



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 14-11
)
The Application of the Guam Power)
Authority for Approving the Procurement) **ORDER**
of Phase II Renewable Acquisition for)
GPA.)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for contract review and approval of GPA's Procurement of Phase II Renewable Acquisition.¹
2. GPA now requests that PUC approve the issuance of an Invitation for Bids ["IFB"] for the Phase II Renewable Acquisition. Attached to GPA's Petition are five Volumes relative to the IFB for Renewable Energy Resource Phase II Acquisition.

BACKGROUND

3. The PUC has been involved in the review of GPA's renewable resource acquisition plan for nearly six years. On December 29, 2008, the PUC approved GPA's Integrated Resource Plan, which included a proposal for "Phase I of GPA's Renewable Resource Acquisition."² GPA was authorized to procure up to 40MW of renewable energy sources, including technologies such as biomass, hydro, geothermal, solar, wind, ocean thermal, wave action and tidal action.³
4. On December 19, 2011, the PUC approved the renewable energy contract awards to Quantum Guam Power (20MW Solar Project) and Pacific Green Resources (9.34MW Wind and 5.04MW Solar) under Phase I of the Renewable Energy Acquisition.⁴
5. In its Integrated Resource Plan filed with the PUC on February 25, 2013, GPA clearly indicated that it planned to procure an additional 40MW of renewable energy resources under the Phase II Renewable Energy Acquisition Program, if

¹ GPA Petition for Contract Review of Renewable Acquisition, GPA Docket 14-11, filed June 12, 2014.

² PUC Order, In Matter of GPA Integrated Resource Plan, Docket 08-06, dated December 29, 2008.

³ Id. at p. 1.

⁴ PUC Order, GPA Docket 11-12, dated December 19, 2011.

cost-competitive with other available technologies, as early as 2017.⁵ GPA's 2013 IRP was "conditionally approved" on July 30, 2013.⁶

6. On May 20, 2014, the Guam Consolidated Commission on Utilities adopted Resolution No. 2014-19, which approved the submission to the PUC of the draft bid documents for the Phase II renewable acquisition.⁷ Therein the CCU approved the additional renewable resource acquisition of 40MW in Phase II, indicating that, in addition to the original technologies considered in Phase I, GPA would also consider biofuel as an alternative to energy delivered.⁸

PHASE II RENEWABLE RESOURCE ACQUISITION FOR 40MW

7. On June 23, PUC Counsel filed his Report herein. The Report details the elements of the proposed contract for renewable resource acquisition projects in Phase II. The contract format utilized is similar to that followed by GPA in Phase I of the Renewable Acquisition.

DETERMINATIONS

8. The PUC has been aware for nearly six years that GPA intended to undertake both Phase I and Phase II Renewable Energy Acquisition projects.
9. In the IRP submitted by GPA in 2008, it was understood by PUC that GPA intended to undertake a second phase associated with its renewable energy resource acquisition process. GPA's goal was to acquire a total of approximately 80MW of renewable energy resources.⁹
10. This Phase II renewable energy acquisition was also included in GPA's 2013 IRP. Thus, PUC has understood, and impliedly agreed, GPA could undertake a Phase II renewable energy acquisition.

⁵ Filing of GPA Integrated Resource Plan (IRP), GPA Docket 13-02, dated February 25, 2013, Executive Summary at p. ii.

⁶ PUC Order, GPA Docket 13-02, dated July 30, 2013.

⁷ CCU Resolution No. 2014-19, Relative to the Approval to Submit to the Public Utilities Commission the Draft Bid Documents Phase II Renewable Acquisition, adopted May 20, 2014.

⁸ Id. at p. 1.

⁹ Georgetown Consulting Group, Docket No. 08-6, Petition for Contract Review of Renewable Energy Acquisition, dated April 18, 2009.

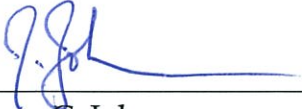
11. Phase II renewable energy acquisition is also consistent with the intent of Public Law 29-92, which is to promote the development of renewable energy on Guam and for GPA to establish a renewable energy portfolio. There is a specific renewable portfolio standard of five (5) percent of net electricity sales by December 31, 2015.
12. The proposed agreement contains numerous provisions which seek to protect GPA and ratepayer interests in the event that the Contractor defaults in constructing the facility or otherwise fails to deliver renewable energy in accordance with the agreement. Other protections appear to be standard and commercially reasonable.

ORDERING PROVISIONS

After a review of the record herein, GPA's Petition for review and approval of GPA's Phase II Renewable Acquisition, and the PUC Counsel Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission HEREBY ORDERS that:

1. GPA Petition for Review and Approval of Phase II Renewable Acquisition is hereby granted.
 2. GPA is authorized to solicit competitive bids for up to 40MW of renewable energy in its Phase II Renewable Acquisition.
 3. GPA is required to present the final Phase II Renewable Energy Contracts to the PUC for review and approval, so that the PUC can determine if the final price is reasonable.
 4. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.
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Dated this 26th day of June, 2014.



Jeffrey C. Johnson
Chairman



Rowena E. Perez
Commissioner



Michael A. Pangelinan
Commissioner

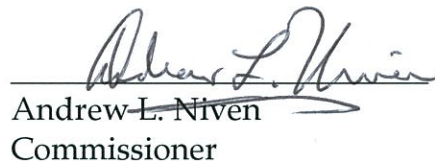


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