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9 *Attorney for Guam Power Authority*

10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 **IN THE MATTER OF:**

**GPA DOCKET NO. 24-21**

12 **GUAM POWER AUTHORITY'S**  
13 **OVERHAUL OF PITI 7**

**PETITION OF THE GUAM POWER  
AUTHORITY TO APPROVE THE  
CONTRACT WITH TEMES, INC. TO  
OVERHAUL PITI 7**

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16 The GUAM POWER AUTHORITY (GPA), by and through its counsel of record,  
17 MARIANNE WOLOSCHUK, hereby files its Petition for the Public Utilities Commission of  
18 Guam (PUC) to review and approve GPA's request to approve the contract with Taiwan Electrical  
19 and Mechanical Engineering Services, Inc. (TEMES) to overhaul Piti 7.  
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21 **I. BACKGROUND**

22  
23 GPA seeks to perform a major gas turbine and generator overhaul of Piti 7 to ensure the  
24 plant's reliability and availability until the new Ukudu power plant is commissioned. Piti 7 is a  
25 40MW combustion turbine commissioned in December 1997 by TEMES under a build, operate  
26 and transfer (BOT) contract for a 20-year term. The plant was turned over to GPA in December  
27 of 2017 and has been operated and maintained by GPA ever since, providing necessary reserves  
28 for baseload outages and peak demand support. Piti 7 provides critical generation capacity until  
29 the Ukudu Power Plant is commissioned and will provide the necessary reserve capacity going  
30 forward.  
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ORIGINAL

1 Piti 7 has over 35,342 operating hours since its last major overhaul was completed in 2016  
2 under TEMES. The last borescope engine inspection of Piti 7 was completed by GPA in 2018 at  
3 40,394 operating hours. This inspection showed normal signs of wear, fouling, and corrosion.  
4 Recommendations were made to replace components in the next overhaul due in 2022.  
5

6 The estimated costs for parts and labor to perform turbine and generator overhauls is \$3.5  
7 million. The turbine and generator overhauls are planned for FY2025. Piti 7 is under the  
8 Performance Management Contract with TEMES, which manages the procurement and contracts  
9 for Piti 7. The estimated costs exceed the General Manager's authority under the Consolidated  
10 Commission on Utilities (CCU) and thus PUC approval is required.  
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## 13 II. DISCUSSION

14 GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for GPA,  
15 approved by the PUC, to review and approve the contract with TEMES to overhaul Piti 7 at an  
16 estimated cost of \$3.5 million. In support of this petition, GPA hereby provides the PUC with the  
17 CCU Resolution No. FY2024-24, which authorizes the General Manager to proceed with the  
18 contract with TEMES for the overhaul of Piti 7, attached hereto as Exhibit A and incorporated  
19 herein as if fully set forth.  
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## 23 III. CONCLUSION

24 The PUC should approve GPA's request to proceed with the contract with TEMES for the  
25 overhaul of Piti 7 at an estimated cost of \$3.5 million. The Piti 7 unit is essential to the island-  
26 wide power system and the contract is reasonable, prudent, and necessary.  
27

28 Respectfully submitted this 7th day of August 2024.

29  
30 *Attorney for Guam Power Authority*

31  
32 By:



Marianne Woloschuk  
GPA Legal Counsel



# 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. FY2024-24

### RELATIVE TO AUTHORIZING GUAM POWER AUTHORITY (GPA) MANAGEMENT TO OVERHAUL PITI 7

**WHEREAS**, GPA seeks to perform a major gas turbine and generator overhaul of Piti 7 to ensure the reliability and availability until the new Ukudu power Plant is commissioned; and

**WHEREAS**, Piti 7 is a 40MW combustion turbine commissioned in December 1997 by Taiwan Electrical and Mechanical Engineering Services (TEMES) under a build, operate and transfer (BOT) contract for a 20-year term; and

**WHEREAS**, the plant was turned over to GPA in December of 2017 and has been operated and maintained by GPA since providing necessary reserves for baseload outages and provide peak demand support; and

**WHEREAS**, Piti 7 provides critical generation capacity until Ukudu Power Plant is commissioned and will provide the necessary reserve capacity going forward; and

**WHEREAS**, Piti 7 has over 35,342 hours of operating hours since its last major overhaul completed in 2016 under TEMES; and

**WHEREAS**, the last borescope engine inspection of Piti 7 was completed by GPA in 2018 at 40,394 operating hours which showed normal signs of wear, fouling, and corrosion and recommendations were made to replace components in the next overhaul due in 2022; and

**WHEREAS**, the estimated costs for parts and labor to perform turbine and generator overhauls is \$3.5 M;

**WHEREAS**, the turbine and generator overhauls are planned for FY25; and

**WHEREAS**, Piti 7 is under the Performance Management Contract with TEMES who manages the procurement and contracts for Piti 7; and

**WHEREAS**, the estimated cost exceeds the General Manager's authority under the CCU and also requires prior PUC approval under 12GCA 12004 and the PUC Contract Review Protocol.

1 **NOW, THEREFORE BE IT RESOLVED, by the Consolidated Commission on**  
2 **Utilities, as follows;**

- 3 1. The CCU authorizes the General Manager to petition the Guam Public Utilities  
4 Commission for the approval to contract TEMES under the PMC to purchase parts  
5 and labor for Piti 7 turbine and generator overhauls estimated at \$3.5M.  
6

7 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the  
8 Commission attests to the adoption of this Resolution.

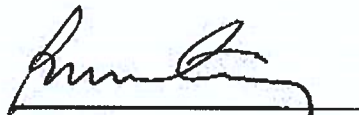
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10 **DULY AND REGULARLY ADOPTED**, this 23<sup>rd</sup> day of July, 2024.  
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12  
13 Certified by:

Attested by:

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17 **JOSEPH T. DUENAS**  
18 Chairperson

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21 **PEDRO ROY MARTINEZ**  
22 Secretary

23 **I, Pedro Roy Martinez**, Secretary of the Consolidated Commission on Utilities (CCU)  
24 as evidenced by my signature above do hereby certify as follows:  
25

26 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular  
27 meeting by the members of the Guam Consolidated Commission on Utilities, duly and  
28 legally held at a place properly noticed and advertised at which meeting a quorum was  
29 present and the members who were present voted as follows:  
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