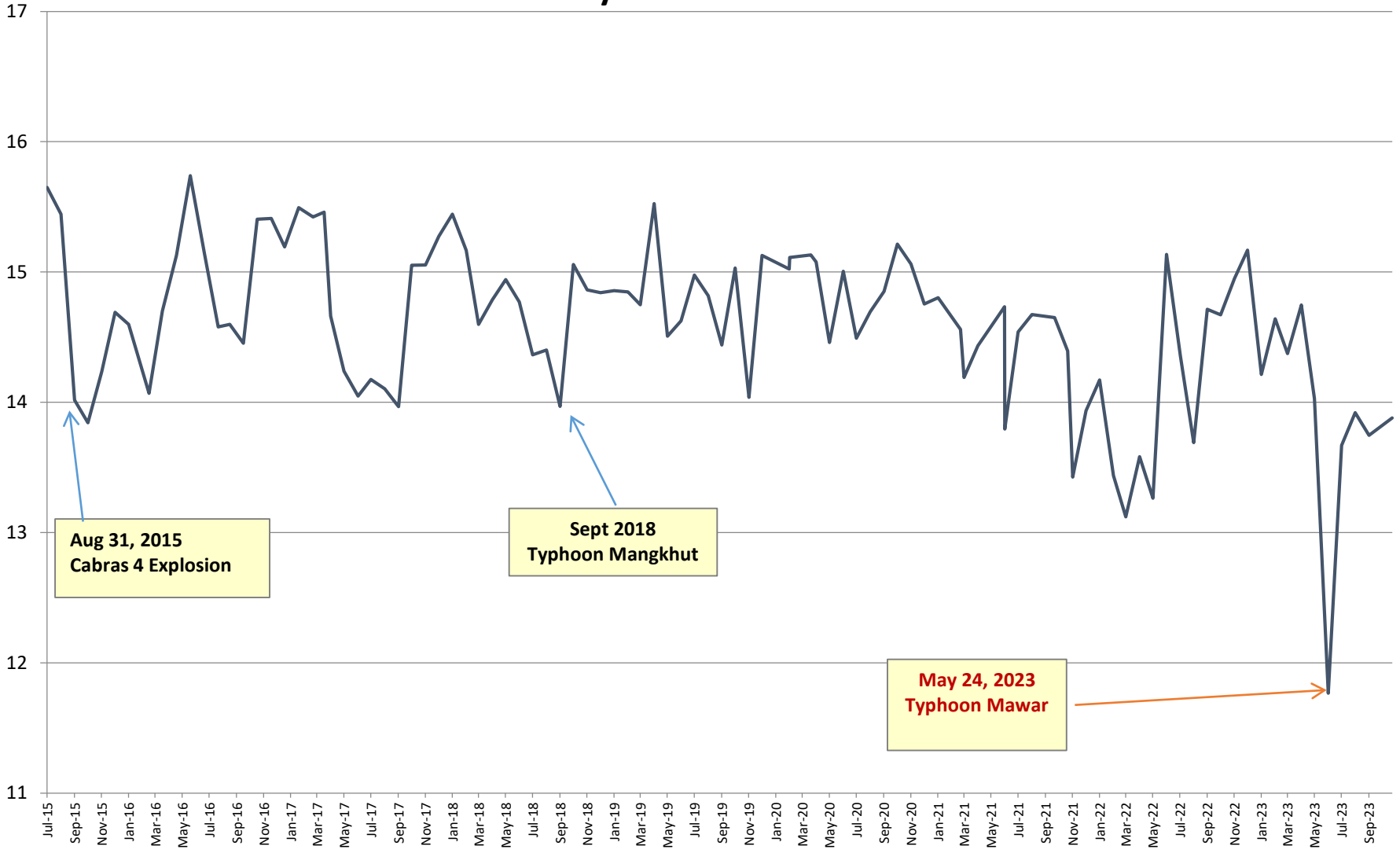
COVID 19 Pandemic
PCOR1 - Mar 15, 2020
PCOR2 - May 10, 2020
PCOR3 - Jul 20, 2020
PCOR1 - Aug 16, 2020
PCOR 2- Jan 18, 2021
PCOR3 - Feb 22, 2021
End PH Emergency – Jan 26, 2023



Gross and Net Generation (kWh)
Oct 2019 - Oct 2023

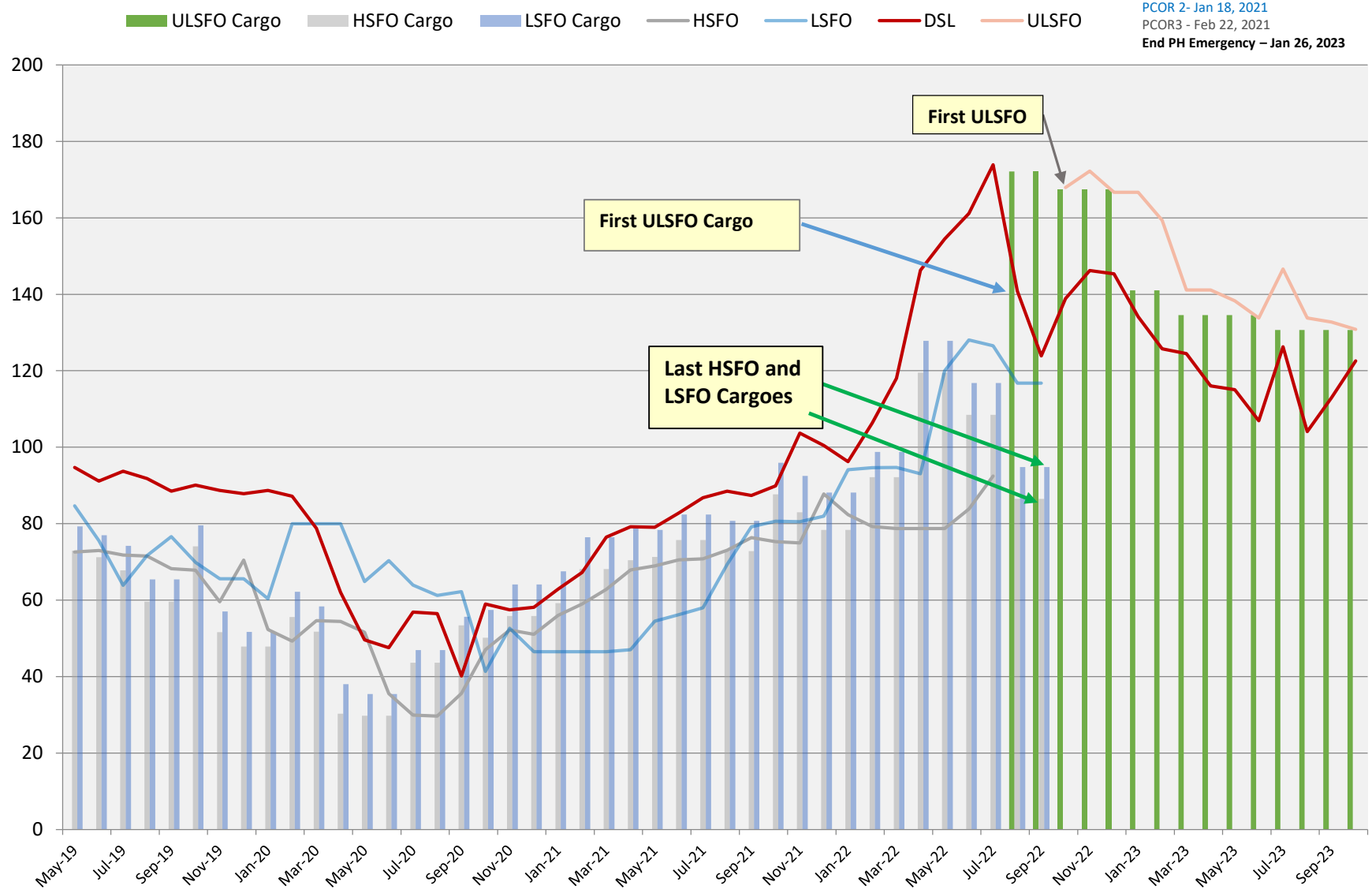


SYSTEM GROSS HEAT RATE
(kWh/Gal)
July 2015 - Oct 2023



Fuel Cargo and Fuel Consumption Costs ($/bbl)
May 2019 - October 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
End PH Emergency – Jan 26, 2023



CFO
FINANCIAL HIGHLIGHTS
October 2023

Residential average kWh & LEAC Rate

Avg kWh	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2019	957	938	940	831	761	915	951	1,028	1,048	1,025	940	896
FY2020	942	938	931	867	785	979	1,046	1,140	1,114	1,103	1,081	1,062
FY2021	1,064	1,083	1,062	1,117	939	1,094	1,046	1,186	1,215	1,114	1,032	1,038
FY2022	1,021	1,063	1,030	942	883	1,053	991	1,128	1,050	977	992	972
FY2023	928	979	956	882	818	917	946	805	661	958	960	985
FY2024	997											

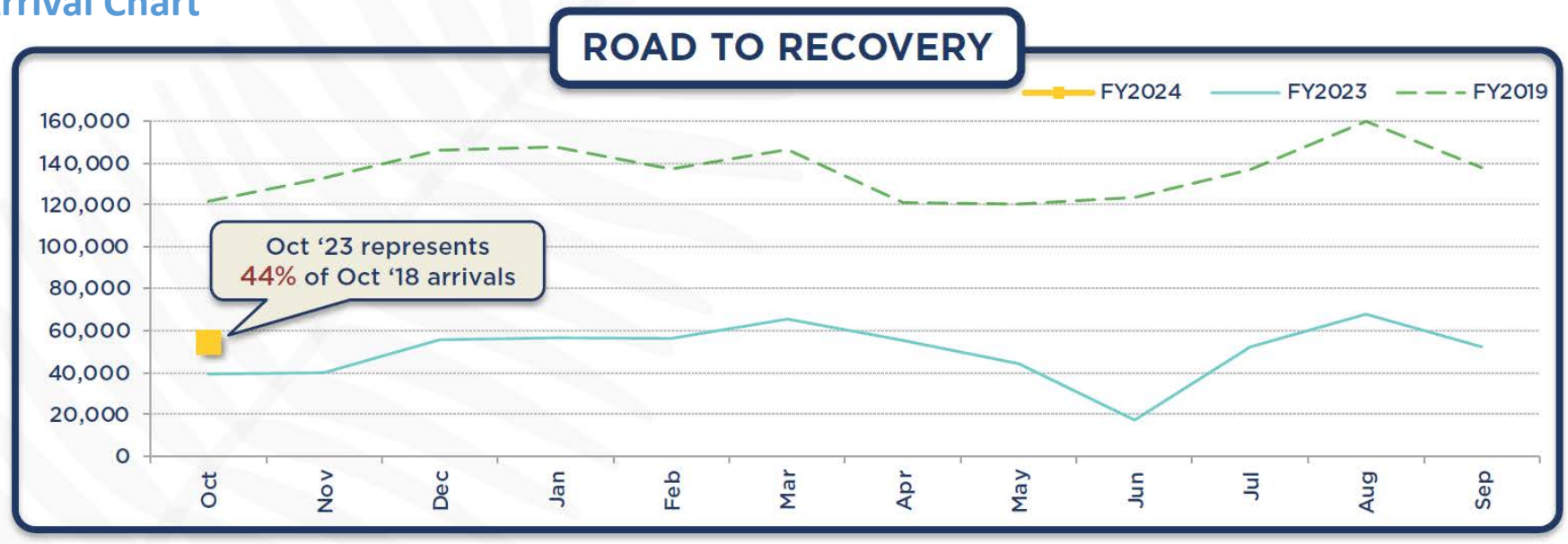
LEAC Rate	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2019	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542
FY2020	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1542	$ 0.1345	$ 0.1345	$ 0.1100	$ 0.1100	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.0868
FY2021	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.1100	$ 0.1100	$ 0.1100	$ 0.1100	$ 0.1100	$ 0.1100	$ 0.1304	$ 0.1304
FY2022	$ 0.1508	$ 0.1508	$ 0.1715	$ 0.1715	$ 0.1808	$ 0.1808	$ 0.2095	$ 0.2095	$ 0.2095	$ 0.2516	$ 0.2516	$ 0.2960
FY2023	$ 0.2960	$ 0.3186	$ 0.3186	$ 0.3186	$ 0.3186	$ 0.3186	$ 0.3186	$ 0.3186	$ 0.2311	$ 0.2311	$ 0.2311	$ 0.2311
FY2024	$ 0.2311											

Hotel kWh & Occupancy Rate

mWh Hotels	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY2019	10,826	10,628	10,494	10,175	8,965	9,443	10,565	10,741	10,066	11,494	10,170	10,397
FY2020	10,316	9,801	10,508	9,848	9,627	8,319	7,044	6,826	7,309	7,645	7,520	7,063
FY2021	7,045	7,379	7,596	6,973	6,270	6,863	7,326	7,152	7,521	7,841	7,906	7,560
FY2022	6,973	7,346	7,041	6,921	6,419	6,964	6,850	7,451	7,683	7,959	8,071	7,821
FY2023	7,802	7,921	8,251	8,031	7,542	7,950	7,859	7,176	6,101	8,538	8,467	7,739
FY2024	7,962											

Occupancy Rate	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY2019	85.9	85.9	85.9	91.4	91.4	91.4	84.8	84.8	84.8	92.0	92.0	92.0
FY2020	89.9	89.9	89.9	73.7	73.7	73.7	34.7	34.7	34.7	27.1	27.1	27.1
FY2021	38.7	38.7	38.7	51.4	51.4	51.4	41.3	41.3	41.3	52.4	52.4	52.4
FY2022	45.9	45.9	45.9	56.0	56.0	56.0	54.0	54.0	54.0	66.8	66.8	66.8
FY2023	59.7	59.7	59.7	67.4	67.4	67.4	60.0	60.0	60.0	73.4	73.4	73.4

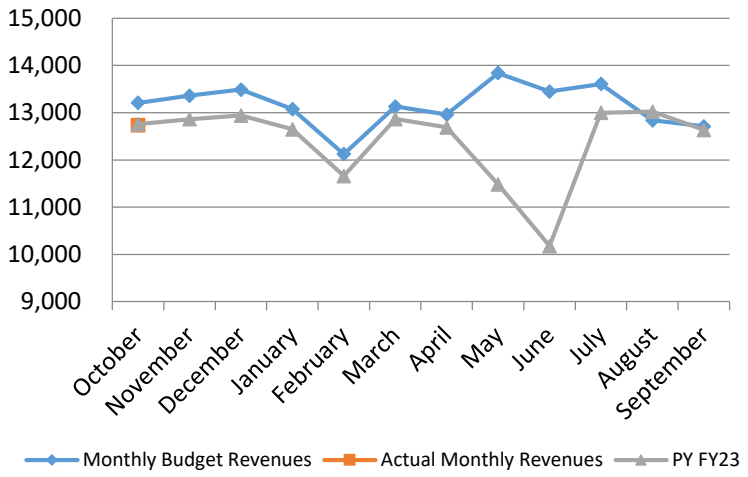
Arrival Chart



Note: Data from 22 hotels in schedule P. 1 hotel closed its doors on Oct. 2021. Occupancy rate and Road to Recovery is from GVB Visitor Arrival Statistic.

October 2023 Monthly Financial Highlights

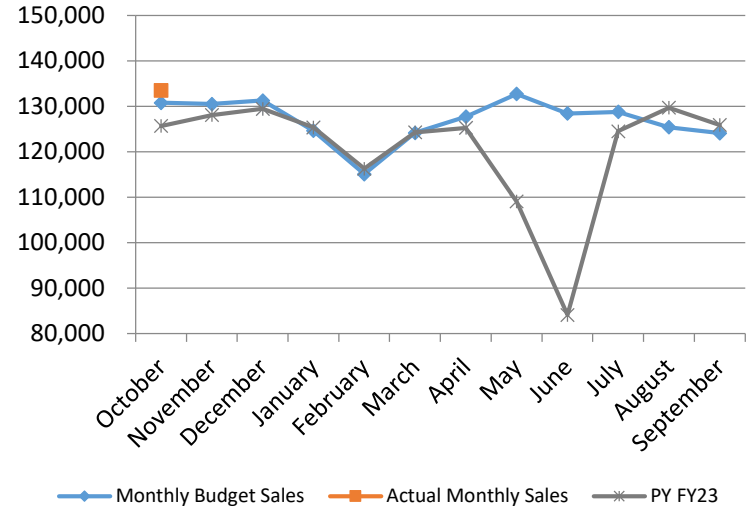
Base Rate Revenue (in '000)



Through October 31, 2023

$000	Monthly Budget Revenues	Actual Monthly Revenues	Variance		PY FY23	CY vs PY Variance	
October	13,209	$ 12,734	$ (475)	↓	$ 12,757	$ (22)	↓
November	13,363				12,861		
December	13,488				12,940		
January	13,078				12,651		
February	12,126				11,660		
March	13,131				12,865		
April	12,961				12,691		
May	13,837				11,484		
June	13,449				10,178		
July	13,608				12,997		
August	12,840				13,023		
September	12,710				12,635		
Total	**$ 157,800**	**$ 12,734**	**$ (475)**		**$ 148,743**	**$ (22)**	

MWH Sales (in MWh)

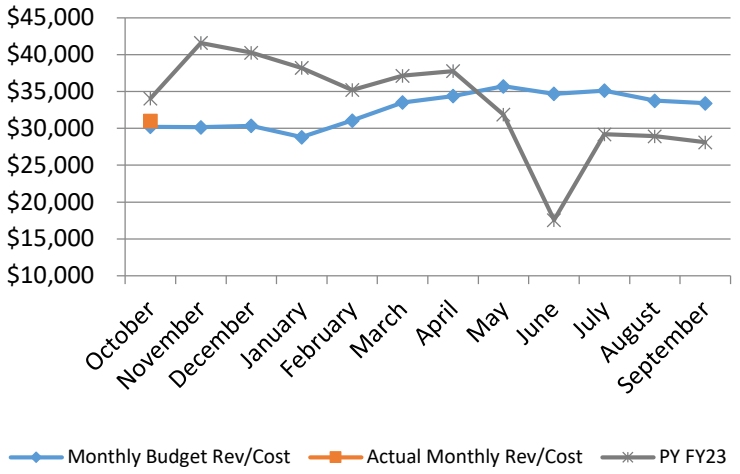


Through October 31, 2023

MWh	Monthly Budget Sales	Actual Monthly Sales	Variance		PY FY23	CY vs PY Variance	
October	130,775	133,530	2,754	↑	125,672	7,858	↑
November	130,478				128,077		
December	131,278				129,439		
January	124,618				125,368		
February	115,079				116,289		
March	124,155				124,254		
April	127,713				125,257		
May	132,727				109,061		
June	128,415				84,097		
July	128,775				124,518		
August	125,406				129,673		
September	124,080				125,895		
Total	**1,523,500**	**133,530**	**2,754**		**1,447,602**	**7,858**	

October 2023 Monthly Financial Highlights (Continued)

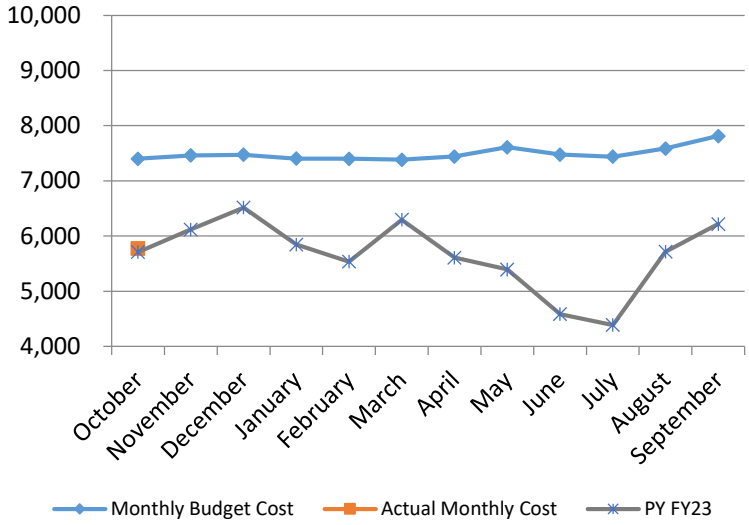
Fuel Revenues (in '000)



Through October 31, 2023

$000	Monthly Budget Rev/Cost	Actual Monthly Rev/Cost	Variance		PY FY23	CY vs PY Variance	
October	$ 30,228	$ 30,992	764	↑	$ 34,062	(3,070)	↓
November	30,159				41,593		
December	30,344				40,281		
January	28,805				38,205		
February	31,071				35,217		
March	33,522				37,143		
April	34,390				37,773		
May	35,710				31,867		
June	34,703				17,560		
July	35,135				29,194		
August	33,760				28,940		
September	33,402				28,103		
Total	**$ 391,228**	**$ 30,992**	**$ 764**		**$ 399,938**	**$ (3,070)**	

O&M Costs (in '000)



Through October 31, 2023

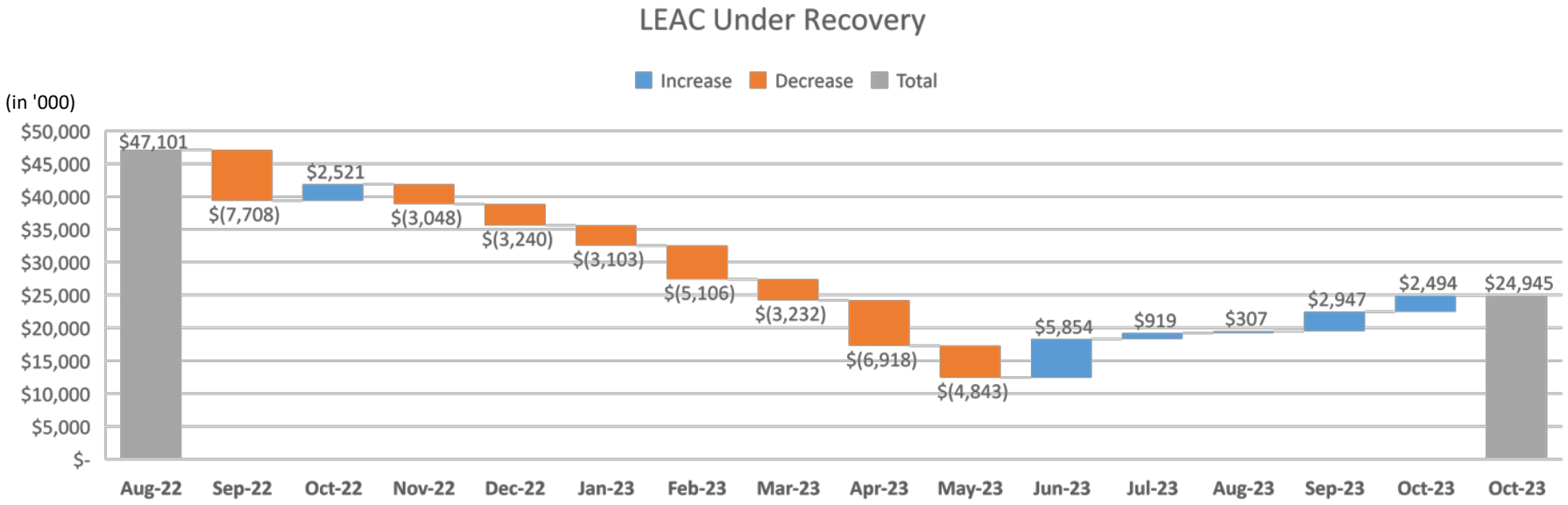
$000	Monthly Budget Cost	Actual Monthly Cost	Variance		PY FY23	CY vs PY Variance	
October	7,400	5,774	1,626	↑	5,712	(62)	↓
November	7,462				6,120		
December	7,473				6,518		
January	7,405				5,846		
February	7,401				5,537		
March	7,384				6,298		
April	7,443				5,610		
May	7,611				5,395		
June	7,477				4,585		
July	7,438				4,390		
August	7,588				5,718		
September	7,812				6,218		
Total	**$ 89,893**	**$ 5,774**	**$ 1,626**		**$ 67,946**	**$ (62)**	

October 2023 Monthly Financial Highlights (Continued)

Through September 30, 2023													
	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023	1Q2023
Residential	44,503	44,575	45,247	45,229	45,224	45,283	45,261	45,315	45,370	45,417	45,453	44,968	45,611
Commercial	5,301	5,307	5,330	5,336	5,349	5,367	5,368	5,373	5,425	5,473	5,436	5,421	5,422
Government	1,063	1,060	1,049	1,056	1,069	1,077	1,079	1,087	1,088	1,108	1,112	1,106	1,108
Streetlights	1,133	1,132	1,132	1,131	1,160	1,158	1,156	1,163	1,167	1,167	1,165	1,159	1,151
Navy	1	1	1	1	1	1	1	1	1	1	1	1	1
Total	**52,001**	**52,075**	**52,759**	**52,753**	**52,803**	**52,886**	**52,865**	**52,939**	**53,051**	**53,166**	**53,167**	**52,655**	**53,293**

Debt service coverage (DSC) calculation-indenture	2018	2019	2020	2021	2022	2023	2024
Senior lien coverage	2.53	1.78	1.42	1.54	1.71	1.71	2.13
Debt service coverage (DSC) calculation-IPP as O&M							
Senior lien coverage	1.65	1.46	1.23	1.49	1.71	1.71	2.13

October 2023 Monthly Financial Highlights (Continued)



$000	LEAC Revenue	Fuel Cost	(Over)/Under Recover	Under Recovery Balance
October	$ 30,992	$ 33,486	$ 2,494	$ 24,945
November				
December				
January				
February				
March				
April				
May				
June				
July				
August				
September				
Total	**$ 30,992**	**$ 33,486**	**$ 2,494**	

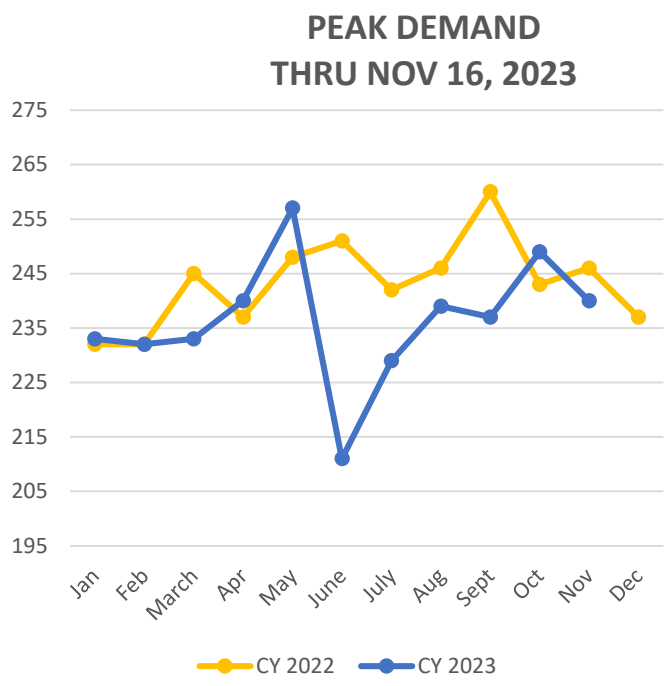
October 2023 Credit Summary

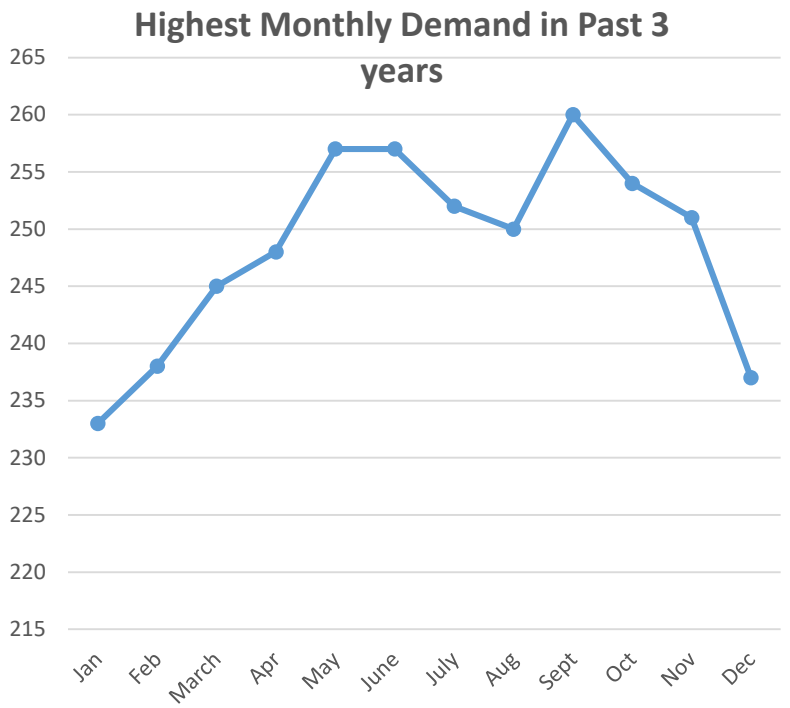
Credit Summary		
Long-Term Senior Debt	**Rating**	**Long-Term Outlook**
Standard & Poor's	BBB	Stable
Moody's Rating	Baa2	Stable
Fitch Rating	BBB	Stable

Generation Capacity Shortfall
November 28, 2023

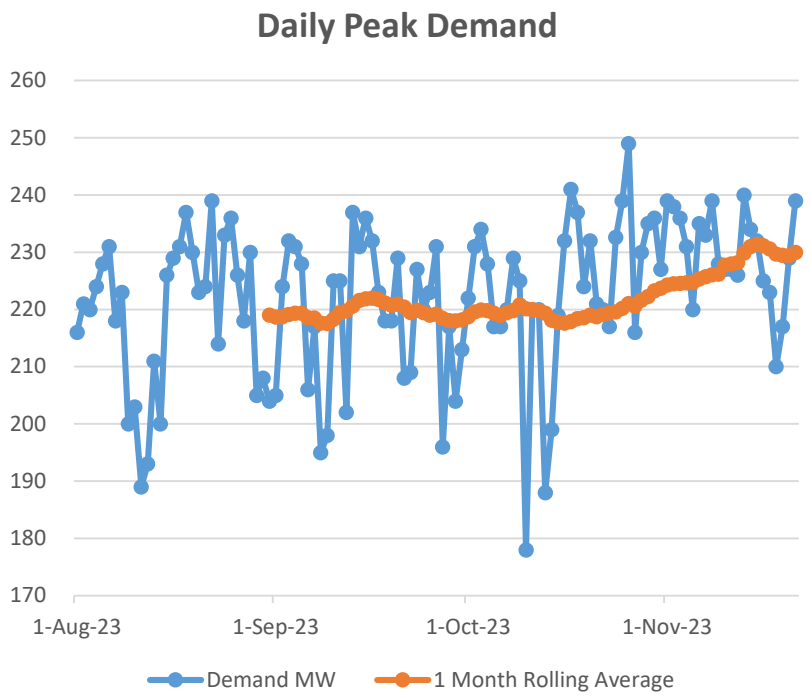
JOHN M. BENAVENTE, P.E.
General Manager
GUAM POWER AUTHORITY

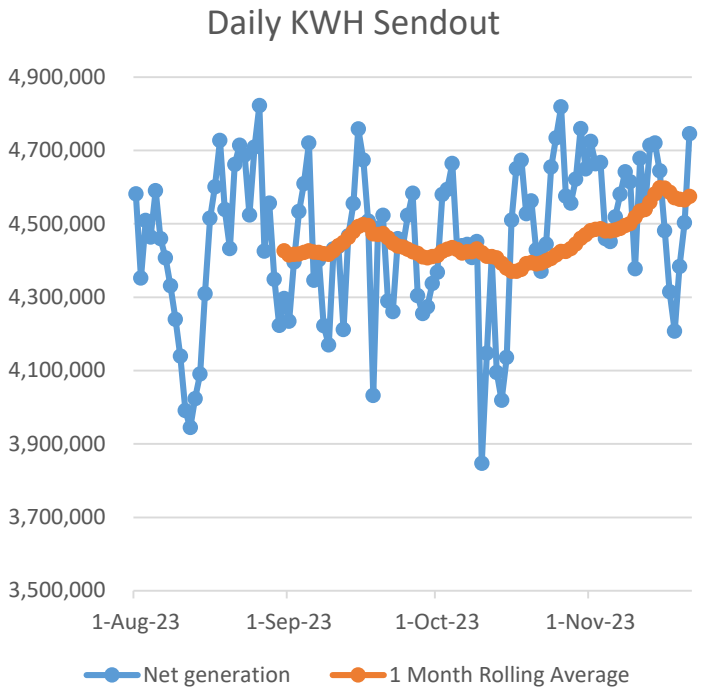
PROJECTED DEMAND TO TREND DOWN OVER NEXT THREE MONTHS



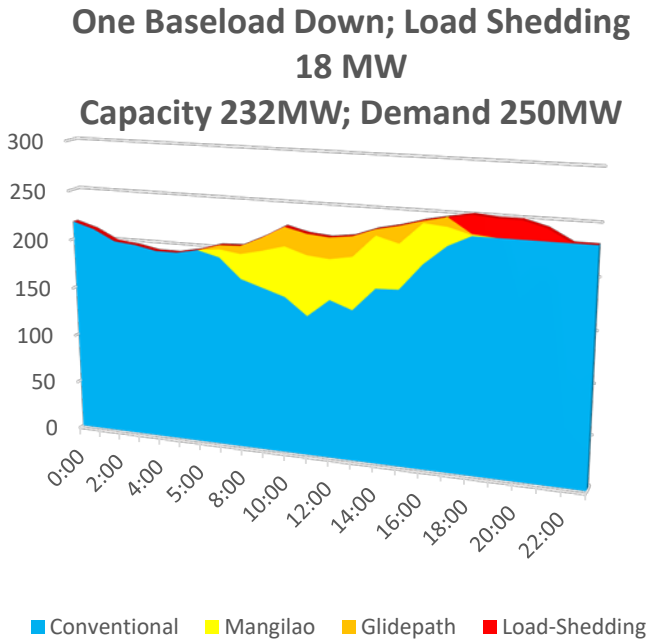


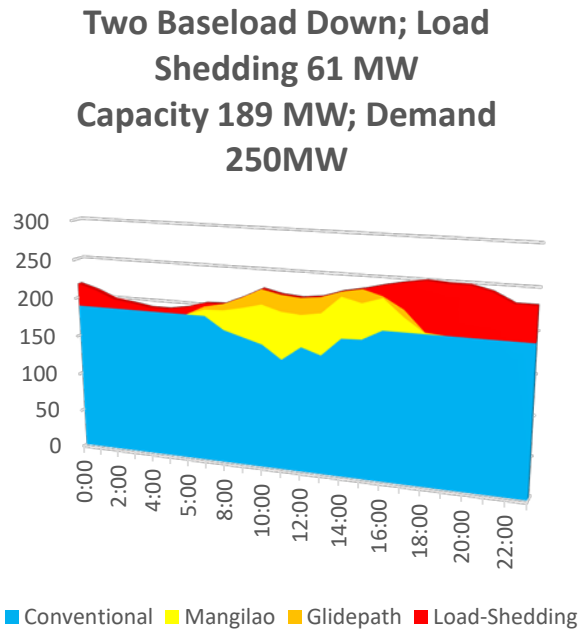
Daily Peak Demand and Net KWH Send Out
High demand Period of Year Coincide with Capacity Shortfall





Impact of Generation Capacity Shortfall: Down Baseload Scenarios





Load Shedding Summary for Sept 1, 2023 thru Nov 27, 2023

Month	Feeders Impacted	Feeder Outages	Hours Outaged	Avg. MW/Feeder	Avg. Hrs/Feeder	Unserved Kwh	% Energy Unserved	Days LS
Sep-23	49	370	290	2,860	5.9	792,367	**0.59%**	20
Oct-23	48	162	115	2,919	2.4	328,075	**0.25%**	11
Nov-23	49	349	301	2,860	6.1	867,119	**0.70%**	8
Sept 2023 thru Nov 27			706		14.4	1,987,561	**0.51%**	39

Month	September-23	October-23	November-23	December-22	January-22	February-22	March-22	April-22	May-22
Net KWH Send-out	133,231,195	132,766,903	136,680,507	137,615,616	129,439,271	121,547,053	139,902,831	133,905,681	143,520,734
Avg MW Demand	219	224	233	225	218	221	232	226	240
Highest MW Demand	237	249	245	237	232	232	245	237	248

Generation Capacity Projection for December 2023

		December 2023 Target
		All Base Load Repaired
Cabras 1		43
Cabras 2		35
Piti 8		43
Piti 9		43
Piti 7		31
Dededo 1		19
Dededo 2		19
Macheche		16
Yigo CT		**Down Hard**
Yigo Diesels		**9**
Caterpillar Units		12
Wartsila Units		3
	Total:	**273**
Interruptible Load		16
	Total:	**289**
Anticipated Peak Demand		235
Reserve (Shortfall)		54

Plan of Action for Recovery of Existing Capacity and Adding New Capacity

- **Cabras Unit 2 boiler tube repair work completed Nov 20, 2023.** Unit being loaded towards capacity of 35 – 45 MW.
- **Piti 7 repair of plenum to increase capacity from 22 MW to 31 MW** (2 -day outage) expected to be completed by December 3, 2023
- **Return to service Caterpillar units requiring significant repairs** or rehabilitation and increase plant capacity by 10 MW (Target: February 2024).
- **Replace Manenggon Wartsila units control system** and increase plant capacity by 5 MW (Target: February 2024).
- **Repair of Typhoon Damaged Yigo 20 MW CT** (Target: February 2024).
- **Procure 40 MW of Temporary Power** (Target: May 2024) If no Protest. Senator Perez introduced Bill 36-37
- **Award Performance Management Contract for Yigo 40 MW Diesels** to increase capacity by 25 MW (Target: ASAP if Legal Constraints are lifted). Senator Parkinson Introduce Bill 201-37
- **Utilize existing Energy Storage Batteries (ESS) to shift 40MWH** energy to peak time – Feasibility under review
- **Continue to expand Interruptible Load Capacity** (Currently approx. 16 MW)



Plant personnel assessing for safe entry into boiler to make necessary repairs to 48-year-old Cabras Unit 2 baseload plant.

Plan of Action for Energy Conservation

- 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 off one or more air conditioners during emergency load shedding periods
  - Encouraging 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 (Updated issued in November):
  - Explain when one or several 1-hour outages could occur
  - Issue capacity alert scenario as early as possible which triggers extend of outage

