**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

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| IN THE MATTER OF:The Petition of the Guam Power Authority for Approval of Procurement of New Generation Combined Cycle Units and to Proceed with Implementation of the Integrated Resource Plan (IRP). | ))))))) | GPA Docket 15-05 **SUPPLEMENTAL ORDER** |

**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the request of the Chairman. As indicated in the PUC Counsel Report dated April 18, 2017, which is adopted and incorporated herein by reference, GPA has indicated to potential bidders with regard to the new generation that only combined cycle unit generation may be considered due to the wording of the PUC Order dated October 27, 2016. Potential bidders have also been advised by GPA that it may not consider any proposal involving LNG because of the PUC Order.

**DETERMINATIONS**

1. The purpose of this Supplemental Order is to clarify two aspects of the Order dated October 27, 2016. Notwithstanding any language to the contrary in the October 27, 2016, Order: (1) In its procurement for new generation, GPA should be able to consider any technology (not only combined cycle units) which provides efficient, reliable and least cost baseload generation. (2) LNG proposals may be considered to the extent that they comply with the criteria outlined in (1) above.
2. The PUC adopts the analysis in the PUC Counsel Report as its Determinations. It is necessary for the PUC to clarify its October 27, 2016 Order by establishing that GPA may consider technologies other than combined cycle units in its new generation procurement, and may also consider proposals for LNG.

**ORDERING PROVISIONS**

1. Notwithstanding any language in the PUC Order dated October 27, 2016, that GPA shall consider technologies other than combined cycle units in the procurement for new generation which it subsequently intends to issue. In accordance with a market approach, bidders should be able to offer technology solutions other than combined cycle units, which may include LNG, LPG, or other possible solutions which meet the necessary criteria.
2. Notwithstanding any language in the October 27, 2016 Order, GPA shall entertain and consider LNG proposals that can provide efficient, reliable and least cost baseload capacity.
3. The Ordering Provisions of the October 27, 2016, Order are revised as follows:
4. GPA is authorized to procure up to 180MW of generation capacity. Before such procurement is issued by GPA, it should be first reviewed and approved by the PUC.
5. GPA’s plan for up to 180MW of new generation capacity shall be based upon the Independent Power Producer (IPP) Model as a Build Operate Transfer (BOT), similar to MEC 8 & 9, rather than upon ownership by GPA.
6. GPA is authorized to procure an Engineering Procurement and Construction

Management contractor, and is authorized to expend $750,000 for such engineering and consulting services, to be paid from the 2014 bond fund allocation for LNG Initial Startup.

1. GPA plans for bond financing, restructuring, or financing/leasing for the IPP are disapproved at the present time.
2. GPA’s procurement authorization is conditioned upon the restrictions and limitations set forth in the DETERMINATIONS section of this Order.
3. The PUC reserves the right to further consider the issue of whether 180MW should be the proposed capacity of the new plant, or whether a lesser capacity would suffice, upon GPA’s submission of the procurement for approval. This issue may be further reviewed upon submission of the final proposed procurement award to the PUC.
4. GPA shall retire Cabras 1 & 2 upon commission of the new generation.
5. The PUC retains jurisdiction herein to make any further review of any and all

 aspects of the IRP.

1. When GPA submits the new generation procurement to PUC for approval, it shall also provide a fully updated and comprehensive rate impact study.
2. 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 §§12103(b)

 and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the

 Public Utilities Commission.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

So Ordered this 27th day of April, 2017.

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Jeffrey C. Johnson Joseph M. McDonald

Chairman Commissioner

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Rowena E. Perez Peter Montinola

Commissioner Commissioner

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Michael A. Pangelinan Andrew L. Niven

Commissioner Commissioner

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Filomena M. Cantoria

Commissioner