Bringing Energy Solutions to You

Insights

A monthly newsletter for all GPA Customers • Issue No. 85 • April 2024

UPDATES

Addressing Generation Capacity Shortfall

Piti 7 Repair of the Plenum
ECD: December 3, 2023
Capacity: 22MW to 30MW
COMPLETED AHEAD OF SCHEDULE 11/30

Utilizing Existing Battery Energy Storage System (ESS)
ECD: *Available to use in* Feb 2024
Capacity: 16 MWH *to be utilized during peak hours*
CURRENTLY IN USE

Repairing the Typhoon- Damaged Yigo Combustion Turbine
Updated ECD: April 2024
Capacity: 20 MW
** Rotor left Port of Los Angeles on 3/9/24 with ETA 4/7/24. Shipping issues resolved.*

Procuring Temporary Power
Updated ECD: June/July 2024
Capacity: 20 MW
** Procurement issues resolved.*

Increasing Existing Cummins diesel units located at Yigo site
ECD: May 2024
Capacity: 14 MW

Returning Caterpillar and Wartsila Units to Service
(Tenjo, Talo'fo'fo & Manenggon/Pulantat)
ECD: May 2024
Capacity: 16 MW

Restoring Capacity for Yigo Diesel units to be placed adjacent to the Tenjo Vista Plant
ECD: September 2024
Capacity: 20 MW

Continuing to Expand Interruptible Load Capacity
ECD: Ongoing
Capacity: *Approximately* 16 MW *currently*

**ECD is Expected Completion Date*

Temporary Power Project Moving Forward

Notice To Proceed Issued for Contract

A Notice to Proceed was issued for the agreement between Aggreko and Guam Power Authority (GPA) for Temporary Power on April 1, 2024. GPA successfully secured the contract with Aggreko for 2-years which was approved by both the Attorney General and the Public Utilities Commission (PUC) on March 28, 2024. The agreement provides for 20 MW of power to be available for customers within 100 days.

This successful culmination of extensive collaborative work is part of GPA's aggressive plans to bolster its generation capacity until the commissioning of the Ukudu Power Plant.

The temporary power agreement comes at a critical juncture as Guam braces for increasing temperatures along with the heightened energy demand in the coming months. "GPA remains committed to resolving the energy capacity shortfall and this temporary power contract is a giant step toward providing reliable and sustainable power solutions for our customers for the interim," remarked GPA General Manager, John M. Benavente, P.E.

As temperatures climb and energy demand surges, securing additional generation capacity becomes critical to maintaining uninterrupted essential services. Acknowledging the urgency of addressing the energy shortfall within a limited timeframe, GPA initiated an emergency procurement process for temporary power. Aggreko emerged as the sole responsive bidder and was subsequently selected as the vendor. While the contract entails additional operational costs, the upside lies in the fuel efficiency of these generators compared to those currently in operation.

GPA acknowledges the collaborative efforts of the Guam Legislature, Governor, CCU, PUC, Attorney General, and Aggreko in facilitating the approval and execution of this critical agreement. Benavente added, "With the support of our stakeholders and customers, our entire team at GPA will continue to tackle obstacles posed by the impending capacity shortfall as we bridge the gap until the Ukudu Power Plant is ready to be commissioned on September 15, 2024."





GPA emphasizes that the current shortfall is indeed temporary and brighter days are ahead for the people of Guam. Scan the QR code for more information on how GPA is addressing the generation capacity shortfall and follow GPA's social media pages

Deadline for Completion of Ukudu Power Plant Pushed Up to September 15, 2025

GPA Anticipates $13.6 M in Savings from Fuel Costs for Customers

> ***"The current rate of 26 cents per kWh will drop to about 13 to 16 cents or by $130 and $102, respectively, in customers' bills."***

In a significant move towards bolstering Guam Power Authority's (GPA) commitment to providing affordable and sustainable power solutions, the Consolidated Commission on Utilities (CCU) has given its seal of approval to GPA's proposal for amendments to the Energy Conversion Agreement (ECA) with Guam Ukudu Power, LLC (GUP).

The proposed changes to the agreement promise substantial benefits for GPA customers in hopes of offsetting high fuel costs sooner rather than later. Amendments to the ECA include:

- Target Date and Penalties: The new agreement sets a strict deadline for completion by September 15, 2025, with penalties for any delays. In addition to various other setbacks, this adjustment was necessary due to Typhoon Mawar damaging water storage tanks, resulting in a delay from April 2024 to January 2026. Without the typhoon and other delays, Ukudu would have been ready by this month.
- Net Fuel Savings: By implementing the project, GPA expects to save approximately $13,688,556 in fuel costs. Although there's a cost of $5 million to accelerate the project, the projected savings far exceeds this amount.

Upon the commissioning of Ukudu, customers can anticipate a drastic reduction in their power bills. The current rate of 26 cents per kWh will drop to about 13 to 16 cents or by $130 and $102, respectively, in customers' bills (savings are highly dependent on the cost of fuel).

This reduction is primarily attributed to the implementation of more efficient generation methods, resulting in a 32% decrease, or over 870,000 less barrels of fuel imports annually.

Currently, GPA is using a cleaner type of fuel called Ultra Low Sulfur Residual Fuel (ULSRFO) to operate Cabras. It is cleaner and better for the environment, but it's also one of the most expensive fuels available, which means higher fuel charges for GPA customers.

The current reliance on older baseload generators requires a considerable consumption of the most expensive fuel, incurring substantial costs annually. In other words, the sooner Cabras 1 & 2 are retired, the sooner customers will start seeing the benefits directly on their bills. GPA's long-term goal of providing sustainable and affordable energy to customers has not been without its challenges, but smart investments like solar energy and battery storage will soon bring relief to Guam's families.

A prerequisite to retiring the overextended Cabras generators is the Ukudu Power Plant project. Scheduled to come online in alignment with GPA's Clean Energy Master Plan, Ukudu represents a crucial advancement in Guam's journey towards renewable energy adoption and is an important step in advancing GPA's Clean Energy Master Plan (CEMP).

With an accelerated date for commissioning the Ukudu Power Plant and an overall reduction in costs from $571 million to $527 million, Guam's energy infrastructure is poised for a brighter, cleaner, and more robust future.

Potential Outage Schedule Updated Amid Increasing Temperatures and Power Demand

In light of progress made to address the generation capacity shortfall, GPA is issuing an update to the April 1-hour potential outage schedule, recognizing the immediate need to address rising temperatures and the proportionate energy demand. As temperatures continue to climb, the demand for power is already on the rise, underscoring the urgency of ensuring sufficient energy reserves. Customers are encouraged to visit www.guampowerauthority.com to check their updated potential schedule times.

GPA urges government agencies, businesses, and residents to remain vigilant in conserving power, particularly during peak hours from 5 pm to 11 pm. As temperatures rise and energy demand escalates, collective efforts in energy conservation will play a vital role in ensuring a stable and sustainable energy future for Guam until more capacity is available for customers.

Energy Credits
GPA anticipates the transfer of funds for the final $100 energy credit under Public Law 37-66 in April. Customers are encouraged to prepare for the end of the credit program as it will impact their May bill.

Preparation for Summer Months
With the closure of the Homeowner Assistance Fund, customers are encouraged to prepare their homes to save energy during Guam's summer months. Income-eligible customers are also encouraged to contact the Guam Energy Office about the Weatherization Program.

GPA appreciates the continued cooperation and understanding of the community as we navigate these temporary challenges together. GPA remains committed to providing reliable and sustainable power to the residents and businesses of Guam.

MONTH	AVG. HRS./ FEEDER	DAYS OF OUTAGES
Sep 2023	5.7	20
Oct 2023	2.3	11
Nov 2023	4.8	9
Dec 2023	0.6	4
Jan 2024	0.9	4
Feb 2024	0.9	1
Mar 2024	0.5	1

** Prior Avg. Hrs/Feeder data have been audited and updated as of Feb 2024*

Scan the QR code and visit our social media pages to stay informed about rotating outages in your area.

Load Shedding Data as of March 31, 2024

Actual Outage Days in February: **1**

Actual Outage Days in March through 3/31/24: **1**

Actual Hrs/Feeders Lost for March through 3/31/24: **0.5**

Average Hrs/Feeders Lost since September 1, 2023: **12.1**

GPA Strives for Renewables, Balancing Cost and Sustainability

As we commemorate Earth Month 2024, GPA reaffirms its mission toward sustainable energy and to keeping customers informed along the way.

GPA's Integrated Resource Plan is a 20-year Clean Energy Master Plan (CEMP) that increases renewables within Guam's energy grid and paves the way to lower costs and a cleaner environment. The master plan was developed so that as GPA builds more renewable energy resources, older power generators that burn oil and gas will be retired. Critical to the plan is the 198+ megawatt (MW) combined cycle Ukudu Power Plant which is anticipated for commissioning on September 15, 2025. Not only will Ukudu burn cleaner and greener fuel, it will also allow the older Cabras power plants to retire.

As new challenges emerge and technology advances, the plan adapts accordingly and despite significant strides, the path is not without its hurdles. A common challenge shared by power companies transitioning to sustainable energy solutions is the delicate balance between investing in cleaner and renewable energy while ensuring affordable and dependable power for consumers. Alongside this, GPA has had to navigate unforeseen natural disasters, increasing war-influenced oil prices, and procurement challenges as an added level of difficulty resulting in delays to critical projects.

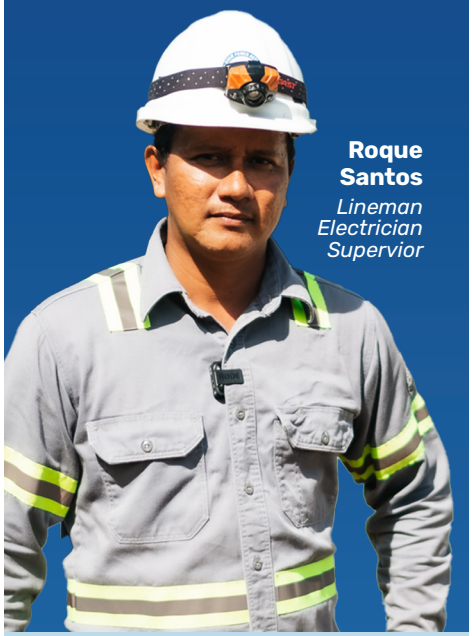
Currently, Guam finds itself in a transitional phase, navigating an energy capacity shortfall to bridge the gap until the commissioning of the delayed Ukudu Power Plant. This eagerly awaited power plant is central to the CEMP and aims for a drastic 32% reduction in fuel imports, ultimately lowering power bills for customers who have shouldered the impacts of sharply rising energy costs. Additionally, GPA's dedication to clean, reliable energy extends beyond Ukudu, with initiatives like the KEPCO Mangilao Solar (KMS) photovoltaic farm and upcoming Phase IV renewable energy projects contributing to the island's sustainability goals. These projects not only reduce carbon emissions but also demonstrate GPA's commitment to providing affordable, environmentally friendly power to all consumers.



To support the commitment to cleaner energy, Cabras 1 & 2 were converted to run on Ultra Low Sulfur Residual Fuel Oil (ULSRFO), a cleaner but much more expensive fuel option. While this choice allows lower fuel consumption, the higher price for this fuel has eroded the savings that new and upcoming solar farms and battery energy storage systems were meant to provide. Once Cabras 1 & 2 can be retired, and other peaking plants placed as standby reserve units, customers will feel the benefits of these major investments made into renewable energy directly on their bills.

However, as Guam embraces renewable energy, it is also essential to address the broader challenges associated with this transition. From managing end-of-life solar components to ensuring responsible disposal of used oil islandwide, a comprehensive approach is imperative. GPA will continue to lead discussions on these global issues in search of solutions that are better for Guam's environment.

Join us in celebrating Lineworkers Appreciation Day on April 18, 2024.



Roque has Energy-Saving Tips for You.

1. When you're not using the light in your room, turn it off.
2. For air-conditioned homes, don't leave the outside door open for too long.
3. Provide any kind of shade or curtains for windows to prevent any kind of heat from coming into the house.

Scan the QR code to learn more about Roque and visit our social media pages on to get to know our linemen!

GPA GOVERNANCE & LEADERSHIP

Your elected Consolidated Commission on Utilities (CCU) holds two (2) working sessions and one (1) regular meeting monthly. Meeting location is the CCU Conference Room, Gloria B. Nelson Public Service Building in Fadian, Mangilao. For more information and agencies, call the CCU Board Secretary at (671) 648-3002 or visit www.guamccu.org.

Joseph "Joey" T. Duenas (Chairman)
T (671) 686-1512 • E joey49duenas@gmail.com

Francis E. Santos (Vice Chairman)
T (671) 482-9355 • E francis.santos@gpagwa.com

Pedro Roy Martinez (Secretary)
T (671) 488-1957 • E prmguam@gmail.com

Simon A. Sanchez II (Commissioner)
T (671) 488-1010 • E gdcmgr@guamdrycleaners.com

Michael Limtiaco (Commissioner)
T (671) 888-6280 • E mlimtiaco671@gmail.com

John M. Benavente, P.E. (General Manager)
T (671) 648-3225 • E jbenavente@gpagwa.com

View your energy usage at myenergyguam.com

The Guam Power Authority has been serving Guam for 55 years. Contact us to let us know what updates and information we can provide to help you better understand the work we do; or ways we can better serve you. ***Email us at:*** customersfirst@gpagwa.com or send us a ***Direct Message*** on our Facebook.