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OF GUAM**

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November 22, 2023

Senator William A. Parkinson
Chairperson, Committee on Fire, Agriculture,
Power and Energy Utilities, Public Transit,
Unemployment Insurance, and Universal Health Insurance
37th Guam Legislature
Suite 905, DNA Building
238 Archbishop FC Flores St.
Hagatna, Guam 96910

**SUBJECT: Testimony of Chairman Jeffrey C. Johnson, Guam Public Utilities Commission, on
Bill No. 201-37(COR)**

Dear Chairperson Parkinson:

INTRODUCTION

The Guam Public Utilities Commission ["PUC"] appreciates the opportunity to comment on proposed Bill No. 201-37 (COR). The PUC fully supports the Bill.

Guam is amid an electric power emergency. There is currently insufficient load capacity to consistently meet the required demand. This situation has resulted in on-going load-shedding. This Bill is a good first step in providing solutions for temporary power generation and repair of existing diesel generators until the Ukudo Power Plant is commissioned (hopefully in January 2026).

**THIS BILL SHOULD HELP IN ENABLING GPA TO MITIGATE THE PROBLEM OF
ONGOING ISLAND-WIDE LOAD SHEDDING**

The Bill would waive certain requirements in the Procurement Law to allow GPA to procure vendors to maintain, operate, and overhaul diesel generators, “specifically described as 40MW Yigo diesels, 24MW Tenjo Diesels, 6MW MDI/Pulantat Diesels, and 6MW Talofofa Diesels.”

The Bill would allow GPA to select vendors without complying with the ordinary Source Selection and Contract Formation procedures in the Procurement Law. Provisions allowing protests to stay procurements until resolution would also be waived.

PUC SUGGESTS CERTAIN AMENDMENTS TO THE BILL

There is presently pending before the PUC an application of GPA to procure 40MW of Temporary Power. GPA should also be allowed to seek 40MW of temporary power under the provisions of this Bill. This addition fits nicely into the Bill, as Section 1 already mentions “temporary power generation” as part of the “responsible solutions.”

The Bill Name would be amended to read: “AN ACT TO ADD NEW §8113.15 TO CHAPTER 8 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING **TEMPORARY POWER AND MAINTENANCE, OPERATION AND OVERHAUL OF DIESEL GENERATORS**”

The title of Section 2 of the Bill, 8113.15, should be amended to read: “**Provision of 40MW of Temporary Power and Maintenance, Operation, and Overhaul of Diesel Generators.**” §8113.15 would be amended to read: “...the Guam Power Authority (“GPA”) with all deliberate speed, and with the consent with of the Guam Public Utilities Commission (“GPUC”) shall proceed with the procurement for a vendor or vendors to **provide 40MW of Temporary Power, and to maintain, operate, and overhaul diesel generators...**”.

THE PUC IS WILLING AND CAPABLE OF UNDERTAKING THE PROCURMENT REVIEW FUNCTIONS IMPOSED UPON IT BY THIS BILL

Essentially, this Bill would place responsibility upon the PUC for reviewing procurements by GPA made under the special provisions of Bill 201-37 (COR). The PUC is not technically a procurement body. Its core function is utility regulation and rate setting. However, under its existing Contract Review Protocol with GPA, the PUC currently does review all proposed procurements of GPA in excess of \$1.5M. Ordinarily, PUC reviews GPA procurements to assure basic compliance with procurement laws. The PUC has Commissioners, Administrative Law Judges, and the PUC Counsel who are familiar with procurement laws and well versed in their application. The PUC would seek to assure that the procurement procedures used by GPA for procurement under this Bill would be done in a fair and objective manner.

CONCLUSION

The adoption of Bill No. 201-37(COR) should assist GPA in implementing solutions to reduce the occurrence of load shedding. The Guam Legislature should fully support this Bill and advocate its enactment into law.

Thank you for your consideration of this Testimony.

Sincerely,



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission