



**MARIANNE WOLOSCHUK**  
Legal Counsel  
Guam Power Authority  
Gloria B. Nelson Public Building  
688 Route 15  
Mangilao, Guam 96913  
Telephone: (671) 648-3203  
Fax No. (671) 648-3290  
Email: [mwołoschuk@gpagwa.com](mailto:mwołoschuk@gpagwa.com)

*Attorney for Guam Power Authority*

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF:**

**GPA DOCKET NO. 25-08**

**GUAM POWER AUTHORITY'S UREA  
SUPPLY CONTRACT**

**PETITION OF THE GUAM POWER  
FOR APPROVAL OF ADDITIONAL  
PROJECTED COSTS OF UREA SUPPLY  
CONTRACT**

The Guam Power Authority (GPA) hereby files its Petition for the Public Utilities Commission of Guam (PUC) to review and approve GPA's request to increase the contract for urea to up to \$4.8 million.

**I. Background**

Urea is used for emission controls in diesel power plants. Such plants cannot operate in compliance with their environmental permits without urea. The absence of urea will cause the plants to be shut down.

GPA entered into a contract with the sole bidder, Pacific Petroleum Trading Company (PPTC), in April 2022 under IFB GPA-022-22 for the supply of urea to the Yigo Diesel units. The contract has a base term of three years with two optional one-year extensions. The three-year base

term ends on May 1, 2025; with the first extension the term ends on May 1, 2026; and with the second extension the term ends on May 1, 2027.

In March 2024, GPA entered into a contract with Aggreko to install and operate a temporary power plant to provide an additional 20MW capacity to support the grid until the Ukudu power plant comes online in September 2025. Under GPA's contract with Aggreko, GPA agreed to supply the urea that Aggreko needs for emission controls. Thus, GPA needs substantially greater quantities of urea than it had originally anticipated when it entered into the contract with PPTC. As a result, GPA now needs to spend more on urea.

Attachment 1 to CCU Resolution No. FY2025-10<sup>1</sup>, *see* Ex. A (CCU Resolution No. FY2025-10 (Jan. 28, 2025)), shows in the first table the actual and projected costs of urea over time, and in the second table the actual and projected quantities of urea used. The first table shows that by the end of FY2024, GPA had spent \$539,977 on urea during the contract with PPTC and is projected to spend \$2,885,001 by the end of FY2025 and \$4,842,501 by the end of FY2026. The table contains no projections beyond July 2026, when GPA's contract with Aggreko ends; however, the contract remains available until then to supply GPA's urea needs.

An excerpt (below) from the table shows that by the end of February 2025, GPA is projected to spend approximately \$1,514,752 on urea.

Urea Purchases – Actual and Projected Costs (from Attachment 1, First Table)		
Month	Cost (\$)	Type
Running total to end of FY2024	539,977	actual
Oct 2024	194,576	actual
Nov 2024	193,813	actual
Dec 2024	194,886	actual
Jan 2025	195,750	projected
Feb 2025	195,750	projected
Running total to end of Feb 2025	1,514,752	projected

---

<sup>1</sup> Attached in support of this petition as Exhibit A and incorporated as if fully set forth herein.

## II. Request for Approval

The PUC contract review protocol requires PUC authorization for all contracts in excess of \$1.5 million. GPA's contract with PPTC for urea will imminently reach that threshold. In addition, funding for urea falls under the LEAC clause. Thus, the PUC's involvement is required.

The Consolidated Commission on Utilities recently increased the General Manager's obligating authority to \$1.5 million.<sup>2</sup> *See* Ex. B (CCU Resolution No. FY2025-07 (Jan. 28, 2025)). GPA's spending on urea will exceed that amount later this month, because projected spending on urea to the end of February 2025 is estimated to be \$1,514,752. By the end of FY2025, projected spending on urea is estimated to reach \$2,885,001. By the end of FY2026, projected spending on urea is estimated to reach \$4,842,501. Because the General Manager can spend only up to \$1.5 million without the PUC's approval, GPA requires the PUC to approve an additional \$3,342,501 in the cost of the contract (\$4,842,501 – \$1,500,000).

Attachment III to Exhibit A shows that GPA has negotiated a favorable price reduction for the urea; in return, GPA must exercise its options to extend the contract. To meet the needs of the diesel plants, GPA will need to extend the contract in any event. The price reduction in exchange for a needed extension shows that the contract is reasonable.

The Yigo diesels and the Aggreko units cannot operate in compliance with environmental law without urea. It is a necessary component of their operations, as well as a prudent means to ensure environmental compliance.

///

---

<sup>2</sup> Even if the CCU had not increased the General Manager's obligating authority, the CCU in its resolution for the urea contract authorizes increasing the urea contract to a total of \$1.5 million. *See* Ex. A at 2, *ll* 1-3.

1 **III. Conclusion**

2 Based on the foregoing, GPA requests that the PUC approve GPA's request to increase the  
3 \$1.5 million urea supply contract with PPTC by \$3,342,501 to a total of up to \$4,842,501. The  
4 request is reasonable, prudent, and necessary.  
5

6 Respectfully submitted this 12th day of February, 2025.  
7

8 *Attorney for Guam Power Authority*

9 

10 By: \_\_\_\_\_

11 Marianne Woloschuk  
12 GPA Legal Counsel  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32



**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. FY2025-10**

**RESOLUTION RELATIVE TO AUTHORIZING THE GUAM POWER AUTHORITY  
TO INCREASE THE UREA SUPPLY CONTRACT**

**WHEREAS**, Guam Power Authority (GPA) issued Invitation for Bid No. GPA-022-22 on February 10, 2022 for Diesel Exhaust Fluid/UREA (“UREA”) supply contract for a base term of three years with two optional one-year extensions for Yigo Diesel Power Plant; and

**WHEREAS**, Pacific Petroleum Trading Corporation, the sole bidder, was awarded the contract in April 2022 and is currently in the third year of the base term which ends on May 1, 2025; and

**WHEREAS**, GPA contracted with Aggreko for installation and operation of 20MW of diesel unit capacity for a two-year term to support the GPA grid due to the deterioration of generation capacity, increased loads and the delay of the Ukudu Power Plant commissioning; and

**WHEREAS**, as part of the Aggreko contract GPA was to supply UREA required to support the emissions controls for these units which commenced in July 2024; and

**WHEREAS**, the Yigo Diesel and Aggreko units cannot operate without UREA to comply with their environmental permit; and

**WHEREAS**, UREA consumption has increased substantially due to increased operations of the Aggreko units beginning July 2024; and

**WHEREAS**, GPA intends to execute the two one-year extensions option for the UREA supply contract to support the Aggreko operations through July 2026, end of contract term; and

**WHEREAS**, the cost for additional supply to support the Aggreko through July 2026 will exceed the GM’s authority based on a 12-18 hour daily operation of these units; and

**WHEREAS**, funding for urea is provided under the Levelized Energy Adjustment Clause (LEAC); and

**WHEREAS**, GPA seeks approval to increase the contract above the General Manager’s authority to \$1.5M and to petition the Guam Public Utilities Commission to approve total projected costs of **\$ 3,342,501** for a projected contract total of **\$4,842,501** through the extension year ending May 1, 2027; and


**NOW, THEREFORE BE IT RESOLVED**, the following policy is adopted by the Consolidated Commission on Utilities;

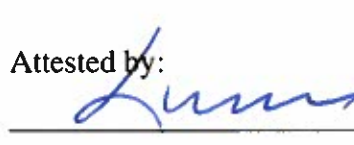
**EXHIBIT A**

1. The CCU authorizes the GPA General Manager to increase the diesel exhaust fluid/UREA contract to Pacific Petroleum Trading to \$1.5M to ensure the continued supply to the Aggreko Power Plant, and
2. The CCU authorizes the GPA General Manager to petition the Guam Public Utilities Commission to approve the additional projected costs of \$ 3,342,501 for a projected contract total of \$4,842,501 for diesel exhaust fluid/UREA contract to Pacific Petroleum Trading through May 1, 2027.

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

**DULY AND REGULARLY ADOPTED AND APPROVED THIS 28th DAY OF JANUARY, 2025.**

Certified by:   
**FRANCIS E. SANTOS**  
Chairperson  
Consolidated Commission on Utilities

Attested by:   
**MELVIN F. DUENAS**  
Secretary  
Consolidated Commission on Utilities

**I, Melvin Duenas**, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

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

Ayes:	<u>5</u>
Nays:	<u>0</u>
Absent:	<u>0</u>
Abstain:	<u>0</u>





# CONSOLIDATED COMMISSION ON UTILITIES

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

## CCU Resolution No. FY 2025-10 ATTACHMENT 1

### Diesel Exhaust Fluid/UREA Contract Summary & Projections

#### Actual & Projected Costs

Month	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Oct		\$ 15,877	\$ -	\$ 194,576	\$ 195,750	\$ -	\$ 406,202
Nov		\$ -	\$ -	\$ 193,813	\$ 195,750	\$ -	\$ 389,563
Dec		\$ 16,020	\$ -	\$ 194,886	\$ 195,750	\$ -	\$ 406,656
Jan		\$ -	\$ 23,348	\$ 195,750	\$ 195,750	\$ -	\$ 414,848
Feb		\$ 16,345	\$ -	\$ 195,750	\$ 195,750	\$ -	\$ 407,845
Mar		\$ -	\$ -	\$ 195,750	\$ 195,750	\$ -	\$ 391,500
Apr		\$ -	\$ -	\$ 195,750	\$ 195,750	\$ -	\$ 391,500
May	\$ -	\$ -	\$ -	\$ 195,750	\$ 195,750	\$ -	\$ 391,500
Jun	\$ -	\$ -	\$ -	\$ 195,750	\$ 195,750	\$ -	\$ 391,500
Jul	\$ -	\$ -	\$ 69,831	\$ 195,750	\$ 195,750	\$ -	\$ 461,331
Aug	\$ -	\$ -	\$ 146,058	\$ 195,750	\$ -	\$ -	\$ 341,808
Sep	\$ 131,909	\$ -	\$ 120,589	\$ 195,750	\$ -	\$ -	\$ 448,248
<b>Total</b>	<b>\$ 131,909</b>	<b>\$ 48,242</b>	<b>\$ 359,826</b>	<b>\$ 2,345,024</b>	<b>\$ 1,957,500</b>	<b>\$ -</b>	<b>\$ 4,842,501</b>
<b>Running Total</b>	<b>\$ 131,909</b>	<b>\$ 180,151</b>	<b>\$ 539,977</b>	<b>\$ 2,885,001</b>	<b>\$ 4,842,501</b>	<b>\$ 4,842,501</b>	

#### Actual & Projected Quantities (Liters)

Month	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Oct		17,839	-	144,130	145,000	-	306,969
Nov		-	-	143,565	145,000	-	288,565
Dec		18,000	-	144,360	145,000	-	307,360
Jan		-	17,295	145,000	145,000	-	307,295
Feb		18,365	-	145,000	145,000	-	308,365
Mar		-	-	145,000	145,000	-	290,000
Apr		-	-	145,000	145,000	-	290,000
May	-	-	-	145,000	145,000	-	290,000
Jun	-	-	-	145,000	145,000	-	290,000
Jul	-	-	51,727	145,000	145,000	-	341,727
Aug	-	-	108,191	145,000	-	-	253,191
Sep	148,212	-	89,325	145,000	-	-	382,537
<b>Total</b>	<b>148,212</b>	<b>54,204</b>	<b>266,538</b>	<b>1,737,055</b>	<b>1,450,000</b>	<b>-</b>	<b>3,656,009</b>

**CCU Resolution No. FY 2025-10**

**ATTACHMENT II**

**Analysis on Invitation for Bid No.: GPA-022-22, Supply of Diesel Exhaust Fluid/UREA for Yigo Diesel Power Plant**

ATTACHMENT II CCU Resolution No. FY 2025-10



**GUAM POWER AUTHORITY**

ATURIDÂT ILEKTRESEDÂT GUÅHAN  
P.O.BOX 2977 • HAGÂTNA, GUAM U.S.A. 96932-2977

April 11, 2022

**MEMORANDUM**

**TO:** General Manager  
**VIA:** Supply Management Administrator  
**FROM:** Buyer Supervisor II  
**SUBJECT:** Analysis on Invitation for Bid No.: GPA-022-22, Supply of Diesel Exhaust Fluid/UREA for Yigo Diesel Power Plant

Invitation for Bid No.: GPA-022-22 is to procure for "Supply of Diesel Fluid/UREA for Yigo Diesel Power Plant" as requested by Yigo Diesel Power Plant Section.

Invitation for Bid No.: GPA-022-22 was officially announced and advertised in the Pacific Daily News and The Guam Daily Post on February 10, 2022 and February 17, 2022. Two (2) bidders expressed their interest by acknowledging receipt of the bid package commencing February 10, 2022 thru February 24, 2022.

This bid was officially opened and read at 10:00 A.M., March 24, 2022. One (1) sole bidder submitted their price, namely:

**1. Pacific Petroleum Trading Corporation**

**BID:**

CONTRACT PERIOD	BID PRICE (up to 3 decimal places)
Diesel Exhaust Fluid (Urea), US\$/liter	
1 <sup>st</sup> Year	\$0.890
2 <sup>nd</sup> Year	\$1.350
3 <sup>rd</sup> Year	\$1.950
1 <sup>st</sup> year extension (optional)	\$2.900
2 <sup>nd</sup> year extension (optional)	\$2.900

Conversion Density (kg/liter)	1090 kg/liter
Delivery Container Type	1x20 FCL flexibag
Volume per Container (liters)	18,000 liters*

\*May vary due to Guam weight limit changes

Minimum number of Containers per delivery = 1



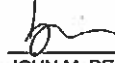
ATTACHMENT II

In view of the attached analysis and approval from the Evaluation Committee, I recommend that Pacific Petroleum Trading Corporation be awarded in the total amount of \$192,907.50 as being a responsive, and responsible bidder.

Should you have any questions, I can be reached at Ext. 3050.

  
Josephina F. Naputi

CONCURRED BY:  
  
for JAMIE LYNN C. PANGELINAN Date 04/12/2022  
Supply Management Administrator

APPROVED BY:  
  
for JOHN M. BENAVENTE, P.E. Date 4/13/2022  
General Manager

**CCU Resolution No. FY 2025-10**  
**ATTACHMENT III**  
**Letter from PPTC on Contract Rate Reduction**

ATTACHMENT III CCU Resolution No. FY2025-10

PACIFIC PETROLEUM TRADING CORP.  
#220 Harmon Industrial Park Road  
Harmon, Guam 96913  
Tel: (671) 646-5248 Fax (671) 646-4388



January 22, 2025

Guam Power Authority  
Gloria B. Nelson Public Service Building  
688 Route 15, Suite 100  
Mangilao, Guam 96913-6203

Dear John Benavente,

Pacific Petroleum Trading Corporation ("PPTC") has been supplying Guam Power Authority (GPA) with Diesel Exhaust Fluid (DEF) for the Yigo Power Plant under IFB No. GPA-022-22 "Supply of Diesel Exhaust Fluid/Urea (DEF) for Yigo Diesel Power Plant". PPTC values our longstanding partnership with GPA and is committed to supporting your operational needs efficiently and cost-effectively. In response to GPA's request to reduce pricing for contract years 3, 4, and 5, we are pleased to confirm our agreement to the requested price adjustment.

Effective immediately, the unit price for Diesel Exhaust Fluid (DEF) will be adjusted to \$1.35 per gallon for contract years 3, 4, and 5. This price adjustment underscores our commitment to maintaining a collaborative and mutually beneficial relationship with GPA.

Contract Year	Start	End	Bid Price	PO Price	PPTC Amend
1	May 2022	Apr 2023	\$ 0.89	\$ 0.89	No Change
2	May 2023	Apr 2024	\$ 1.35	\$ 1.35	No Change
3	May 2024	Apr 2025	\$ 1.95	No Price Indicated	\$ 1.35
4	May 2025	Apr 2026	\$ 2.90	N/A	\$ 1.35
5	May 2026	Apr 2027	\$ 2.90	N/A	\$ 1.35

In consideration of this price reduction, PPTC respectfully requests that GPA exercises the contract extension for years 4 and 5 as outlined in the IFB. This would provide both parties with continuity and stability in planning and operations while ensuring uninterrupted supply for the Yigo Diesel Power Plant.

We are confident that this adjustment reflects our shared commitment to providing reliable service to Guam's energy infrastructure. Please confirm your acceptance of this revised pricing and the contract extension at your earliest convenience.

Should you have any questions or require further clarification, please do not hesitate to contact me at [andypark@pptcguam.com](mailto:andypark@pptcguam.com) or +1(671)646-5248. We look forward to continuing our successful partnership with GPA.

ATTACHMENT III CCU Resolution No. FY2025-10

PACIFIC PETROLEUM TRADING CORP.  
#220 Harmon Industrial Park Road  
Harmon, Guam 96913  
Tel: (671) 646-5248 Fax (671) 646-4388



Thank you for your understanding and cooperation.

Prepared by:

*Andrew Park*

---

Pacific Petroleum Trading Corp.



**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. FY2025-07**

**Relative to Authorizing an Increase of Obligating Authority for the General Manager of the  
Guam Power Authority**

**WHEREAS**, 12 GCA Chapter 79 created the Consolidated Commission on Utilities (CCU) and authorized the Consolidated Commission on Utilities to exercise powers vested in them by the laws establishing the Guam Power Authority (GPA);

**WHEREAS**, the current obligating authority granted to the General Manager of GPA by the CCU is limited to \$1,000,000;

**WHEREAS**, any GPA expenditure above the \$1,000,000 threshold requires approval of the CCU;

**WHEREAS**, the CCU grants approval for expenditures above the \$1,000,000.00 threshold based on sound justification and prudent governmental and business practices;

**WHEREAS**, the current process requires GPA to return to the CCU for approval of any change orders of any amount approved above the \$1,000,000.00 threshold;

**WHEREAS**, any GPA expenditure above \$1,500,000 requires additional approval by the Guam Public Utilities Commission (PUC);

**WHEREAS**, the current period of inflation, which began in mid-2021, following the COVID-19 pandemic, driven by supply chain disruptions, pandemic-related economic dislocation, climate impacts, housing shortages, and other factors caused a significant rise in the cost of goods and services;

**WHEREAS**, cumulative inflation, prices are 22% more expensive today than they were before the coronavirus pandemic recession began in February 2020;

**WHEREAS**, change orders or amendments to procurements that later exceed the current \$1,000,000.00 threshold requires approval by the CCU and the PUC, adding at least two more months to the procurement timeline;

**WHEREAS**, the CCU desires to streamline the approval process by allowing the General Manager of GPA to obligate the Authority, including change orders, up to and including the threshold amount of \$1,500,000.00; and



## CONSOLIDATED COMMISSION ON UTILITIES

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

1 **WHEREAS**, the \$1,500,000.00 threshold will not alter or diminish the current statutory  
2 requirements of any applicable notification to the Guam Attorney General's Office and/or  
3 PUC approval; *now, therefore, be it*

4  
5 **RESOLVED**, by the Consolidated Commission on Utilities, the governing body of the Guam Power  
6 Authority;

7  
8 **RESOLVED**, the recitals set forth above hereby constitute the findings of the CCU;

9  
10 **RESOLVED**, after careful consideration of existing policies and best practices, the Consolidated  
11 Commission on Utilities finds that authorizing the General Manager of the Guam Power  
12 Authority to obligate the Authority up to and including the amount of \$1,500,000.00 is  
13 reasonable and prudent;

14  
15 **RESOLVED**, the General Manager of GPA is hereby authorized an increase in obligating authority  
16 up to and including \$1,500,000.00 without further CCU approval; and

17  
18 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission  
19 attests to the adoption of this resolution.

20  
21 **DULY AND REGULARLY ADOPTED** at Mangilao, Guam, this 28<sup>th</sup> day of January 2025.

22  
23 Certified by:

24  
25  
26  
27 A handwritten signature in blue ink, appearing to read "F. Santos", written over a horizontal line.

28 Francis E. Santos  
29 CHAIRPERSON

Attested by:

30  
31 A handwritten signature in blue ink, appearing to read "M. Duenas", written over a horizontal line.

Melvin F. Duenas  
SECRETARY



## CONSOLIDATED COMMISSION ON UTILITIES

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

### SECRETARY'S CERTIFICATE

I, Melvin F. Duenas, Secretary for the Consolidated Commission on Utilities, as evidenced by my signature above, do hereby certify:

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

5 AYES  
0 NAYS  
0 ABSTENTIONS  
0 ABSENT

