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Attorney for Guam Power Authority

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GPA DOCKET NO. 24-07

**PROCUREMENT OF 40 MW
TEMPORARY POWER**

**PETITION OF THE GUAM POWER
AUTHORITY TO PROCURE 40 MW OF
TEMPORARY POWER**

The Guam Power Authority (GPA) hereby files its petition requesting the PUC's approval to authorize the Guam Power Authority to procure 40 MW of temporary power.

I. Background.

Typhoon Mawar inflicted catastrophic damage on the Yigo Combustion Turbine (CT) and the Ukudu Power Plant project, reducing GPA's reserve capacity by 20 MW and dealing a substantial setback to the Ukudu Power Plant's Commercial Online Date (COD). In the meantime, a procurement protest has prevented GPA from awarding a performance management contract (PMC) for the repair and maintenance of GPA's medium diesel generators.

Under these circumstances, GPA has had to rely on the Cabras 1&2 Power Plant and GPA's Interruptible Load Program (ILP) partners. Cabras 1&2 is old and in deteriorating condition, however, and will continue to be unreliable. At the same time, there are fewer ILP partners overall due to large customers having to run their generators more often after Typhoon

1 Mawar and needing repairs as a result. GPA has had to resort to load-shedding to deal with the
2 shortfall.

3 GPA has determined that, with a three-year lease with two optional one-year extensions
4 and a lease-to-own option within the next 150 days, it can increase its capacity by leasing 40 MW
5 of stand-by generators. These will provide sufficient generation even when Cabras 1 or 2
6 experience an outage, whether scheduled or forced. GPA has already identified potential sites
7 for stationing the generators and intends to use revenue funds to pay for the lease.
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10 Under GPA Resolution No. FY2023-37, the CCU has authorized GPA to pursue the
11 procurement of the generators. *See* Ex. A (GPA Resolution No. FY2023-37).
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13 **II. Request for Approval.**

14 PUC's contract review protocol requires PUC authorization for all contracts in excess of
15 \$1.5 million. The contract in this case is expected to exceed that amount. In accordance with the
16 protocol, GPA is asking the PUC to authorize it to initiate the procurement for generators to
17 produce 40 MW of temporary power.
18
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20 **III. Conclusion.**

21 Based on the foregoing, GPA requests that the PUC authorize GPA to procure 40 MW
22 of temporary power as described above. The procurement is reasonable, necessary, and prudent.
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24 Respectfully submitted this 14th day of November 2023.

25 *Attorney for Guam Power Authority*
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27
28 By: /s/
29 Marianne Woloschuk
30 GPA Legal Counsel
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CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. FY2023-37

RELATIVE TO AUTHORIZING GUAM POWER AUTHORITY (GPA) MANAGEMENT TO PROCURE 40MW OF TEMPORARY POWER

WHEREAS, Yigo CT and the Ukudu Power Plant Project sustained significant damages from Super Typhoon Mawar resulting in reduction of 20 MW to GPA's reserve capacity and a significant delay to the Ukudu Power Plant Commercial Online Date (COD); and

WHEREAS, a procurement protest has delayed and prevented the award of GPA's Diesel PMC Bid contract thereby, preventing the repair and maintenance of GPA medium speed diesel generators; and

WHEREAS, a significant Ukudu Power Plant COD delay, due to catastrophic damages inflicted by Typhoon Mawar, leave GPA with having to continue to rely upon the aged and deteriorating Cabras 1&2 Power Plant slated for retirement after the commissioning of the Ukudu Power Plant; and

WHEREAS, although GPA's Interruptible Load Program (ILP) partners have reduced the amount of load shedding of other customers during GPA capacity shortages, GPA cannot overuse this resource since doing so will cause ILP partner generation to significantly degrade; and

WHEREAS, the pool of potential ILP partners has been severely reduced by the running of customer generation during Typhoon Mawar to the point where large customer generators are in need of significant repairs; and

WHEREAS, GPA has on several occasions has had to shed customer loads during generation capacity shortfalls; and

WHEREAS, the unreliability of Cabras 1&2 is expected to persist placing GPA in an untenable position of having very tight margins for available reserve generation especially whenever with one large baseload unit under scheduled maintenance outage Cabras 1 or 2 have a forced outage; and

WHEREAS, the Authority needs to pursue capacity lease services for 40 MW of stand by generation to ensure GPA has sufficient reserves even with the potential outages of the Cabras 1&2 units; and

1 **WHEREAS**, the Authority has identified potential sites to connect these temporary power
2 generation units including but not limited to the Tenjo Vista Power Plant and Substation area and
3 at GPA's Bulk Fuel Storage Facility at the proposed site for the KEPCO reserve Diesel Plant; and
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5 **WHEREAS**, GPA desires to obtain a 3-year lease with two 1-year optional extensions
6 and a lease-to-own option for the 40 MW of temporary generation within the next 150 days; and
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8 **WHEREAS**, the Authority plans to use revenue funds for the temporary generation
9 capacity lease services; and
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11 **WHEREAS**, approval is requested to allow the General Manager to petition the PUC to
12 authorize lease services for the additional generation capacity.
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14 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
15 Utilities, as the Governing Body of GPA, authorizes GPA to petition the Public Utilities
16 Commission (PUC) as follows:
17

- 18 1. For PUC approval of procurement of temporary power lease services for 40 MW
19 generation capacity as required by the PUC-GPA Procurement Protocol.
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21 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
22 Commission attests to the adoption of this Resolution.
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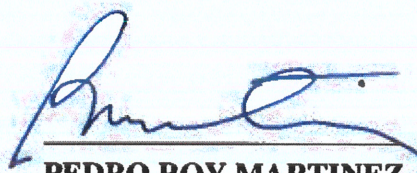
24 **DULY AND REGULARLY ADOPTED**, this day of 27th of September, 2023.
25

26 Certified by:

27 Attested by:

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30 **JOSEPH T. DUENAS**
31 Chairperson
32

30 
31 **PEDRO ROY MARTINEZ**
32 Secretary

1 I, **Pedro Roy Martinez**, Secretary of the Consolidated Commission on Utilities (CCU)
2 as evidenced by my signature above do hereby certify as follows:
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4 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular
5 meeting by the members of the Guam Consolidated Commission on Utilities, duly and
6 legally held at a place properly noticed and advertised at which meeting a quorum was
7 present and the members who were present voted as follows:
8

9 AYES: 5
10 NAYS: 0
11 ABSTAIN: 0
12 ABSENT: 0
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