



GUAM POWER AUTHORITY

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GPA Proposes to Deliver Customer Savings Earlier Than Expected

(Fadian, Mangilao) - During its work session held on Thursday, May 22, 2025, the Consolidated Commission on Utilities (CCU) reviewed a Guam Power Authority (GPA) recommendation to implement a **two-step** reduction to the Levelized Energy Adjustment Clause (LEAC) earlier than previously announced. GPA's current proposal is to reduce the LEAC rate from \$0.208802/kWh to \$0.188781/kWh effective **August 1, 2025**. This translates to total bill **reduction of \$20** for the average monthly residential customer with 1,000 kWh consumption. This will immediately be followed by a second proposed LEAC rate reduction to \$0.135840/kWh effective **September 1, 2025**. This translates to an additional total bill **reduction of \$22** for the average monthly residential customer with 1,000 kWh consumption. This two-step proposal reflects GPA's effort to provide energy savings sooner, pushing up previously announced plans to reduce the LEAC in September alongside a proposed base rate adjustment to support long-term financial commitments, including Ukudu.

This two-step proposal represents GPA's commitment to deliver energy savings to customers sooner than anticipated, while continuing to address the island's mid-term capacity challenges. In its prior communications, GPA indicated its intention to file for a LEAC reduction to approximately 13-14 cents per kWh effective September 1, to coincide with a proposed base rate adjustment. The base rate adjustment, once approved, will support GPA's long-term financial obligations for the new Ukudu Power Plant.

"We told our customers we'd work to bring down their power bills, and this proposal is part of making good on that promise," said GPA General Manager John M. Benavente, P.E. "With rising temperatures and energy use, we know it's been tough for families and businesses. That's why we are pushing to reduce costs sooner, rather than later. We hope this phased LEAC reduction brings some relief as we continue working to stabilize grid capacity and prepare for the Ukudu Power Plant's full commissioning in September."

According to the National Weather Service, Guam has experienced summer-like conditions as early as March this year, contributing to record-setting peak demand, an increase of approximately 10 MW compared to the same time last year. GPA is taking these conditions into account as it moves forward with adaptive solutions to protect grid stability and reduce costs.

Among these strategies is additional pre-commissioning support for the Ukudu Power Plant, which will allow for limited generation before full commissioning is completed. GPA petitioned the Public Utilities Commission (PUC) to amend the Energy Conversion Agreement allowing this pre-commissioning support to begin; the PUC will address the petition this month. This strategic approach is expected to bring incremental cost savings to customers while also easing the demand on GPA's older, fuel-

intensive generators, such as Cabras 1 and 2. In September, the full combined cycle generation at the planned 198 MW capacity will mark the final phase, delivering maximum efficiency and fuel cost reductions.

GPA thanks its customers for continuing to do their part by conserving energy during peak hours, typically between 5 p.m. to 11 p.m. Customers are encouraged to shift non-essential usage to earlier in the day or late evening, especially as temperatures rise in the coming months. Small changes, such as using timers, setting thermostats at 75°F, and limiting use of heat-generating appliances, can make a big difference in reducing demand and stabilizing the system.

The CCU is scheduled to vote on the recommended two-step LEAC reduction at its regular meeting on Tuesday, May 27, 2025 and will subsequently be submitted to the PUC for review and decision.

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