



GUAM PUBLIC UTILITIES COMMISSION

REGULAR MEETING

August 28, 2025

SUITE 205, 241 FARENHOLT AVENUE, OKA BUILDING, TAMUNING, GUAM

MINUTES

1. CALL TO ORDER

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m., on August 28, 2025, pursuant to due and lawful notice. The meeting was called to order at 6:30 p.m. **Commissioners Jeffrey C. Johnson, Joseph M. McDonald, Michael A. Pangelinan, Rowena Perez-Camacho and Doris Flores-Brooks were in attendance.** The following matters were considered at the meeting under the Agenda included as Attachment "A" hereto.

2. APPROVAL OF MINUTES

The Chairman announced that the first item of business on the agenda was the approval of the minutes from the regular meeting held on June 26, 2025. Commissioner Pangelinan moved to approve the minutes, subject to technical corrections, which motion was seconded by Commissioner McDonald, and the motion was carried and unanimously passed.

The Chairperson announced that the next item of business on the agenda is the following Docomo Pacific matter:

DOCOMO PACIFIC, INC.

3. Docomo Docket No. 25-01 - Petition for Annual Certification from the Guam Public Utilities Commission re: Universal Service Funds (47 C.F.R. § 54.314).

The Chairman introduced Docomo Docket No. 25-01 - Petition for Annual Certification from the Guam Public Utilities Commission re: Universal Service Funds (47 C.F.R. § 54.314). Chairman Johnson announced that there is an ALJ Report and proposed USAC Certification and invited CALJ Frederick J. Horecky to present the matter. Commissioner Michael A. Pangelinan announced that Docomo is a client of his law firm and recused himself from participating in this docket. CALJ Horecky stated that he will provide a brief summary and thereafter informed the Commissioners that on August 8, 2025, Docomo petitioned the PUC to issue its certification that Docomo will use federal universal support

funds for purposes and compliance with Section 254(e) of the Telecommunications Act. Docomo is seeking a finding by the PUC that Docomo will comply with Section 254(e) which states the universal service fund may only be used for the purposes designated in the Federal Act. There are 9 core services that must be provided in accordance with the Act.

We have a Certification from Docomo that it does offer all of the 9 services designated by the FCC for support pursuant to the Federal Act. The most important thing that the telecom companies need to do in these petitions is to file their 5-year buildout plan which basically specifies how they are using the funds and what specific acts they are undertaking to use those funds for the specified purposes.

Docomo submitted a detailed 5-year plan from 2025 through 2029. In 2025, Docomo continued to provide direct fiber-to-the-home island-wide. The main thing that Docomo is doing is expanding out their fiber-to-the-home systems, each of them separate.

Docomo has some arrangements with GTA to underground conduits and build redundant loops in 5 major arteries. In 2026 to 2029, Docomo will continue to connect local residents' homes and local business with direct fiber-to-the-home. Docomo will create certain redundant loops in southern and northern Guam through the GPA fiber spot. The requirement of the 5-year plan has been met.

Additionally, Docomo certified that all federal high-cost support provided to it in Guam will be used only for the provision, maintenance, and upgrading of the facilities and services for which support is intended. CALJ Horecky believes that Docomo has satisfied all requirements set forth in the federal regulations, the Docomo ETC designation order, and the FCC's requirements. There is no basis upon which would be expected that Docomo will use universal service funds support other than for the intended purposes. For those reasons, CALJ Horecky recommends approval of Docomo's request for USAC Certification.

Chairman Johnson then solicited for comments and/or motion from the Commissioners and Commissioner McDonald moved to approve Docomo Docket No. 25-01, which was seconded by Commissioner Perez-Camacho, and the motion was carried and approved.

PTI PACIFICA INC. dba IT&E

4. PTI Docket No. 25-01 - Petition for PTI Pacifica Inc. Annual USAC Certification.

Chairman Johnson addressed the next Agenda item, PTI Docket No. 25-01, the Petition for PTI Pacific Inc.'s ("PTI") Annual USAC Certification and invited CALJ Frederick J. Horecky to present this matter. CALJ Horecky informed the Commissioners that this matter is being tabled, as PTI only filed its Petition the day before the meeting on August 27, 2025, and he

was thus unable to properly prepare and present this docket before the PUC. CALJ Horecky went on to state that this matter will be ready for presentation at PUC's next scheduled meeting in September, 2025.

TELEGUAM HOLDINGS, LLC

- 5. GTA Docket No. 25-01 – Petition for GTA Annual USAC Certification.**
- 6. GTA Docket No. 25-02 – Petition for Pulse Mobile Annual USAC Certification.**

Chairman Johnson announced that the next items of business on the Agenda are the petitions of Teleguam Holdings, which he will call together as they both involve USAC Certifications for Teleguam Holdings ("GTA"). GTA Docket No. 25-01 – Petition for GTA Annual USAC Certification -- there is an ALJ Report and USAC Certification. GTA Docket No. 25-02 – Petition for Pulse Mobile Annual USAC Certification -- there is an ALJ Report and USAC Certification as well. Chairman Johnson then invited CALJ Frederick J. Horecky to present these matters. CALJ Horecky stated that PUC's approval of annual certification for Telecommunication companies are important as these companies receive substantial federal funding under the USAC provisions, and are thus in the best interest of the ratepayers of Guam. GTA filed its 2025 Annual USAC filing on August 22, 2025. In its petition, GTA seeks PUC's approval to issue a certification that it will use universal service support funds for purposes and compliance with Section 254(e) of the Communications Act. GTA's petition states that the funds received are being used to support core services that are designated for USF support. GTA's Chief Operating Officer, Andrew M. Gayle, Jr., has certified that all federalized support received will be used only for the provision, maintenance and upgrade of facilities and services for which support is intended. The federal support received by GTA is broadband loop support and interstate carrier compensation.

As with Docomo, the important aspect is the filing of the 5-year buildout plan. GTA has submitted its plan under seal. All of the projects listed for years 2022 through 2029 are for the extension of fiber-to-the-home. Fiber-to-the-home is the installation and use of optical fiber from a central point directly to individual buildings such as residences, apartments and businesses to provide high-speed internet access. Fiber-to-the-home dramatically increases connection speeds available to computer users.

GTA indicated that it had no outages affecting landline service in 2024. There were no unfulfilled requests from potential customers for service during the past year. And there were no complaints for thousand handsets or line with the PUC or any other regulatory body. Accordingly, CALJ Horecky recommends that GTA's request for USAC certification be granted. The PUC may certify that all future USF received by GTA will be appropriated for services for which the support is intended. As had been done in the past, if PUC

approves the petition, the PUC Chairman will sign certification letters on behalf of petitioners.

With regard to GTA Docket No. 25-02, this is a petition for GTA's Pulse Mobile cellphone business, which used to be a separate business but is now held by Teleguam Holdings, LLC. GTA/Pulse Mobile petitions the PUC to issue a certification that it will use federal universal support funds for purposes in compliance with the Communications Act.

The 5-year buildout plan has also been provided. GTA Pulse Mobile is a little different from the fiber-to-the-home, because they are still working on cellphone connections, towers, cellphone sites, etc. In 2005, Pulse Mobile was working out on expanding out its wireless at-call capacity, 5G deployment on 15 sites in Northern and Central Guam, 5 other sites to fill holes in density in Northern, Central and Southern Guam, 4 sites targeted for very high-speed internet service in 5 new sites in selected neighborhoods.

This buildout program will continue in 2026 and 2027. In 2028, GTA Pulse Mobile will add new 5G sites to improve coverage and capacity. That is their normal routine now – every year they are building out more sites and expanding capacity. GTA Pulse Mobile has certified that it does offer all the services designated by the FCC for support pursuant to the Federal Act. GTA Pulse Mobile's Chief Operating Officer, Andrew M. Gayle, Jr., has certified that all federal high-cost support provided to it will be used only for the provision, maintenance, and upgrade of facilities and services for which support is intended. GTA Pulse Mobile has also certified that there were no outages in 2024, no unfulfilled requests for services and no complaints for the 1,000 headsets to the PUC or the FCC.

Based upon said certification and the documentation provided by GTA Pulse Mobile, it is CALJ Horecky's opinion that GTA Pulse Mobile presented factual and evidentiary cases for which the PUC can reasonably certify that USF proceeds in calendar year 2024 has been used as intended. In addition, the PUC can recently certify that future USF proceeds by GTA Pulse Mobile in calendar year 2026 will be used in accordance with the purposes and requirements designated in the Communications Act. In the certification letters, PUC has always certified that in 2024, the funds were used for the appropriate purposes. And, PUC also believes that GTA Pulse Mobile will use USF proceeds in 2026 for its intended purposes.

Chairman Johnson then solicited for comments and/or motion from the Commissioners with regard to GTA Docket No. 25-01. Commissioner McDonald moved to approve GTA Docket No. 25-01, which motion was seconded by Commissioner Pangelinan, and the motion carried and was unanimously approved.

Chairman Johnson thereafter addressed GTA Docket No. 25-02, and Commissioner McDonald moved to approve GTA Docket No. 25-02, which motion was seconded by Commissioner Pangelinan, and the motion carried and was unanimously approved.

PORT AUTHORITY OF GUAM

7. PAG Docket No. 25-03 – Petition to Adjust the Port Authority of Guam’s Tariff Rate.

Chairman Johnson then announced that the next item of business on the Agenda was PAG Docket No. 25-03 – Petition to Adjust the Port Authority of Guam’s Tariff Rate. Chairman Johnson announced that this matter is not ready for presentation and will be accordingly tabled. ALJ Joephet R. Alcantara, who is presenting this docket, stated that due to an oversight, this matter was inadvertently placed on the Agenda and confirmed that this docket, which is an adjustment of the Port’s Tariff Rate, will not be ready for presentation before the PUC for possibly a few months.

GUAM SOLID WASTE AUTHORITY

8. GSWA Docket No. 24-04 – Petition for Approval of Guam Solid Waste Authority’s Three-Year Financial Rate Plan FY2025-FY2027.

Chairman Johnson addressed the next agenda item, GSWA Docket No. 24-04 – Petition for Approval of Guam Solid Waste Authority’s (“GSWA”) Three-Year Financial Rate Plan FY2025-FY2027. The Chairman announced that there is an ALJ Report and proposed Order and invited CALJ Frederick J. Horecky to present this docket. CALJ Horecky acknowledged the presence of GSWA GM Irvin Slike, GSWA Legal Counsel Shannon Taitano, and Board Member Peggy Denny at the meeting. CALJ Horecky continued his presentation and stated that the Guam Legislature just recently passed a mandatory service requirement for garbage pickup, which was signed by the Acting Governor. This basically provides that all residents, with certain options, are required to have mandatory collection services. This passage does not affect the rate petition or the rate recommendations that will be made and that need to be carried out.

This matter comes before the PUC on GSWA’s petition for approval of the 3-year financial rate plan. The Board of Directors of GSWA, in Resolution 2023-007 and 2023-009, approved the filing before the PUC of a rate modeling financial plan and the establishment of new rate of special waste. 10 GCA §51A104(a)(4) provides that GSWA may establish and modify, from time to time with the approval of the PUC, reasonable rates and charges. On page 2 of the ALJ Report is a chart, which indicates the recommended changes by GSWA. The main one is for FY2026, the current residential monthly rate will be increased from \$30.00 to \$35.00. There will be substantial increases for residential transfer station charges. The commercial rate and the government rate will be increased from \$171.60 per ton to \$190.00 per ton for FY2026. The number of new special rates which were specified have been approved. The increase for FY2026 is \$3.2M. This amount is not so substantial as compared to all the petitions for contract review that the PUC has approved. At the public hearings held on this matter, GSWA presented that the rate increases primarily will be used to fund the following: Layon new cell development at \$900K; Layon cell closure at \$1.3M; equipment replacement fund at \$580,635.00, totaling approximately \$3,183,000.00.

CALJ Horecky recommends an increase of an additional \$3.00 for residential rates and some increase on the commercial rates for FY2027, that will be in the rate of \$1M. Overall, there will be a \$4.2M increase through FY2027. That is not a steep amount considering that the cost for the new garbage and recycling bins GSWA will be purchasing to implement the mandatory service is \$40K. There is going to be 20,000 new customers and the recycling bin for each of the garbage bins alone cost \$4M. Thus, you could determine that even with the rates being recommended here, it may leave other gaps or holes in GWSA's needs.

GSWA's rates has been before the PUC since 2020. The PUC audit of GSWA that was performed by MSW Consultants became the PUC's adopted audit. In that audit, there was substantial rate increases recommended. In 2020, MSW recommended far higher increases than what GSWA is now seeking. The recommendation was \$225.00 a ton for commercial and government rates and more than one increase in the customer residential rates. GSWA's proposal at that time was \$35.00 for the first year and \$38.00 in the second year, which is precisely what we are recommending here tonight. MSW indicated that if GSWA does not increase its rate by \$3.00 by year 2, the rates will be insufficient by FY2027. MSW's proposed rates were much higher than what GSWA is now proposing. The public hearings that were held on this matter revealed that the public was mostly supportive of GSWA. There were a few that felt certain rates were high, however, overall the public's feedback on GSWA's work was very positive. GSWA GM Slike pointed out that these rate increases are the first requested by GSWA since 2012 - about 13 years ago.

CALJ Horecky stated that he has reviewed all the evidence submitted by GSWA and has been in constant communication with GSWA about various aspects of this matter and determines that GSWA requires a rate increase, that GSWA's requests are moderate, and responsible, and that GSWA has done what it could to bring the requests down.

All the evidence before the PUC in this docket supports a finding that the rate increases and new rates requested are necessary, just and reasonable. MSW filed a report this year regarding GSWA's petition and found that a rate increase is necessary. MSW, after reviewing the revenues and expenses for FY2019 through FY2024, also found that there was a normalized deficit (never a surplus) for every year between \$105,907 and \$2.7M. Based on GSWA's new rates, MSW forecasted revenue requirements for FY2026 and FY2027 of a deficit of \$993K in FY2026 and over \$2.3M in FY2027. MSW concluded that GSWA did not request enough increase in its rate petition.

In addition, Mark Beauchamp of Utility Financial Solutions ("UFS"), GSWA's consultant, will be with us today to answer any questions. UFS found that GSWA's proposed rates are simply not adequate at present and determined that the average cost of GSWA's service, for residential ratepayers, is presently at \$38.86. Clearly, the \$30.00 that residential customers are currently being charged is not sufficient to meet GSWA's cost for providing residential services. GSWA's rate calculation even suggests that there would be a deficit in FY2026 and FY2027 in terms of the rate increases that it is requesting. CALJ Horecky's review of GSWA's requested rate increases are insufficient to cover its obligations in FY2027 and subsequent years.

UFS recommends raising the residential rate to \$37.00 in FY2028 and also recommends a raise. For every rate increase the utility has to provide a manpower staffing analysis. MSW performed an extensive study in 2020 and in subsequent years, MSW and GSWA have supplemented the manpower staffing study update. Basically, MSW found that GSWA may have a higher number of employees but that is attributable to logistics and that there was no mandatory services available. In its study, MSW concluded that GSWA is adequately staffed.

CALJ Horecky also addressed the Mayors' Host Community premium benefit, which benefits the villages of Inarajan and Ordot-Chalan Pago. In 2020, the mayors requested for various increases in the host premium benefit, however, PUC tabled that matter pending a GSWA rate case. Having consulted with GSWA on this issue, GSWA came up with the proposal, which I also believe is a very fair proposal, that the host villages should be given the same kind of increase that GSWA will get in its rates - that would be approximately in the area of 16% and 17%. Based on this recommendation, for FY2026, the host premium benefit would be raised from 300,00 to a total of 350,00 for those villages. Instead of 150,00 each, both villages would get \$175,000 each. There are more ratepayers at this time so this can be accomplished. The formula for these rates was originally developed years ago and was based on a certain number of residential and commercial customers. And, although the number of customers has not greatly increased, the new number of customers is producing higher amount of those premium benefits. The proposal here is that the surcharge for residential customers be reduced from 38 to 36 cents monthly. And, the per-ton amount for commercial-government would be reduced from \$3.57 per ton to \$3.37 per ton. Even with this reduction, there will be in more of those benefits and it will increase the amounts up to 350,000. This issue will later need further evaluation by the PUC, as it is too complicated to be handled in this proceeding and should be done in the next few months.

The residential transfer stations have raised concerns. The rates generally are going up by 54% - there is a valid reason for that. There are 3 transfer stations: Harmon, Agat and Malojloj. The Agat-Malojloj transfer stations are not used that much and are very costly and expensive. They have people now going there but Agat-Malojloj only represents 3-4% of refuse tonnage handled by GSWA, they also use about 9% of GSWA personnel, and their revenues are quite low. The Harmon transfer station seems to be carrying on its own. Now, with the mandatory services, the transfer stations would probably be less needed. The law is that PUC is required to approve rates "to recover the full cost of providing solid waste management services and collect money from customers using such services." GSWA has been in deficit, by hundreds of thousands of dollars, with the Agat-Malojloj transfer stations. To recover the actual cost, we came up with the increases for the residential transfer stations. There is no way those rates could be cut because if you don't provide the full rate to GSWA, it is not going to make it at all and you are not going to comply with the PUC's obligation under 10 GCA §51A104(a)(4).

This proceeding is a 3-year rate case. CALJ Horecky's recommendation is that there be a Rate True-Up proceeding in FY2027 (for FY2028) to look at the impact of the mandatory

service, to determine if GSWA is receiving enough revenues from that mandatory service and if said revenues received are adequate for GSWA. CALJ Horecky has prepared an Order that contains a Rate Schedule, found on page 18 of the Order, which indicates all the increases being proposed. The rates are approved, are just and reasonable, and the 3-year plan meets all filing requirements. The residential transfer stations charges will be increased. The Host Community Premium Benefits will be raised in FY2026. The PUC will retain jurisdiction over this matter – the docket will be legal in status and Rate True-Up Proceedings will be conducted in FY2027 to set GSWA's rates.

Chairman Johnson solicited comments from GSWA GM Slike, who commented on the excellent presentation and confirmed that it is time for a rate increase. GSWA GM Slike further added:

- In 2021, Cell 3 had a 9-year life, which will expire in 2030 and GSWA will need to bill the next disposal. GSWA is also looking at a smaller cell – all that is roughly \$7M.
- Cells 1 and 2 are long past due – that project is about \$4M.
- Cell 3 has reached its capacity and needs to be closed as well. GSWA wants to put a plan of sequential closures so that there's not the whole landfill which are due to close 70 years from now. And, the 30-year monitoring period goes off the books during that 70-year life. That is approximately \$15M.
- The rate increases puts \$3M into the long-term capital program that was never fully funded when it was identified in 2010 by MSW.
- The \$5.00 increase in FY2026 will provide GSWA with monies for those projects and will hopefully alleviate the need to borrow money in 2030 to cover those projects.
- GSWA's island-wide program essentially can be fully adopted and implemented in mid-2027. The latest schedule shows February 2027. It is an aggressive and fast schedule. GSWA's staff is working on that and GSWA will come before the PUC sometime in FY2026 to give an update and determine how this rate increase has affected GSWA.

Discussions ensued between the Commissioners and GSWA GM Slike with regard to the following:

- new carts and the funding (i.e., GEPA recycling fund and approximately \$2M from the Receiver being held for the Ordot operations) that GSWA is expecting to receive to cover cart costs.
- GWA's reserve fund and the roughly \$2M currently in the reserve fund.
- The method of payment being used at the transfer stations and any plans to accept other forms of payment other than cash and GSWA rates for special waste.
- The dollar amount of \$1M generated from the proposed \$3.00 rate increase in FY2027 -- the \$4M generated over the 3-year period -- the fluctuation of the rates when mandatory service is implemented and the need to increase the rates at this time to avoid a deficit. GSWA's consultant Mark Beauchamp of UFS informed the PUC that it is not always credible to increase rates and then decrease them but if

something is not done in the short-term, GSWA is going to run out of cash next year -- that is the reason for this unusual situation.

- Additional GSWA contracts and services were also discussed -- the escort vehicles for the transfer station to Layon; the Guahan Waste contract; the contract with Pacific Human Resources and temporary employees; the closure of the Ordot receivership and associated contract; the issues and challenges involved in recycling; the APRA money received from the Governor and the new trucks purchased; GWSA plan to take over the Layon operations and the Ordot post-closure to save on the existing contracts; and the engineering contract study that needs to be performed for the disposal at Layon.

Commissioner Pangelinan pointed out that certain changes need to be made on the Rate Schedule found on page 18 of the proposed Order.

Subject to the requested changes on the proposed Order, Commissioner Pangelinan moved to approve the 3-year rate plan proposed in GSWA Docket No. 24-04, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

GUAM WATERWORKS AUTHORITY ("GWA")

9. **GWA Docket No. 25-07 - Petition to Approve GWA's Short-Term Financing Credit and Fee Agreements Pursuant to Public Law 37-103.**

Chairman Johnson introduced the next item of business on the Agenda, GWA Docket No. 25-07, Petition to Approve GWA's Short-Term Financing Credit and Fee Agreement Pursuant to Public Law 37-103. Chairman Johnson stated that he believed this matter was being tabled and CALJ Frederick J. Horecky, who is presenting this docket, indicated that the filing of GWA's petition in May 2025 was premature, as there is no negotiated credit agreement in a U.S or Canadian bank. Thus, this docket is not ready for presentation before the PUC until the required credit agreement has been negotiated. CALJ Horecky acknowledged that he is just awaiting the final documents from GWA and once they are received, this matter should be ready for presentation by the next scheduled meeting in September, 2025.

GUAM POWER AUTHORITY ("GPA")

10. **GPA Docket No. 25-15 - Petition of the Guam Power Authority to Approve its Procurement of Energy Storage System Energy-Shifting and Grid Services.**

Chairman Johnson addressed the next Agenda item, GPA Docket No. 25-15, the Petition of the Guam Power Authority ("GPA") to Approve its Procurement of Energy Storage System Energy-Shifting and Grid Services. The Chairman informed the Commissioners that there is an ALJ Report and a proposed Order and invited ALJ Joephet R. Alcantara to present

this matter. ALJ Alcantara stated that this matter concerns procurement, particularly GPA's energy storage system, energy shifting, and grid services project. As referenced in its Petition, Guam Public Law 35-46 mandates that GPA establish a renewable portfolio standard goal of 50% of net electricity sales by December 31, 2025 and 100% electricity sales by December 31, 2025. However, GPA has consistently indicated that it is committed to providing 50% of Guam's savings of energy by 2030 and 100% by 2040. In 2022, the PUC issued the IFB which procured its space for renewable energy resources acquisition project. And this procurement sought non-intermittent power from renewal generation sources, the minimum annual output of 300,000MWh which the PUC had implemented with the solar PV funds are currently constructed. That procurement indicated that after the selection of the winning bidders, GPA will conduct a system-integration study to determine system upgrades or improvements that are required for these renewable resources to integrate into GPA's current transmission system. In a report penned by SSE Electric Company, it concluded that certain transmission infrastructure upgrades, as well as new standalone batteries, were necessary in order to integrate these Phase 4 renewable projects into GPA's grid.

On May 27, 2025, the CCU found that the standalone batteries, which is now called Energy Storage Systems (ESS) Phase 2 Project, will allow GPA to shift and dispatch energy to support the grid at any time of the day. And so, at the meeting, the CCU authorized the subject procurement for this ESS Phase 2 Project.

GPA submits that this ESS Phase 2 Project will certainly exceed \$1.5M per annum, which thereby triggers PUC review. And, in its Petition, GPA has indicated that standalone batteries along the transmission infrastructure upgrades will best mitigate stability violations when the Phase 4 project is tied into the grid. The procurement intends to obtain battery storage, energy storage systems with certain necessary grid services and in particular it intends to procure 90MWh - 360MWh of transmission and services that charge during the day and then discharges at night 180MW, 90MWh fast-response grid services that can charge and discharge at any time of the day under the control of GPA's SCADA system as well as an interconnection into GPA's 115kV transmission system.

GPA intends on entering into this type of contract for 25 years. GPA maintains that this project is reasonable, prudent and necessary inasmuch as this technology will provide GPA with stable and reliable energy, ensuring consistent voltage and frequency regulation, and can assist during sudden disturbances and peak demand. This ESS energy shifting allows GPA to shift and dispatch energy at any time of the day, and that the fixed price structure for this project covers all cost such as interconnection, commissioning, operations and maintenance, and puts all construction and operations risks onto the vendor and away from GPA and the ratepayers. GPA is looking for ESS sites that can provide good service which again includes that energy-shifting, but also provide high-speed response to rapidly inject and absorb power from the GPA grid and from quick recovery during times of frequency deviations.

It was also able to provide rapid reserve services in order to arrest any footprints in decay, rapid reserve pool and that is used to withstand major weather intermittencies caused by large decreases in renewable production. One of the requirements is that it will be able to provide blackstart, which is basically the capability to form and supply microplates after a natural disaster in the event of a largescale outage caused by system instability, and uncontrolled operation where it has fewer outages. The IFB is pretty clearcut, based on the technical qualification proposal requirements, and clearly indicates that all costs throughout the term of the purchase agreement would be negotiated and put in place, with the vendor being responsible for the costs of permitting, financing, construction of facilities, interconnection, and operations and maintenance. With respect to costs, GPA states that it bears no upfront capital cost but instead will pay for the installation construction of the infrastructure through an ESS project agreement, which they have calculated would be over 25 years as an initial term. GPA has submitted that the costs of these services would be recovered through GPA's LEAC, which GPA estimates a cost of an additional 5 or 2 cents per kWh. GPA also maintains that it expects that this service will cost an annual average of about \$34,547,065.00, over a period of 25 years. This request is supported by the CCU and by its resolution, CCU reviewed and approved this procurement. Accordingly, based on the record, ALJ Alcantara recommends that the PUC approve the procurement as GPA is focused on mitigating impacts to its island-wide power system and is involved with its ongoing renewable projects, which GPA intends to comply with under the law.

The implementation of this project is necessary to intergrade the high amounts of these renewable resources into the GPA grid, which will improve grid stability, energy resiliency, reliability, and affordability. ALJ Alcantara found that the fixed price structure is reasonable inasmuch as it is intended to cover costs, and puts all construction and other business plans to the vendor, and that the addition of these batteries provides an additional resource that will allow GPA to retire its older units. In addition, this project aligns with the Guam Legislature's findings that the renewable sources should include technology that is capable of providing storage for shifting energy and that they actually complimented this type of technology indicating that continued improvements in solar energy technology to address intermittency and energy shifting may provide GPA with all its generation needs. For all the foregoing reasons, ALJ Alcantara recommends that the PUC approve the subject procurement and the proposed Order as entered for this act.

Chairman Johnson then solicited comments from GPA. GPA legal counsel Marianne Woloschuk confirmed that ALJ Alcantara covered the matter very well and his ALJ report was very thorough. Chairman Johnson reiterated that this matter is to solicit bids for ESS services totaling 90MW, 360MWh of energy storage capacity for energy shifting totaling 180MW, 90MWh of energy storage capacity for grid services and inquired if that is the same battery. GPA Operations Manager Jennifer Sablan stated that it is for 2 different batteries – the 90MW would be for the shifting portion and another set of 180 or 190MW would be to adjust the frequency or what the grid needs to control stability on the grid. There are 2 functions here and 2 separate batteries.

A discussion ensued between the Commissioners and Ms. Sablan regarding the location of the batteries; the cost of the contract and payment terms; the estimated cost of the LEAC and how it will affect LEAC numbers and ratepayer savings; alternative resources and conventional generation; solar farms and renewables and how the batteries come into play; fiscal hedging and purchase of fuel when prices drop; the anticipated retirement of Cabras 1 and 2; and the new Ukudu plant -- its combustion turbines and steam turbine, and its scheduled commissioning.

There being no further discussions or comments, Commissioner Pangelinan moved to approve the ALJ's proposed Order authorizing the procurement of the ESS battery, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

11. GPA Docket No. 25-16 - Petition of the Guam Power Authority ("GPA") to Approve Phase IV Renewable Energy Acquisition Reward PRU Tamuning LLC, PRU Malojloj LLC, PRU Pulantat LLC, and PRU Barrigada LLC for Up to 18.4MW of Renewable Energy Capacity.

Chairman Johnson addressed the next item of business on the Agenda, GPA Docket Number 25-16, the Petition of the Guam Power Authority ("GPA") to Approve Phase IV Renewable Energy Acquisition Reward PRU Tamuning LLC, PRU Malojloj LLC, PRU Pulantat LLC, and PRU Barrigada LLC, for Up to 18.4MW of Renewable Energy Capacity. The Chairman informed the Commissioners that there's a Legal Counsel Report and a proposed Order and invited Legal Counsel Anthony R. Camacho to present this matter. Legal counsel Camacho indicated that in its Petition, GPA is requesting that PUC approve the partial Phase IV renewable energy acquisition award to PRU Tamuning LLC, PRU Malojloj LLC, PRU Pulantat LLC, and PRU Barrigada LLC, for a total of 18.4MW of renewable energy. These come from GPA IFB-012-23, which is all for Phase IV renewal energy projects. The PUC previously approved 1 of these projects from this IFB. There are 4 separate contracts and it all comes from the same bidders, Pacific Energy Corporation ("PEC") and Landscape Management System Consortium ("LMS"). These 4 contracts are for 25-year periods for renewable energy power. During the 25-year period, there are also options for initial 4-year period increments. The total costs of these contracts are approximately \$157.5M plus, which will be paid over the course of the 25-year period. The estimated costs for each facility are as follows: Harmon facility - \$40M; Malojloj facility - \$40M; Pulantat facility - \$36M; and Barrigada facility - \$40M.

GPA's plan for all these renewables stems from the PUC's conditional approval. GPA's 2022 integrated resource fund established GPA's goal to have 188MW and will invest by December 31, 2029, and will increase to 220MW by December 31, 2029. In December 2022 GPA issued the IFB Phase IV Procurement. Eleven bids were submitted, 4 of which were submitted by PEC and LMS Consortium for the 4 PRUs that are currently before the PUC. On August 4, 2025, the CCU authorized GPA's management to petition the PUC for approval to award Phase IV Renewable Acquisition Bids of 4 proposals, totaling 18.4MW

to PEC and LMS Consortium under the companies Phase IV facilities, as required under the PUC Procurement Protocol. The \$157.5M total price for the 4 PRUs exceeds GPA's \$1.5M threshold.

In analyzing the total price of \$157.5M, legal counsel Camacho finds the cost to be reasonable – that's just for the base unit. In the IFB, there was a cap of 0.179 per kW and each and every one of the facilities are below that cap. The reups contain a 1% annual escalation in prices for the 25-year lease period, which is about 1.7% less than the current U.S. annual inflation rate of 3.7%. It is estimated, however, that this will increase within a year.

The last contract the PUC approved for the Phase IV Renewables was the KEPCO and the Samsung CT Consortium Solar Farm project. In comparing fuel prices, some years were basically higher than others in the KEPCO contract and now there is real a difference in annual prices for these 2 contracts. As to the LEAC, it is true that these records will increase the LEAC every single year. The calculated cost would be \$6.2M on average for each year for the 25 years. However, this cost would likely be decreased by the reduction of GPA's existing fuel cost caused by using renewable energy. Legal counsel Camacho found that the price of oil would have to rise approximately \$131.25 per barrel for the annual cost predicted to have neutral effect on LEAC. GPA currently imports 3 million barrels of fuel oil annually. GPA states that all Phase 4 renewable energy projects currently save 800,000 barrels. However, legal counsel Camacho disagrees, as this amount is for all the projects. The rebids on these 4 projects will constitute 6% that it will get from Phase 4, which translates hypothetically to 48,000 barrels – that would be the reduction. GPA does not state which of its many types of fuel this reduction will occur to identify -- if it is their highest fuel oil, this is GPA's RFO and its ultra-low sulfur fuel oil. It is currently forecasted to cost GPA a high of \$110.40 per barrel in January 31, 2026. In essence the rebid at issue here really resolves the notion of the annual LEAC of about \$5.2M – and it will still have a LEAC cost of \$1M to still have a LEAC cost at current rate, if this is approved. All the rebids may increase the LEAC cost.

The cost of RFO, LFSO is less than \$131.25 per barrel. And, in short-term, such cost increases likely offset long-term 25-year contracts. For example, GPA states the good things that the price of a barrel of unspecified oil will rise to \$200.00 a barrel due to global tension in our region and elsewhere, like China or elsewhere like Iran. If it does increase to \$200.00 a barrel, that is still 131 price as neutral. All of this will result in the annual LEAC cost to be reduced by \$2.3M – that is the end result. So we have a very significant reduction in LEAC cost that could offset other years.

Legal counsel Camacho has reviewed all 4 rebids, which constitute the bulk of GPA's petition, and they do contain identical terms regarding representation and warranties, performance requirements and interconnection. He found that the terms are commercially reasonable. The rebids in this case were not signed by the parties – although they are

working on that. The rebids are based on the current contract that was approved by the Guam Office of the Attorney General. Based on the foregoing, legal counsel Camacho finds the contract provisions to be reasonable. As for the rest, approving this is prudent as shown above, and as stated by GPA and actually proven. The LEAC cost savings when the price of oil rises above \$138.29 per barrel, does serve as a hedge rapid with Guam increases in the price of oil. Additionally, these prices remand 18.4MW – GPA estimates that 18.4MW AC capacity (this will depend on the weather) will mitigate the forecast of 100MW increase for the demand of energy by 2033 caused by the military buildup alone. Thus, it is prudent. For those reasons and the hedge, there is an expectation that we will have decent energy then.

Legal counsel Camacho also found these energy projects necessary. The Legislature has pretty much decided that for GPA with Public Law 29, and its mandate that it is reasonable and 50% of renewable energy by 2035. If GPA recognizes all its renewable energy projects inclusive of 18.4MW from the PRU by 2028, that will just leave an 11% under the 50% requirement set forth in Public Law 29. Based on that, they are necessary for Guam. Based on the foregoing, legal counsel Camacho finds that 3 of the contracts are reasonable, prudent and necessary and has submitted a proposed Order for PUC's review and approval.

Chairman Johnson solicited for comments from GPA. GPA Legal Counsel Marianne Woloschuk stated that its Petition was submitted, as it was pretty much the same as the KDS Yona Solar that was approved -- GPA is anticipating and awaiting the Attorney General's approval. Commissioner Flores-Brooks inquired whether GPA expects the different farms to be incrementally operational once the contract is signed. GPA Operations Manager Jennifer Sablan stated that it will take 3 years from the contract signing to get the facility commissioned. She is uncertain whether it will be done all at one time. GPA will get an additional 18MW and hopes it will be sooner than 3 years. The interconnection is not as complicated as some of the others – they are closer to substations and are smaller in size. They are all required to have batteries to store half the capacity of the facilities. Half of the batteries are stored for shifting later and during the day they are supposed to manage the intermittency – they are not doing full swings due to the weather. They are all about the same size – under 5MW. Additional discussion ensued concerning location, tax credits, operational dates and timeline sensitivity, responsibility for disposal, operations and maintenance of the facilities, and distribution levels.

After discussion and due consideration, Commissioner Pangelinan moved to approve the Phase IV Renewable Acquisition Award as presented in the proposed Order in GPA Docket No. 25-16, which motion was seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

12. GPA Docket No. 25-17 – Petition of the Guam Power Authority to Approve the Extension of the Cabras 1 and 2 Performance Management Contract until January 31, 2026.

Chairman Johnson addressed the next Agenda item, GPA Docket No. 25-17, the Petition of the Guam Power Authority to Approve the Extension of Cabras 1 and 2 Performance Management Contract until January 31, 2026. The Chairman informed the Commissioners that there is a Legal Counsel Report and a proposed Order and invited Legal Counsel Anthony R. Camacho to present this matter. Legal counsel Camacho stated that GPA in its petition requests that the PUC once again approve the extension of the Cabras 1 and 2 Performance Management Contract (PMC) until January 31, 2026. This is the third extension to this PMC, but unfortunately it is due to the plants (Cabras 1 and 2) being beyond their useful life. It has been that way for a number of years. One of the reasons the outage is prolonged is owing to obsolete parts – they have to custom-make the parts for the rollers and machinery – they are so old – that is part of the issue GPA is faced with. High definition photos reveal that the inside of the plants are rusted out – they take in ocean water, they run some water to the treatment plant – they convert that to freshwater in its steam boilers – it's a very very old system and this is the last of GPA's plants that do that – like Tangguison, which was made around the same period of time and has long since been retired. Nonetheless, the final 1-year option to renew the PMC with Taiwan Electrical and Mechanical Services (TEMES) will expire on September 30, 2025, and another 4-month extension to the final option to extend is being sought by GPA. The cost of the 4-month extension will be approximately \$1M, together with a fixed management fee of \$400K, totaling \$1.4M. TEMES had the PMC for Cabras 1 and 2 since October 1, 2020. Its initial period term expired on September 30, 2023, with two 1-year options to renew. GPA has exercised its final two 1-year options to renew, which is expiring on September 30, 2025.

The U.S. EPA has already authorized GPA to operate Cabras 1 and 2 for an additional 6-month period should GPA need to. GPA is not asking for that here – it is only asking for an additional 4-month extension to expire on January 31, 2026, as Ukudu is currently scheduled for commissioning on September 30, 2025. The CCU has approved and authorized GPA to exercise a 4-month extension of the PMC for \$1.4M, subject to the PUC's approval. As the total contract for the PMC with TEMES was \$8.1M, coupled with the additional 4-month extension of the PMC of \$1.4M, there is an increase in the contract price, thus requiring PUC approval.

Legal counsel Camacho finds GPA's request for an additional 4-month extension of the PMC contract with TEMES, to be reasonable, prudent and necessary. Due to the repair, maintenance and upkeep required for the continued operation of Cabras 1 and 2, he also finds the cost of the 4-month extension totaling \$1.4M to be reasonable and accordingly recommends that the PUC grant GPA's petition in GPA Docket No. 25-17 and has submitted a proposed Order for PUC's review and approval.

Chairman Johnson inquired if GPA is scheduled to burn all the remaining fuel by the requested 4-month extension or January 31, 2026. GPA Operations Manager Jennifer Sablan responded as follows:

- Before Ukudu came back with their turbines, GPA had to make a decision on whether to order fuel because GPA was going to stock out in October 2025 and GPA needs to ensure there is enough fuel for Cabras if there is any delay;
- Fuel was ordered and is scheduled to arrive in October 2025 – GPA is looking at about 100 to 130 days from what it currently has to when it gets the next fuel shipment – and that is anticipated to be in January 2026;
- GPA gets a total of approximately 76MW from Cabras; and
- GPA's plan is to burn the oil – have Cabras burn it off so GPA does not need to dispose of the oil, thus the need for the extended approval of the PMC with TEMES.

Additional discussion ensued regarding the contract extension and amendment and the period of time authorized by the U.S. EPA.

There being no further discussion, Commissioner Perez-Camacho moved to approve GPA Docket No. 25-17, which motion was seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

ADMINISTRATIVE MATTERS

13. Third Quarter Financial Report.

The PUC then transitioned to administrative matters, beginning with the PUC's Third Quarter Financial Report. Commissioner Flores-Brooks presented this matter and stated that there were 2 areas that were slightly over budget – just a matter of QC, some consulting salary, and, the plan is to have an In-House Counsel. Hopefully, overall, the PUC should break-even and not go into a loss by the end of the fiscal year. Ninety percent (90%) of PUC's money is still in cash. More than half of that is in 5 different TCDs, totaling \$250K plus, which are renewed yearly and expire in different times throughout the year. The PUC should have enough in its account to carry its overage on finances.

Commissioner Flores-Brooks further stated that she has reviewed the TCD rates for September 2025, which shows the TCD rates coming down. Thus, PUC's future earnings on the TCDs will decrease. With no further questions or comments, Chairman Johnson thanked everyone for their efforts and moved to the next item on the Agenda.

14. Update on Solicitation of Lease for Office Space.

Chairman Johnson then addressed the next item on the Administrative Agenda, the update on Solicitation of Lease for Office Space. Chairman Johnson stated that PUC's Request for Quotations were sent to 5 different entities and only 2 responded – Calvo Realty & Management ("CRM) and DNA, Inc. ("DNA"). Site visits were scheduled with the 2 offerors for August 13, 2025 at 3:30 p.m. with CRM/former Citibank Bldg., and 4:00 p.m.

with DNA. All PUC members were invited to attend the site visits. On August 13, 2025, the PUC staff, Commissioner McDonald and Chairman Johnson visited the 2 proposed sites, i.e., 1st Floor of the former Citibank building and 8th and 9th floors of the DNA building. At this point, we still have to determine which space, if any, we would choose. Chairman Johnson inquired if the PUC was locked into taking the lowest responsive bidder and legal counsel Camacho responded in the affirmative and stated that the bid must be “responsive” – it has to meet specifications.

Chairman Johnson went on to state that both spaces are similar and have different footage area. Citibank is on the first floor and has 1800+ square feet and DNA is on the 8th floor and has 1700+ square feet. Both of them are at good locations and there is ample parking for both sites.

The Citibank space is nice and is located on the 1st floor. The challenge is the space layout as it is kind of an odd shape -- there is a structural wall and a pillar running through the middle of where we would conduct our regular meetings. The other side of the space is where the private offices are and one of the offices has a pillar located in a very odd place. It will take some work but there is enough space to do that. We may have to send the plans to an engineer and architect and have them layout a plan for our office space. The cost of renovation is up for negotiation. We also have to consider the cost of rent – it is a bit larger than the DNA space.

The DNA building space is located on the 8th floor. The nice thing about that is Joephet is our next-door neighbor and it has a very nice view. It is also a more traditional rectangular space, not much interior walls and so it could be opened up and walls installed quite easily – probably easier than the Citibank office space. It needs some work as the ceiling tiles and carpet needs to be replaced and the office has a deep blue color on the walls. The downside is it is on the 8th floor so we have issues that could arise such as inoperable elevators. ALJ Alcantara provided some insight on DNA’s elevators and informed the PUC that his experience is there is usually only 1 elevator that goes down and it is fixed fairly quickly – the longest downtime for 1 elevator was 2 or 3 weeks. With regard to parking, there is a large parking lot right across the street – not a far walk and also parking within the DNA building after hours.

The staff really want a kitchen area and both locations have that. DNA’s kitchen area is right across the proposed office space while Citibank’s is located within the office space. Both buildings have generator backup. The next step would be to discuss the costs of renovations, what each entity would offer and then compare the cost. Additionally, the cost of moving would have to be taken into account and Chairman Johnson instructed the PUC staff to obtain quotes for moving expenses. Both offices would work and would be a definite improvement to what the PUC currently has.

Legal counsel Camacho informed the PUC that one of the RFQ specification was that all renovations or modifications to the proposed office space shall be made at no cost and to the satisfaction of the PUC. Offerors would have to pay for the move-in modifications.

Additionally, as a result of the inoperable elevators at GCIC, a provision was also included in the RFQ and lease that should the elevator or escalator become non-operational during the term of the lease for any reason, the PUC shall have the unilateral right to terminate the lease.

Discussions ensued among the Commissioners concerning the possibility of water damages to the Citibank area in the event of a strong wave, the road conditions and flooding issues during and after a typhoon, and the accessibility to the building itself. It is right by the beach and the asphalt gets destroyed and washed away.

Legal counsel Camacho also reiterated that there was a difference in square footage being offered – Citibank was larger than DNA's proposed office site. So there is a difference in base price. Chairman Johnson stated that DNA was at \$3.15 per square feet and Citibank at \$3.67 per square feet.

15. Solicitation for In-House Counsel.

Chairman Johnson then addressed the next item on the agenda, Solicitation for In-House Counsel. Legal counsel Anthony R. Camacho announced that he will recuse himself from this discussion as he may be one of the candidates.

Commissioner Flores-Brooks spoke on behalf of PUC's legal counsel Anthony R. Camacho. Commissioner Flores-Brooks informed the PUC that she hired Camacho as a parttime, In-House Counsel, for the OPA when she was the OPA Procurement Administrator. Mr. Camacho worked on the OPA Procurement Rules, which was initially set up by then Attorney Therese Terlaje. Mr. Camacho, although on a parttime basis, was very responsible and very responsive. He built up our OPA Procurement Rules and assisted with personnel issues as well as other issues she encountered at OPA. Commissioner Flores-Brooks believes that while he was the parttime In-House Counsel for OPA, Mr. Camacho was also working as PUC Legal Counsel in addition to his running his private legal practice. During the course of his contract with OPA, she found herself utilizing Mr. Camacho's services more and more as opposed to less and less. Commissioner Flores-Brooks wholeheartedly endorses Mr. Camacho's selection as PUC's In-House Legal Counsel.

Chairman Johnson agreed with Commissioner Flores-Brooks and stated that Mr. Camacho is an excellent selection as PUC's In-House Legal Counsel. Mr. Camacho has been working parttime as PUC's Legal Counsel for a number of years and he recently voiced his interest for PUC's In-House Legal Counsel. He was 1 of 3 individuals PUC reached out to in its RFP.

A discussion ensued between the Commissioners regarding the possibility of PUC employees being included in the Government of Guam Retirement Plan and medical/dental benefits, as they are not currently receiving such benefits. They are, however, receiving additional compensation (depending on salary) for these benefits.

Chairman Johnson acknowledged that it was his recollection that CALJ Horecky shared that PUC's hands are somewhat tied with regard to these benefits.

CALJ Horecky commented that Mr. Camacho worked for him for 4 years from 1998 to 2002. Mr. Camacho handled all types of matters, is independent and requires little to no supervision, handled his cases well and is an excellent attorney. CALJ Horecky states he has only good things to say about Mr. Camacho. Chairman Johnson solicited PUC Administrator, Lourdes R. Palomo's comments. Ms. Palomo stated that she had no further comments other than to approve Mr. Camacho's hiring as PUC In-House Legal Counsel. Chairman Johnson added that Mr. Camacho indicated that he might need a 3-month transitional period.

CALJ Horecky stated that at this point, the PUC would have to authorize its Administrator to proceed with negotiating a contract for PUC In-House Legal Counsel with Mr. Camacho. Once a contract has been negotiated, it would have to come back before the PUC for approval because it is an expenditure of funds and requires PUC approval. Commissioner Flores-Brooks reminded the PUC that a decision has to be made sooner than later from a budgetary standpoint as PUC's fiscal year ends in September and that is when PUC's budget is approved.


Chairman Johnson reminded the PUC that there is a recommendation to hire an additional Administrative Law Judge to assist the PUC's with its workload in anticipation of CALJ Horecky's impending retirement in March 2026. CALJ Horecky spoke on behalf of applicant Kristina L. Baird, who expressed an interest in the position. CALJ Horecky stated that Ms. Baird worked for his office for approximately 3 years, and found her to be intelligent, hardworking and a very good and competent attorney, who is also very personable and loved by her clients. Ms. Baird has worked as Administrator of the Judiciary of Guam for 4 years - that is a highly responsible position and involves procurement, personnel, case management and actually everything that the court does. She currently holds a position with the court as a Judge Pro Tem and was also a hearings officer as well. I believe Justice Carbullido is very satisfied with her work. Ms. Baird's experience as Judge Pro Tem and hearings officer with the Court relate to the qualifications of an ALJ. With regard to her qualifications on utility matters, CALJ Horecky was the General Counsel for GPA from 1994 to 2002. Ms. Baird handled a lot of GPA matters during her tenure with his office and she is familiar with utility matters, most especially the rate aspect.

Chairman Johnson informed the PUC that bringing in Ms. Baird as an ALJ at this time will be beneficial to the PUC as it allows her the opportunity to receive training from CALJ Horecky prior to his retirement on March 2026.

After discussion, Commissioner Flores-Brooks moved to approve the formalization of the contracts for In-House Counsel and Administrative Law Judge. Said motion was duly seconded by Commissioner McDonald and the motion was carried and unanimously approved.

ADJOURNMENT

There being no further business before the Commission, Commissioner Perez-Camacho moved to adjourn the meeting, which motion was duly seconded by the Commissioners. The motion passed unanimously and the meeting was adjourned at 10:15 p.m.



Jeffrey C. Johnson
Chairperson

ATTACHMENT "A"

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

241 Farenholt Avenue, Oka Bldg.

2nd Floor, Suite 205

Tamuning, GU 96913

REGULAR MEETING

August 28, 2025 at 6:30 p.m.

AGENDA

1. **Call to Order**
2. **Approval of Minutes of June 26, 2025 Regular Meeting**

DOCOMO PACIFIC INC.

3. **Docomo Docket No. 25-01:** Petition for Annual Certification from the Guam Public Utilities Commission re Universal Service Funds (47 C.F.R § 54.314); ALJ Report and USAC Certification.

PTI PACIFICA INC. dba IT&E

4. **PTI Docket No. 25-01:** Petition for PTI Pacifica Inc. Annual USAC Certification, ALJ Report and USAC Certification.

TELEGUAM HOLDINGS, LLC

5. **GTA Docket No. 25-01:** Petition for GTA Annual USAC Certification, ALJ Report and USAC Certification.
6. **GTA Docket No. 25-02:** Petition for Pulse Mobile Annual USAC Certification, ALJ Report and USAC Certification.

PORT AUTHORITY OF GUAM

7. **PAG Docket No. 25-03:** Petition to Adjust the Port Authority of Guam's Tariff Rate; ALJ Report and proposed Order.

GUAM SOLID WASTE AUTHORITY

8. **GSWA Docket No. 24-04:** Petition for Approval of Guam Solid Waste Authority's Three-Year Financial Rate Plan FY2025-FY2027; ALJ Report and proposed Order.

GUAM WATERWORKS AUTHORITY

9. **GWA Docket No. 25-07:** Petition to Approve GWA's Short-Term Financing Credit and Fee Agreements Pursuant to Public Law 37-103; ALJ Report and proposed Order.

GUAM POWER AUTHORITY

10. **GPA Docket No. 25-15:** Petition of the Guam Power Authority to Approve its Procurement of Energy Storage System Energy-Shifting and Grid Services; ALJ Report and proposed Order.
11. **GPA Docket No. 25-16:** Petition of the Guam Power Authority to Approve Phase IV Renewable Energy Acquisition Reward PRU Tamuning LLC, PRU Malojloj LLC, PRU Pulantant LLC, and PRU Barrigada LLC For Up To 18.4MW Renewable Energy Capacity; Legal Counsel Report and proposed Order.
12. **GPA Docket No. 25-17:** Petition of the Guam Power Authority to Approve the Extension of the Cabras 1 and 2 Performance Management Contract until January 31, 2026; Legal Counsel Report and proposed Order.

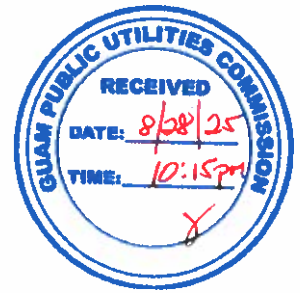
ADMINISTRATIVE MATTERS

13. **3rd Quarter Financial Report.**
14. **Update on Solicitation of Lease for Office Space.**
15. **Update on Solicitation for In-House Counsel.**

ADJOURNMENT

Guam Public Utilities Commission

**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**



**Irene M. Flannery
Vice-President - High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**

**RE: CC Docket 96-45/WC Docket No. 10-90 - Annual State-Certification of
Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R.
§54.314**

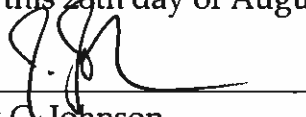
Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Docomo Pacific, Inc. is eligible to receive federal high-cost support for the program years cited.

On March 31, 2016, the Guam Public Utilities Commission transferred Guam Telecom LLC's Eligible Telecommunications Carrier ["ETC"] Designation and its Certificates of Authority to Docomo Pacific Inc.

The Guam Public Utilities Commission certifies for Docomo Pacific, Inc., that all federal high-cost support provided to such carrier within Guam was used in the preceding calendar year (2024) and will be used in the coming calendar year (2026) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669005 for the Territory of Guam.

Dated this 28th day of August, 2025.

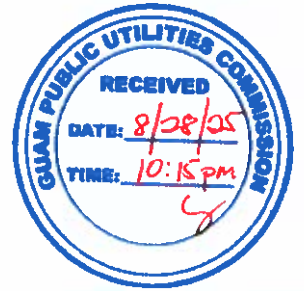


Jeffrey C. Johnson

Chairperson, Guam Public Utilities Commission

Guam Public Utilities Commission

**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**



**Irene M. Flannery
Vice-President - High Cost & Low-Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**


**RE: CC Docket 96-45/WC Docket No. 10-90 -Annual State-Certification of
Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R.
§54.314**

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Teleguam Holdings, LLC, is eligible to receive federal high-cost support / broadband loop support/ Interstate Carrier Compensation for the program years cited.

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, that all federal high-cost support/ broadband loop support/ Interstate Carrier Compensation provided to such carrier within Guam was used in the preceding calendar year (2024) and will be used in the coming calendar year (2026) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 663800 for the Territory of Guam.

Dated this 28th day of August, 2025.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

Guam Public Utilities Commission



**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

**Irene M. Flannery
Vice-President - High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**


**RE: CC Docket 96-45/WC Docket No. 10-90 – Annual State-Certification of
Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R.
§54.314**

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2024) and will be used in the coming calendar year (2026) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669003 for the Territory of Guam.

Dated this 28th day of August, 2025.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GSWA Docket 24-04
)
PETITION FOR APPROVAL OF GSWA'S)
THREE-YEAR FINANCIAL RATE PLAN) **ORDER**
)
)
_____)



INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] pursuant to Guam Solid Waste Authority's ["GSWA"] Petition for Approval of GSWA's Three-Year Financial Rate Plan.¹ In GSWA Board Resolutions 2023-007 and 2023-009, the Board of Directors of GSWA approved the filing with the PUC of a rate model and financial plan, and the establishment of new rates for special waste.² The GSWA Petition indicates that GSWA has complied with 12 GCA § 12102.1 & § 12102.2 of the Ratepayers' Bill of Rights, which require that GSWA's ratepayers receive clear and adequate notice of the proposed rate increases.³

10 GCA §51A104(A)(4) provides that GSWA may "establish and modify from time to time **with approval of the PUC** reasonable rates and charges for the collection, transportation, disposal, storage, recycling, and processing of solid waste to recover the full cost of providing solid waste management services, and collect money from customers using such services."⁴ (emphasis added).

¹ GSWA Petition for Approval of GSWA's Three-Year Financial Rate Plan, GSWA Docket 24-04, dated August 12, 2024 (hereinafter "GSWA Petition").

² Id. at Exhibit A, pgs. 7-14.

³ Id. at p. 2.

⁴ 10 GCA §51A104(A)(4).

For FY2026, GSWA seeks to increase residential and commercial trash collection rates, and to implement certain other new rates, as indicated in the following chart⁵:

	Current Rate	FY2026		FY2027	
		Rate	Increase	Rate	Increase
Residential Rate	30.00	35.00	5.00	35.00	0.00
Residential Transfer Station (minimum charge)	7.50	11.55	4.05	11.55	0.00
Residential Transfer Station (half cab)	15.00	23.10	8.10	23.10	0.00
Residential Transfer Station (above cab)	22.50	34.65	12.15	34.65	0.00
Commercial Discount (per ton)	15.60	12.00	-3.60	10.00	-2.00
Commercial Rate (per ton)	171.60	190.00	18.40	190.00	0.00
Government Rate (per ton)	171.60	190.00	18.40	190.00	0.00
Contaminated Soil Rate	N/A	250.00	0.00	250.00	0.00
Asbestos Rate	N/A	450.00	0.00	450.00	0.00
Fats, Oils, & Grease (FOG) Rate	N/A	271.00	0.00	271.00	0.00
Power Poles / Junk Tires	N/A	300.00	0.00	300.00	0.00
Special Waste Report Review Fee	N/A	200.00	0.00	200.00	0.00

Rate increases are also requested for services at the Residential Transfer Stations, reductions in the Commercial Discount rate per ton, an increase in the government rate per ton, and the establishment of new rates for contaminated soil, Asbestos, Fats, Oils & Grease (FOG), Power Pole/Junk Tires, and a Special Waste Report Review Fee.⁶

⁵ Notice of Public Hearing, GSWA Docket 24-04, dated June 17, 2025.

⁶ Id.

Residential rates in FY2026 would increase monthly an additional \$5.00, for a total monthly residential bill of \$35.00. Monthly commercial and government rates per ton would increase from a current rate of \$171.60 up to \$190.00 in FY2026.⁷

The Administrative Law Judge filed his Report in this docket on August 8, 2025.⁸ The PUC adopts the conclusions and recommendations in the ALJ Report.

DETERMINATIONS

Based upon the evidence in the record, and the conclusions and recommendations in the ALJ Report, the PUC makes the following determinations:

A. The 2020 PUC Management Audit of GSPA found that GSPA demonstrated a need for substantial rate increases; the Audit recommended higher rate increases than GSPA is seeking in this rate proceeding.

On October 15, 2020, the PUC Solid Waste Consultant, Municipal Solid Waste (MSW), submitted a Final Report to the Public Utilities Commission (Management Audit of the Guam Solid Waste Authority).⁹

In the Executive Summary of the Final Report dated October 23, 2020, MSW found that the commercial landfill tipping fee at that time was \$171.60 per ton. That is the same

⁷ Id.

⁸ ALJ Report, GSPA Docket 24-04, dated August 8, 2025.

⁹ Municipal Solid Waste (MSW) Consultants, Final Report to the Public Utilities Commission (Management Audit of the Guam Solid Waste Authority), dated October 15, 2020, GSPA Petition at Exhibit E, pgs. 61-134. This is the Report that GSPA attached to its Petition. However, MSW filed an updated Final Report on October 23, 2020, which was the actual Final Report. The October 23, 2020, Report contains an Executive Summary.

commercial and government tipping fee rate that is in effect today. MSW determined as follows:

“The single rate increase was found to require increasing the landfill tipping fee to \$223 per ton, which is a 30% increase. The stair-step rate increase spread these adjustments over four years, although ending at a slightly higher tipping fee of \$225... This analysis suggests that significant rate increases are needed in the near future but that the need for this rate increase may be mitigated somewhat but likely not eliminated, if the revenue base is expanded to include most or all Guam households.”¹⁰

In the current Petition, GSWA is only seeking to raise the commercial and government tipping fee rates to \$190 per ton, which is far less than the \$225 per ton rate that MSW recommended in 2020.

MSW made the following findings regarding update of the rate model and analysis in 2020, which findings were adopted by the PUC:

“The GSWA currently charges participating households \$30.00 per month for collection services. The tip fee currently being charged at the Layon Landfill is \$171.60 per ton. The first-[rate] iteration calls for an approximately 30 percent increase in the household monthly charge and tip fee, raising them to \$39.00 and \$223.00, respectively. The second-[rate] iteration calls for two separate increases designed to scale up revenue sufficiency more slowly. The monthly household rate increases to \$35.00 in 2022 and then \$38.00 in 2024. The tip fee increases to \$205.00 in 2022 and then \$225.00 in 2024.”¹¹

It is noteworthy that MSW proposed higher rates for implementation in 2022 and 2024 than GSWA is now proposing for FY2026. MSW recommended that monthly residential fees be increased from \$30.00 up to \$35.00 in 2022 and then \$38.00 in 2024. GSWA only seeks one increase of the residential rate up to \$35.00 in FY2026.

¹⁰ Municipal Solid Waste (MSW) Consultants Final Report to the Public Utilities Commission (Management Audit of the Guam Solid Waste Authority), October 23, 2020, at p. E-4.

¹¹ Id. at pgs. 3-4.

In its Order dated October 29, 2020, in GSWA Docket 19-01, the PUC approved and adopted the Final Report of MSW Consultants as the PUC Management Audit of GSWA.¹² The PUC Management Audit justifies the rate increases in the monthly residential fee and the tipping fees (commercial and government) that GSWA seeks in its Petition.

B. The Testimony presented in the Public Hearings in this matter overwhelmingly supports the rate increases which GSWA requests in its Petition.

In the ALJ Report submitted herein, there is a detailed presentation of the testimony given during the public hearings. The material presented in the ALJ Report on "PUBLIC HEARINGS" is incorporated herein by reference.¹³

C. All Evidence before the Commission in this Docket supports a finding that the rate increases and new rates requested by GSWA are necessary, just, and reasonable.

1. MSW 2024 Final Report

From October 19, 2024, through April 29, 2025, Municipal Solid Waste Consultants conducted an independent evaluation of the GSWA Rate Case at the request of the Administrative Law Judge. MSW filed its Independent Evaluation with the PUC on April 29, 2025. Copies of the Report have been provided to the PUC Commissioners.

¹² PUC Order, GSWA Docket 19-01, MSW Consultants' Final PUC Management Report of GSWA, dated October 29, 2020, at p. 5.

¹³ ALJ Report, GSWA Docket 24-04, dated August 8, 2025, III. PUBLIC HEARINGS, at pgs. 5-10.

Table 2-1 of the Report, Historical Financial Performance of the GSWA Solid Waste Operations Fund, is attached to the ALJ Report as Exhibit "2".¹⁴ In every year from FY2019 through budget FY2024, GSWA experienced a "normalized deficit" between \$105,907 and \$2,669,301.¹⁵ MSW found that, based upon the historical financial performance, GSWA cannot maintain the current level of operations at a breakeven level.¹⁶ In MSW's forecasted revenue requirements for FY2026 and FY2027, based upon the new rates, the GSWA will experience deficits in FY2026 of \$993,381 and a deficit of \$2,362,489 in FY2027. See Tables 5-4, 5-5, 5-6 and 5-7 attached to the ALJ Report as Exhibit "3". When the recommended reserve targets are added to the calculations, a deficit is shown for FY2026 in the amount of \$2,383,095 and \$5,133,747 for FY2027.¹⁷

2. The Utility Financial Solutions, LLC, Cost of Service & Solid Waste Unbundling Study

Utility Financial Solutions, LLC ("UFS") is the rate consultant for GSWA in this proceeding. This study is attached as Exhibit "D" to GSWA's Petition.¹⁸

The UFS Study demonstrates that, if there were no changes in GSWA rates for the period of FY2026-2028, GSWA would suffer operating deficits between \$2,512,889 to \$3,777,517. See, Table 1/Financial Statements (Base Case), attached to the ALJ Report as Exhibit "4".¹⁹ UFS, as did MSW, takes the position that GSWA must have a minimum cash reserve based on an assessment of working capital needs to fund operating

¹⁴ MSW Consultants, 2024 Final Report, GSWA Rate Case Independent Evaluation, dated April 29, 2025, at p. 2.

¹⁵ Id. at p. 2.

¹⁶ Id.

¹⁷ Id. at pgs. 24-26.

¹⁸ GSWA Petition, Exhibit D, at pgs. 38-59.

¹⁹ Exhibit "4", UFS Table 1, Financial Statements, GSWA Petition at p. 47.

expenses, capital improvements, annual debt service payments, and landfill tipping costs. Based on these assumptions, USF finds that GSWA should maintain a minimum of \$4,050,782 in cash reserves for 2025.²⁰

UFS has determined that the average cost of service for Residential ratepayers is \$38.86 per customer. The present revenues for the residential class based upon a monthly fee of \$30.00 are not sufficient to cover the cost of service for residential customers.²¹ Also, in recommending adequate residential rates for GSWA, UFS has recommended a residential rate of \$35.00 in FY2026 and \$37.00 in FY2028. UFS states: "GSWA is projected to require increases in rates charged to customers in order to adequately fund operating expenses, debt service payments, and eventual funding of landfill closure and post closure reserves."²²

3. GSWA Rate Calculations

Like UFS, GSWA's rate calculations also show that if there were no rate increases, GSWA would experience deficits in operating income for projected years FY2026 and 2027 in the amounts of approximately \$2.5M and \$3.5M respectively.²³ If the proposed Rate Changes are approved, GSWA would still have a deficit in operating income projected for FY2027 in the amount of \$505,932.00. It is not clear what level of cash reserves GSWA has included in its projected revenues for FY2026 and 2027. GSWA's financial calculations for rate impact are attached to the ALJ Report as Exhibit "5".²⁴

²⁰ Id. at p.48.

²¹ Id. at p. 52.

²² Id. at p. 58.

²³ Testimony of Kathrine B. Kakigi, GSWA Petition at p. 24.

²⁴ Exhibit "5", GSWA Financial Statements. Id. at pgs. 23-25.

Ms. Kakigi's testimony also indicates: "Similar to MSW, UFS found rate increases are necessary to ensure financial stability of GSWA.²⁵ GSWA is also seeking PUC approval for implementation of Special Handling Rates, which includes Contaminated Soil Rate, Asbestos Rate, Fats, Oil & Grease (FOG), Power Pole/Junk Tires, and Special Waste Report Review Fee. The rates for the special waste materials are calculated on a per-ton basis. GSWA stated as follows concerning the special handling rates:

GSWA is also seeking PUC approval for implementation of special handling rates. There are additional precautions taken to dispose of special materials properly and safely, and result in a higher cost to GSWA for handling of these materials. The rates are developed using the cost of tonnage disposal at the landfill and transfer station, density ratio for special materials, and associated record keeping and reporting costs. UFS has also approved the special waste handling rates and recommended that they be included in GSWA's rate schedule.²⁶

All the evidence supports the conclusion that the rate increases sought by GSWA, as set forth at pgs. 1-2 of this Report, are necessary, just, and reasonable. The rate increases sought by GSWA should be approved by the PUC.

D. The Evidence in the Record demonstrates that the Rate Increases sought by GSWA will not raise sufficient Revenues for its obligations in FY2027 and subsequent years; for FY2027, the monthly residential rate should be increased to \$38.00 and the commercial/government rate to \$193.00.

MSW, USF, and GSWA all agree that one increase in residential fees from \$30.00 to \$35.00 for FY2026 is not sufficient to meet GSWA's financial needs and obligations in FY2027 and beyond.

In its 2019 Management Audit, MSW recommended Rate Iterations #1 & #2. In Iteration #1, it recommended raising the monthly residential rate to \$39.00 by FY2024,

²⁵ Id. at p. 25.

²⁶ GSWA Petition at p. 49.

and a tipping fee of \$223 per ton. Under alternative Iteration #2, MSW recommended raising the residential fee to \$35.00 per month and a tipping fee of \$205.00 per ton for FY2022; for FY2024, MSW recommended a residential increase to \$38.00 per month and a tipping fee of \$225.00 per ton.²⁷

In its 2024 Final Report, MSW analyzed the rate impact of a \$5.00 residential increase for FY2025; the FY2025 \$5.00 increase in residential rates has now been deferred to FY2026. MSW determined: "...the proposed rate increases will generate an operating surplus only in FY2025, but that the new rates become insufficient by year 2."²⁸ MSW also pointed out:

"As a final point of consideration, not only do the projected rates need to cover the full cost of ongoing operations, but also provide a financial cushion for the GSWA to withstand unforeseen impacts. All solid waste utilities should operate with an unrestricted cash reserve in case of emergencies. While different organizations set different cash reserve policies, MSW Consultants suggests that 90 days' full system cost is an appropriate target."

MSW recommended that GSWA maintain an Operating Reserve (25%) ranging from \$5.5M in FY2025 up to \$6,444,186 in FY2027.²⁹

MSW concluded that GSWA's current residential collection rates, RTS delivery fees, and disposal tip fees are not sufficient to fund the underlying services. It also determined that "the full cost of managing GSWA's system will continue to increase given that growth rates for households and tonnages are low, rate increases should be considered necessary on a routine basis going forward." The conclusion was that "GSWA's proposed rate increases are warranted and necessary for the health of the GSWA." It

²⁷ GSWA Petition at p. 88.

²⁸ MSW Consultants, 2024 Final Report, GSWA Rate Case Independent Evaluation, dated April 29, 2025, at p. 29.

²⁹ Id. at p. 30.

appears likely that the requested rate increases will continue to fall short of full system cost recovery.³⁰

In the August 2024 Financial Protection Updates, UFS set projected rate increases on a track where no island wide collection was approved. At that time, residential rates were projected to increase as follows:

Table 4- Projected Rate Track – No IWC Agencies and Small Commercial		
Fiscal Year	Residential Rate	Gov Agencies and Small Commercial
2025	\$33.00	\$185.00
2026	\$35.00	\$190.00
2027	\$35.00	\$190.00
2028	\$37.00	\$193.00
2029	\$37.00	\$193.00

At that time, UFS already saw a need to increase the residential rates after FY2026 beyond the \$35.00 monthly residential fee. Commercial and government rates were also scheduled to increase.³¹ Increases in rates were required to adequately fund operating expenses, debt service payments, and eventual funding of land cell closure and post closure reserves.³² UFS concurs that the rate increases sought by GSWA in this proceeding are not sufficient to adequately fund its operations.

³⁰ Id. at p. 31.

³¹ GSWA Petition at p. 49.

³² Id. at p. 58.

In 2020, MSW projected that the rate increases by FY2024 would range around 30%, or an increase of approximately \$10 per customer over the present bill. Such an increase would have raised the monthly residential bill from \$30.00 to \$40.00. The MSW calculations are further support for raising monthly residential rates in FY2027 to \$38.00.³³

E. In compliance with law, an adequate Manpower & Staffing Analysis has been provided for this rate case.

In the 2020 MSW Final Report, which the PUC adopted as its GSWA Management Audit, MSW provided a "Manpower & Staffing Analysis" of GSWA. Before PUC can approve any rate increase for a public utility, it must compare GSWA with "at least (4) other utilities in the US mainland which provides similar services to a comparable number of customers."³⁴ This study was prepared to assist GSWA in filing a rate case. The statutorily mandated manpower & staffing study was accomplished by MSW.

MSW provided a study which complies with the statutory requirements. Based upon an overview of 4 selected cities, MSW concluded that:

"GSWA is maintaining a slightly larger collection system than necessary to service its customer base. However, this may be appropriate if GSWA is obligated to collect from non-customers and/or support other services (e.g., illegal dump cleanups), which may not be the case in the benchmark cities. Furthermore, GSWA maintains incrementally more customer service staff. This is to be expected from a non-exclusive provider of service who must track current customers, and manage new customer onboarding and suspension of accounts for former customers."³⁵

³³ MSW 2020 Final Report, GSWA Petition at p. 88.

³⁴ 12 GCA § 12102.2(d).

³⁵ MSW Consultants, Final Report to the Public Utilities Commission (Management Audit of the Guam Solid Waste Authority), dated October 23, 2020, Id., at p. 4-4.

Regarding manpower & staffing, MSW found that the “non-mandatory collection policy hampers GSWA productivity and increases management burdens.”³⁶

MSW has also conducted a “Management & Operational Evaluation” of GSWA. MSW finds that “the current management staffing configuration is appropriate for the GSWA’s current break down of directly managed and contracted operations.”³⁷ In the 2024 MSW GSWA Rate Case Independent Evaluation, MSW updated its evaluation of GSWA staffing and found: “while the specific mix of employees and staffing agency hires may not track exactly, we are persuaded that the staffing count and plan is reasonable.”³⁸

The testimony of GSWA Comptroller Kathrine Kakigi indicates that GSWA included full funding of 54 FTE in its FY2024 budget”: “GSWA’s current staffing level is 52 employees” (as of September 2024).³⁹ Financial statements supplied by the CFO indicate that GSWA projected personnel expenses for FY2024 – FY2027 only increased from \$4M to \$4,491,302.00.⁴⁰

In response to the question as to whether GSWA had included the staffing study as required as part of its petition, Ms. Kakigi responded as follows:

“Yes. GSWA had a staffing study performed by MSW consultants on the GSWA Collection System. MSW observed that GSWA does not service 100% of its residential customer base. The fact that GSWA does not have mandatory collection provides detrimental impacts on productivity and efficiency. One is greater impact on customer account management in having to keep track of customer base, charge, and recover appropriate

³⁶ Id., at p. 4-6.

³⁷ Id., at p. 6-1.

³⁸ MSW Consultants, 2024 Final Report, GSWA Rate Case Independent Evaluation, dated April 29, 2025, at p. 10.

³⁹ GSWA Petition at p. 28.

⁴⁰ GSWA Petition at p. 6.

fees, and manage open/closed accounts. The second detrimental impact is Collection efficiency, GSWA routes must pass by non-customers to reach customers.

MSW noted current regulations require annual research on benchmarking manpower/staffing. They recognize that in practice, unless GSWA changes their collection system from semi-automated to fully automated and enforce mandatory residential collection, it is not likely that manpower/staffing research is necessary on an annual basis but should be performed every four to five years."⁴¹

Both GSWA and MSW have provided updates to the prior staffing and manpower study. MSW's position is that the elements of such a study do not change significantly for GSWA from year to year. The MSW staffing study has been sufficiently updated by both GSWA and MSW for purposes of this rate case.

The ALJ finds that the existing Manpower & Staffing Study complies with the requirements of Guam statutes for the purposes of this rate case.

F. The Host Community Premium Benefit should be raised in FY2026 to a total of \$350,000.00 for the Host Villages (\$175,000.00 each for Chalan Pago/Ordot and Inalahan); these increases would be at the same percentage as the rate increases requested by GSWA.

In 2020, in GSWA Docket 12-02, the Mayors of Chalan Pago-Ordot and Inalahan requested that the PUC implement a Host Community Premium Surcharge rate of inflation adjustment pursuant to 10 GCA Ch. 51, § 51405(c).⁴² The PUC may increase the Host Community premium surcharge, but is not obligated to do so and is not required to link the surcharge to inflation rates.

⁴¹ GSWA Petition at p. 28.

⁴² PUC Order, GSWA Docket 12-02 dated May 28, 2020.

At that time, the village mayors were seeking a raise in the HCP surcharge to "help offset Guam's 15.78% Rate of Inflation since 2011."⁴³ Among other matters, the Mayor of Chalan Pago-Ordot stated that additional funding was needed to pay for the new Mayor's Office, which includes a centralized complex with various sport facilities.

GSWA has determined that it would be equitable to increase the Host Community Premium Charge to the same extent that GSWA's rates are being increased. Neither GSWA nor the host villages have had any increase since 2012. If GSWA's rates are increased by 17%, a similar increase should be granted to the Host community villages. This would increase the total present host community premium surcharge amount from \$300,000.00 per annum to \$350,000.00. For FY2026, the Host Premium Surcharge for residential customers should be \$0.36 monthly; the Host Premium Surcharge for commercial/government customers (the tipping fee) should be \$3.37 per ton monthly. This will be a reduction from the current monthly residential fee of \$0.38 and the current monthly tipping fee of \$3.57 per ton. See Exhibit "6" attached to the ALJ Report, GSWA's Recommendation for FY2026 Host Community Premium Surcharge Rates.

G. The increases in fees that GSWA seeks for the services of the residential transfer stations are justified and should be approved by the PUC.

As previously stated, the PUC is required to approve rates "to recover the full cost of providing solid waste management services, and collect money from customers using such services." 10 GCA § 51A104(A)(4) (emphasis added). The problem with the Residential Transfer Stations, particularly the Agat and Malojloj stations, is that they are not providing sufficient revenue to enable GSWA to pay the costs of such facilities. The level of usage of such stations does not provide sufficient revenue for their operations.

⁴³ ALJ Report, GSWA Docket 12-02, dated May 22, 2020 at p. 2.

The three transfer stations operated by GSWA are the Harmon, Agat, and Malojloj stations. Each of the transfer stations is designed for members of the public to drop off their residential waste, recyclables, or bulky waste. The facility at Harmon accepts Household Hazardous Waste (HHW).⁴⁴ The Agat and Malojloj Transfer Stations only produce 4% and 3% of refuse tonnage handled by GSWA annually (681 & 642 tons respectively).⁴⁵ MSW raised the issue of the "Need for Residential Transfer Stations" in its Management Audit Report:

"The three transfer stations handle a small portion of the island waste. Due to the higher volume of throughput, The Harmon Street facility appears to have the volume to justify its cost of operation. Longer term, GSWA should consider tracking the number of cars, tonnage delivered, and cost at the Agat and Malojloj transfer stations and decide if the operating hours should be further reduced or even if the facilities should be closed. Should mandatory curbside refuse and recycling collection be implemented on Guam, this would also lead to the likely closure of these facilities (which would no longer be needed because everyone would receive the curbside service), with the exception of the HHW receiving area at the Harmon Street convenience center."⁴⁶

In its 2024 GSWA Rate Case Independent Evaluation, MSW indicated that the fees collected from the residential transfer stations was \$384,023 for FY2023.⁴⁷ The RTS operations require the staffing of 6 employees which constituted 9% of GSWA's total staffing.⁴⁸ In addition, the vehicle related expense allocations for RTS Operations are approximately 13%.⁴⁹

⁴⁴ MSW Final Report with the PUC, dated October 15, 2020, GSWA Petition at Exhibit E, pgs. 2-8.

⁴⁵ Id.

⁴⁶ Id. at p. 6-2.

⁴⁷ MSW Consultants, 2024 Final Report, GSWA Rate Case Independent Evaluation, dated April 29, 2025, at p. 2.

⁴⁸ Id. at p. 10.

⁴⁹ Id. at p. 12.

The testimony of GSWA Comptroller Kathrine Kakigi states that the cost of service per customer at the residential transfer stations is \$13.10; however, the projected revenues per/customer is only \$8.51. For FY2023, the cost-of-service study indicated a variance between revenues and costs for usage of the residential transfer stations. The cost of service in \$/customer was \$640,155.00; however, there was a deficiency in projected revenues of only \$415,819.00. Because of the deficiency in revenues produced by the transfer stations, GSWA has requested fee increases for the Residential Transfer Stations.⁵⁰ Ms. Kakigi's testimony is supported by the Cost-of-Service Study of Utility Financial Solutions, LLC, GSWA's consultant.⁵¹

If PUC does not raise the rates for the use of the transfer stations as requested by GSWA, it would fail to meet the mandate of 10 GCA § 51A104(A)(4) that it establish rates and charges that allow GSWA to recover the full cost of providing solid waste management services at the Residential Transfer Stations.

H. For this three year financial rate plan case, the PUC should retain jurisdiction over this matter, maintain the docket as open, and conduct a true-up proceeding for FY2028.

GSWA filed this case as a "THREE-YEAR FINANCIAL RATE PLAN." The case was originally scheduled to cover fiscal years 2025, 2026, and 2027. However, the case has now changed to focus upon fiscal years 2026, 2027, and 2028. There is a need to maintain this docket in an open status for FY2028. In its Petition, GSWA has recommended one change that would be applicable for FY2028, a further reduction in the commercial discount per ton to \$10.00 for the third year of its plan.

⁵⁰ Testimony of Kathrine B. Kakigi, GSWA Petition at p. 12.

⁵¹ GSWA Petition, Exhibit D, at pgs. 10-11.

The reason for keeping the case open for FY2028 is that there is considerable uncertainty at present as to what rates GSWA will need for that year. There is pending legislation, Bill No. 30-38, which would create mandatory island wide-trash collection. If such legislation becomes a reality, there will be a considerable impact upon rates. GSWA has previously indicated that residential rates per month could drop to \$22.00 per month if mandatory island-wide trash collection becomes law. However, island wide mandatory service will also bring a cost of approximately \$4M for new trash bins.

The PUC needs to retain jurisdiction to properly assess what rates should be established for FY2028. A true-up proceeding should be conducted, commencing in June, 2027, to assess what the rates should be for the following fiscal year. For the foregoing reasons, the ALJ requests that the PUC keep this docket open through FY2028.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Report and Recommendations of the ALJ, MSW Consultants 2024 Final Report, GSWA Rate Case Independent Evaluation, and the entire record herein, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS THAT:**

1. All rulings and orders of the ALJ in this proceeding are confirmed and ratified. All motions not heretofore granted or denied are denied. No other matters currently require discussion.
2. GSWA is ordered and directed to perform and carry out all obligations and duties set forth in this Order.

3. GWA is authorized to implement the rates set forth in the following Chart for the fiscal years indicated:

	Current Rate	FY2026		FY2027	
		Rate	Increase	Rate	Increase
Residential Rate	30.00	35.00	5.00	38.00	3.00
Residential Transfer Station (minimum charge)	7.50	11.55	4.05	11.55	0.00
Residential Transfer Station (half cab)	15.00	23.10	8.10	23.10	0.00
Residential Transfer Station (above cab)	22.50	34.65	12.15	34.65	0.00
Commercial Discount (per ton)	15.60	12.00	-3.60	10.00	-2.00
Commercial Rate (per ton)	171.60	190.00	18.40	193.00	3.00
Government Rate (per ton)	171.60	190.00	18.40	193.00	3.00
Contaminated Soil Rate	N/A	250.00	0.00	250.00	0.00
Asbestos Rate	N/A	450.00	0.00	450.00	0.00
Fats, Oils, & Grease (FOG) Rate	N/A	271.00	0.00	271.00	0.00
Power Poles / Junk Tires	N/A	300.00	0.00	300.00	0.00
Special Waste Report Review Fee	N/A	200.00	0.00	200.00	0.00

4. The Rates approved by the PUC are "Just" and "Reasonable" pursuant to 12 GCA § § 12116 and 12118.
5. GSWA's Three-Year Financial Rate Plan, as updated, meets all filing requirements in 12 GCA Chapter 12 and the PUC Rules.
6. The Host Community Premium Benefit shall be raised in FY2026 to a total of \$350,000.00 for the Host Villages (\$175,000.00 each for Chalan Pago/Ordot and Inalahan).

7. For FY2026, the Host Premium Surcharge for residential customers shall be \$0.36 monthly; the Host Premium Surcharge for commercial/government customer (the tripling fee) shall be \$3.37 per ton monthly. With these reduced surcharge fees, GSWA represents that it will collect the increased Host Community Premium Benefit of \$350,000.00.
8. PUC jurisdiction is retained over this matter and this docket shall be maintained in an open status.
9. Rate True-Up proceedings shall be conducted in FY2027 to set GSWA's rates for FY2028.
10. GWA 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.
11. The ALJ is authorized and directed to oversee such administrative tasks and to issue such additional orders as may be reasonable and necessary to implement this Decision.

[SIGNATURES FOLLOW ON THE NEXT PAGE]

Order
Petition for Approval for
GSWA's Three-Year Financial Rate Plan
GSWA Docket 24-04
August 28, 2025

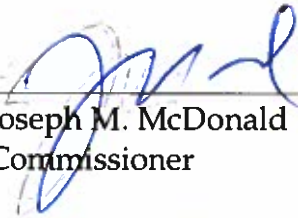
Dated this 28th day of August, 2025.



Jeffrey C. Johnson
Chairman



Rowena E. Perez-Camacho
Commissioner



Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner

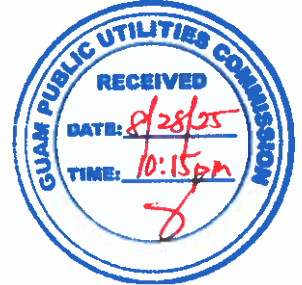
Doris Flores Brooks
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**SECOND AMENDED PETITION TO)
APPROVE PROCUREMENT OF)
ENERGY STORAGE SYSTEM ENERGY-))
SHIFTING AND GRID SERVICES)
(ESS PHASE II PROJECT))
BY THE GUAM POWER AUTHORITY)**

GPA DOCKET 25-15

ORDER



INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC” or the “Commission”) pursuant to the August 7, 2025 Second Amended Petition for Approval of the Procurement for Energy Storage System Energy-Shifting and Grid Services (the “Petition”), filed by the Guam Power Authority (“GPA”).

On August 27, 2025, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

As referenced by GPA in its Petition, Guam Public Law 35-46 mandates that GPA establish a “preliminary renewable portfolio standard goal” of “fifty percent (50%) of its net electricity sales by December 31, 2035”; and “one hundred percent (100%) of its net electricity sales by December 31, 2045.” P.L. 35-46, p. 3 (Oct. 19, 2019); 8 G.C.A. §8311(c). In addition, the Guam Legislature indicated that such renewable sources should include “technology that is capable of providing storage for shifting energy”; noting too that industry outlook “suggests that continual improvements in solar energy technology to

address intermittency and energy shifting will be able to meet total generation needs.” P.L. 35-46, p. 2. GPA has indicated that it is committed to providing fifty percent (50%) of Guam’s energy needs from clean energy and renewables by 2030; and one hundred percent (100%) by 2040.¹

Back in December of 2022, GPA issued an Invitation for Multi-Step Bid No. GPA-012-23, which involved GPA’s Phase IV Renewable Energy Resource Acquisition project. This procurement sought non-intermittent power from one, or more, renewable generation resources with a total minimum annual energy output of 300,000 MWh. The procurement indicated that after the selection of the winning bidders, GPA would conduct a System Integration Study to determine system upgrades or improvements required, along with costs necessary, for the renewable resource’s integration into GPA’s transmission system.

In November of 2024, S&C Electric Company submitted a report titled “Renewable Resource Interconnection System Impact Study,” which concluded that certain transmission infrastructure upgrades and new “Stand-Alone Batteries” were necessary in order to integrate the Phase IV renewable projects into the grid.²

On May 27, 2025, the Consolidated Commission on Utilities (the “CCU”) found that the Stand-Alone Batteries, which it now calls the “Energy Storage System (“ESS”) Phase II Project”, will allow GPA to shift and dispatch energy to support the grid at any time of the day.³ The CCU further found that the Energy Shifting and Grid Services from

¹ Petition, p. 2.

² Renewable Resource Interconnection System Impact Study, by S&C Electric Company, pp. 45-46 (Nov. 13, 2024); *See also* Petition, p. 2.

³ Petition, Exhibit A, p. 1-2 (GPA Resolution No. 2025-19).

the batteries are “critical for maintaining a stable and reliable electrical grid, by ensuring consistent voltage and frequency regulation, and responding to sudden major and minor disturbances to the grid, as well as optimizing energy resources to alleviate peak demand.” The CCU authorized the procurement of the ESS Services Phase II project.⁴

On June 6, 2025, GPA filed a petition requesting PUC review and approval of the ESS Services Phase II procurement, which included the procurement of a grid controller. Then on June 13, 2025, GPA amended the petition.

On July 17, 2025, the ALJ assigned to this matter attended a presentation given by GPA to further explain the purposes of the procurement. On August 7, 2025, GPA filed this Amended Petition, which amended its First Amended Petition filed on June 13, 2025, eliminating the procurement of a grid controller. On August 8, 2025, the ALJ issued a Request for Information, which GPA responded to on August 13, 2025.

A. Contract Review Protocol

Pursuant to 12 G.C.A. § 12105, GPA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Furthermore, GPA’s Contract Review Protocol requires that “[a]ll professional service procurements in excess of \$1,500,000” require “prior PUC approval . . . which shall be obtained before the procurement process is begun.”⁵ GPA submits that the ESS Phase II Project is estimated to exceed \$1.5 million per year, thereby requiring PUC review.

⁴ Petition, Exhibit A, p. 3.

⁵ GPA’s Contract Review Protocol (“GPA CRP”), Administrative Docket 00-04, p. 1 (Feb. 15, 2008) (emphasis in original).

B. GPA's Petition for Approval of Multi-Step Invitation for Bid

In its Petition, GPA maintains that the system impact study, which was conducted pursuant to GPA's Phase IV Renewable Energy Resource Acquisition project, concluded that "stand-alone batteries, along with transmission infrastructure upgrades, will best mitigate stability limit violations when the Phase IV projects tie into the grid."⁶ Accordingly, the subject ESS Phase II Project intends to procure the battery energy storage system, with the necessary grid services.

In particular, GPA seeks approval to procure 90 MW/360 MWh of energy shifting services that charge primarily during the day and discharge primarily at night; 180 MW/90 MWh of fast response grid services that can charge and discharge at any time of the day under the control of GPA's SCADA; and interconnection to the 115 kV GPA transmission system.⁷ GPA intends on entering into a 25-year contract for the ESS services.⁸

GPA submitted that the project is reasonable, prudent, and necessary inasmuch as the energy storage technology will provide GPA with stable and reliable energy, "ensuring consistent voltage and frequency regulation"; and, can assist during "sudden disturbances" and "peak demand."⁹ GPA further submitted that the ESS energy shifting will allow GPA to "shift and dispatch energy at any time of day or night to support the grid."¹⁰ The project also is structured such that a "fixed price" will cover all costs, such as interconnection,

⁶ Petition, p. 2.

⁷ Petition, p. 2.

⁸ Petition, p. 2.

⁹ Petition, p. 3.

¹⁰ Petition, p. 3.

commissioning, and operations and maintenance; and puts all construction and operations risks on the vendor.¹¹

GPA has further noted that it intends to seek federal funding to assist with this procurement. GPA further submitted that the ESS Phase II Project will provide capacity that will allow the retirement of GPA's aging generators.

C. Multi-Step Invitation for Bid

In the instant procurement, GPA intends to solicit bids for ESS services: (1) a total of 90MW/360MWh of energy storage capacity for Energy-Shifting; and (2) a total of 180MW/90MWh of energy storage capacity for Grid Services. GPA intends on entering into power purchase agreements with selected vendors for these energy storage systems, which will be interconnected to GPA's 115kV transmission system.

The IFB requires that the ESS sites must also provide certain Grid Services, which include the following requirements. The ESS must be able to provide energy-shifting, which means that it must charge from the GPA grid during the daylight solar PV production hours, and discharge to the GPA grid during the non-daylight hours.¹² The ESS must also be able to provide high-speed response to rapidly inject or absorb power from the GPA grid for quick recovery from frequency deviations.¹³ It must also be able to provide rapid reserve services to arrest any frequency decay, and rapid reserve hold, to

¹¹ Petition, p. 3.

¹² Petition, Exhibit B, pp. 102-103 (Technical Qualification Proposal Requirements).

¹³ Petition, Exhibit B, p. 103 (Technical Qualification Proposal Requirements).

withstand major weather intermittency caused by large decreases in renewable production.¹⁴

The ESS must also be able to provide Reactive Power Support that will dynamically inject or absorb reactive power into or from the grid, in order to maintain grid voltage and improve grid stability.¹⁵ The dispatchable active and reactive power capabilities must be available at all times. The ESS must further provide “Blackstart” capability to form and supply microgrids after a natural disaster, in the event of a large-scale outage caused by system instability, uncontrolled separation, or cascading outages.¹⁶

The IFB further makes plain that all costs throughout the term of any power purchase agreement in place is the responsibility of the vendor, which include costs related to permitting, financing, construction of facilities and interconnection, and operations and maintenance.¹⁷ Additionally, the IFB contains certain cyber-security and physical security requirements.¹⁸ And all vendors are required to obtain all necessary insurance.¹⁹

D. Cost

GPA submitted that it bears no upfront capital costs, but instead will pay for the installation, construction, interconnection infrastructure, labor, operations and maintenance, through the ESS project agreement, which will have a 25-year initial term. GPA further submitted that the cost for these services will be recovered through GPA’s

¹⁴ Petition, Exhibit B, p. 103 (Technical Qualification Proposal Requirements).

¹⁵ Petition, Exhibit B, pp. 104-105 (Technical Qualification Proposal Requirements).

¹⁶ Petition, Exhibit B, pp. 105-106 (Technical Qualification Proposal Requirements).

¹⁷ Petition, Exhibit B, p. 112 (Technical Qualification Proposal Requirements).

¹⁸ Petition, Exhibit B, pp. 119-123 (Technical Qualification Proposal Requirements).

¹⁹ Petition, Exhibit B, p. 60 (“Commercial Terms and Conditions”).

LEAC, which GPA estimates will cost at an additional \$.0204 per KWh. GPA further estimated an average annual cost (over 25 years) of \$34,547,065.21.

E. CCU Resolution No. 2018-20

The Petition is supported by GPA Resolution No. 2025-19 issued by the CCU at its May 27, 2025 meeting. In the Resolution, the CCU found that the Stand-Alone Batteries, which it now calls the “Energy Storage System (“ESS”) Phase II Project”, will allow GPA to shift and dispatch energy to support the grid at any time of the day.²⁰ The CCU further found that the Energy Shifting and Grid Services are “critical for maintaining a stable and reliable electrical grid, by ensuring consistent voltage and frequency regulation, and responding to sudden major and minor disturbances to the grid, as well as optimizing energy resources to alleviate peak demand.” Accordingly, the CCU authorized the procurement of the ESS Services Phase II project.²¹

CONCLUSION

GPA has indicated that this project is a part of its efforts “to mitigate impacts to the GPA Island Wide Power System associated with ongoing renewable projects which are intended to comply with Public Law 29-62.”²² Further, GPA has consistently stated that it is committed to 50% renewable energy production by 2030, and 100% renewable energy production by 2040.²³ The implementation of this project, particularly the provision of energy-shifting and grid services, is necessary to integrate high amounts of inverter-based

²⁰ Petition, Exhibit A, p. 1-2 (GPA Resolution No. 2025-19).

²¹ Petition, Exhibit A, p. 3 (GPA Resolution No. 2025-19).

²² Petition, Exhibit B, p. 8 (Commercial Terms and Conditions).

²³ Petition, Exhibit B, p. 8 (Commercial Terms and Conditions).

resources into the GPA grid, which will improve grid stability, energy resiliency, reliability, and affordability.²⁴

Accordingly, the ALJ found that the ESS Phase II Project is reasonable, prudent, and necessary inasmuch as the energy storage technology will provide GPA with stable and reliable energy, “ensuring consistent voltage and frequency regulation”; and, can assist during “sudden disturbances” and “peak demand.”²⁵ This ESS energy shifting will allow GPA to “shift and dispatch energy at any time of day or night to support the grid.”²⁶ Further, the “fixed price” structure is reasonable inasmuch as it is intended to cover all costs, such as interconnection, commissioning, and operations and maintenance; and puts all construction and operations risks on the vendor.²⁷ This additional resource further provides GPA with capacity to retire its older units. Lastly, the ALJ found that this project squarely aligns with the Guam Legislature’s findings that GPA’s renewable sources should include “technology that is capable of providing storage for shifting energy”; along with the intimation that “continual improvements in solar energy technology to address intermittency and energy shifting” may provide GPA with “all its generation needs.” *See* P.L. 35-46, p. 2. For these reasons, the ALJ found the instant procurement to be reasonable, prudent, and necessary.

²⁴ Petition, Exhibit B, p. 8 (Commercial Terms and Conditions).

²⁵ Petition, p. 3.

²⁶ Petition, p. 3.

²⁷ Petition, p. 3.

RECOMMENDATION

Based on the documentation provided by GPA in this docket, and for the other reasons set forth herein, the ALJ recommended that the PUC approve GPA's Petition. Accordingly, GPA should be authorized to issue a Multi-Step Invitation for Bid related to the procurement of Energy Storage System Energy-Shifting and Grid Services.

The Commission hereby adopts the findings in the August 27, 2025 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.
2. GPA is authorized to issue a Multi-Step Invitation for Bid to procure Energy Storage System Energy-Shifting and Grid Services.
3. GPA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

SO ORDERED this 28th day of August, 2025.



JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ-CAMACHO
Commissioner

JOSEPH M. MCDONALD
Commissioner

MICHAEL A. PANGELINAN
Commissioner

PETER MONTINOLA
Commissioner

DORIS FLORES BROOKS
Commissioner

P253039.JRA

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GPA DOCKET 25-16

THE PETITION OF THE GUAM
POWER AUTHORITY TO APPROVE
PHASE IV RENEWABLE
ACQUISITION AWARD TO PRU
TAMUNING LLC, PRU MALOJLOJ
LLC, PRU PULANTAT LLC, AND PRU
BARRIGADA LLC FOR UP TO 18.4MW
OF RENEWABLE ENERGY CAPACITY)

ORDER



INTRODUCTION

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Power Authority's ["GPA"] Petition to Approve Phase IV Renewable Energy Acquisition Award to PRU Tamuning LLC ["PRU Tamuning"], PRU Malojloj LLC ["PRU Malojloj"], PRU Pulantat LLC ["PRU Pulantat"], and PRU Barrigada LLC ["PRU Barrigada"] for up to 18.4 MW of Renewable Energy Capacity.¹
2. To accomplish its Phase IV Renewable Energy Acquisition plans, GPA issued GPA-IFB-012-23 (300,000,000-530,000,000 KWh of Renewable Energy) ["IFB"] and GPA received several bids in response to the solicitation, and one of the bids was from the Pacific Energy Corp. & Landscape Management Systems Consortium ["PEC & LMS"] for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects.²
3. GPA requests that the PUC approve a partial award for the IFB to PEC & LMS for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects. The partial award is in the form of four Renewable Power Purchase Agreements ["REPA"], one agreement each for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects. The REPA's are for a term of twenty-five years with an option for five additional years, they are estimated to cost \$40,032,517.34 for PRU Harmon, \$40,378,940.47 for PRU Malojloj, \$36,681,473.58 for

¹ GPA Petition to Approve Phase IV Renewable Energy Acquisition Award to PRU Tamuning, PRU Malojloj, PRU Pulantat, and PRU Barrigada for up to 18.4 MW of Renewable Energy Capacity, GPA Docket 25-16, dated August 7, 2025 [GPA Petition].

² GPA Petition at 8-9. NOTE: The page numbers in GPA's Petition and its exhibits are not continuous and the page numbers cited herein refer to the page number of the PDF version of the Petition which is continuous.

PRU Pulantat, and \$40,403,112.70 for PRU Barrigada for a total of \$157,496,044.09 for the REPAs' base term of twenty-five years.³

BACKGROUND

4. In GPA Docket 22-08, the PUC conditionally approved GPA's 2022 Integrated Resource Plan [IRP].⁴ The IRP GPA's plan to initiate procurement for renewable energy contracts for additional annual 300,000 MWH by 2025 and another 300,000 MWH by 2029 to achieve 50% Renewables by 2030.⁵ The IRP's goal was to have 188 MW of renewable capacity by December 31, 2029 for a low load forecast scenario or 220 MW of renewable capacity by December 31, 2029 for a high load forecast scenario.⁶
5. In December, 2022, GPA issued the IFB for 300 to 500 million kWh of renewable energy in its Phase IV procurement for utility scale renewables and GPA opened the eleven bids submitted in response to the IFB in December, 2023.⁷ PEC & LMS submitted four of those bids for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects.⁸ These projects are for the construction of four 4.6 MWAC capacity solar facilities to be constructed in Tamuning, Malojloj, Pulantat, and Barrigada and for their operation for a term of 25 years with a 5 year option to renew.⁹
6. On August 4, 2025, the Guam Consolidated Commission on Utilities ["CCU"] issued CCU Resolution No. 2025-22 authorizing GPA's management to petition the PUC for approval to award the REPA contracts to PEC & LMS for the PRU Tamuning, Malojloj, Pulantat, and Barrigada projects.¹⁰

³ Id., at 14-17 NOTE: The annual price per Megawatt Hour (MWH) was multiplied by the Guaranteed Net Annual Generation (MWH/YR) for each year of each REPA to obtain these numbers.

⁴ Order dated May 26, 2022 in GPA Docket 22-08 at 3.

⁵ GPA Petition dated January 31, 2022 in GPA Docket 22-08 at 4.

⁶ Id., at 8.

⁷ Petition at 1.

⁸ Id., at 13.

⁹ Id., 1 and 13.

¹⁰ Id., at 11.

7. On August 22, 2025, PUC Legal Counsel issued his report recommending that the PUC approve the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects.

DETERMINATIONS

8. GPA must obtain the PUC's approval for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects. GPA's Contract Review Protocol requires that the PUC must review any contract or obligation which exceeds \$1,500,000.¹¹ Here, as set forth above, the REPA's are estimated to cost \$40,032,517.34 for PRU Harmon, \$40,378,940.47 for PRU Malojloj, \$36,681,473.58 for PRU Pulantat, and \$40,403,112.70 for PRU Barrigada for a total of \$157,496,044.09 for the REPAs' base term of twenty-five years. Thus, GPA must obtain the PUC's authorization for the REPAs because they, individually and collectively, exceed the \$1,500,000 review amount.
9. The REPAs' \$157,496,044.09 cost, if they provide the Annual Net Generation amount for the twenty-five year base term, is reasonable. The IFB set a bid price cap of \$0.179/kWh which includes about \$0.07/kWh for energy - shifting batteries and PEC & LMS' bids for the PRU Tamuning, Malojloj, Pulantat, and Barrigada projects were all within this price cap.¹² The REPAs also contain a 1% annual escalation in their annual prices for the twenty-five year base period, which is 1.7% less than the current U.S. annual inflation rate of 2.7%.¹³ A comparison of the annual price per MWH for the REPAs to the REPA for the KEPCO - EWP-Samsung C&T Consortium solar farm project, also a Phase IV renewable energy project GPA awarded from the IFB, indicates only *di minimus* differences between those annual prices.¹⁴ The REPAs will increase GPA's annual LEAC costs by \$6,299,841.76, on average, for each year of the twenty-five year base term (\$157,496,044.09 Total Cost / 25 Years = \$6,299,841.76 Average Annual LEAC Cost). However, this cost will likely be reduced or neutralized by the reduction of GPA's existing fuel oil costs

¹¹ Order dated February 15, 2007, GPA Administrative Docket at paragraph 1.

¹² GPA Petition at 8.

¹³ *Id.*, at 9 and U.S. Inflation Calculator at <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>.

¹⁴ *Id.*, at 14-17 and Petition dated September 11, 2024 in GPA Docket 24-25 at 13.

caused by using renewable energy from the REPAs at issue here. Generally, the price of oil would have to rise to approximately \$131.25 per barrel for the annual cost of the REPAs at issue here to have a neutral effect on the LEAC ($\$6,299,841.76$ Average Annual LEAC Cost / 48,000 barrels of fuel oil = \$131.25 cost per barrel of fuel oil). GPA currently imports three million barrels of fuel oil annually.¹⁵ GPA states that if all the Phase IV renewable projects are implemented, inclusive of the REPAs at issue here, it would reduce GPA's fuel oil consumption by 800,000 barrels annually.¹⁶ The REPAs at issue constitute approximately 6% of the Phase IV Projects ($18.4 \text{ MWac} / 332.4 \text{ total Phase IV MWac} = .06$) and this would equate to the REPAs at issue here being attributed 6% of the reduction of 800,000 barrels of fuel or 48,000 barrels of fuel oil ($800,000 \text{ barrels of fuel oil} \times 6\% = 48,000 \text{ barrels of fuel oil}$). GPA does not state which of its types of fuel its estimate is based on but if applied to the Residual Fuel Oil [RFO] & Ultra Low Sulfur Fuel Oil [ULSFO] which is currently forecast to cost GPA a high of \$110.40 per barrel up to January 31, 2026, then the implementation of the REPAs at issue here would result in a reduction in the annual LEAC of \$5,299,200 ($48,000 \text{ barrels} \times \$110.40 \text{ per barrel of RFO \& ULSFO} = \$5,299,200$) reducing the annual LEAC costs of the REPAs at issue here to \$1,000,641.76 ($\$6,299,841 \text{ Annual Average LEAC Cost of REPAs} - \$5,299,200 \text{ reduction of 48,000 barrels of RFO \& ULSFO} = \$1,000,641.76$).¹⁷ Although the REPAs may increase the LEAC costs when the cost of RFO & ULSFO is less than \$131.25 per barrel in the short-term, such cost increases will likely be off-set in the long-term. For example, GPA states that the price of a barrel of unspecified oil may rise to \$200 per barrel due to geopolitical tension in our region caused by China and North Korea.¹⁸ If this price increase to \$200 a barrel for RFO & ULSFO occurs during the twenty-five year base term of the REPAs, then the overall annual LEAC costs will be reduced by \$3,300,159 ($\$9,600,000 (48,000 \text{ barrels of RFO \& ULSFO at } \$200 \text{ per barrel}) - \$6,299,841 \text{ Annual Average LEAC Cost of REPAs} = \$3,300,159 \text{ LEAC Cost Reduction}$). Finally, the four REPAs were reviewed and they contain identical terms regarding Representations and Warranties, Performance Requirements and Approvals, Events of Default and Remedies, Payment and Netting, and Interconnection and said terms are commercially reasonable. The

¹⁵ GPA Petition at 5.

¹⁶ Id.

¹⁷ \$110.40 per barrel cost of RFO & ULSFO derived from Marianas Consulting Group, LLC Report dated June 17, 2025 in GPA Docket 25-13 at 4.

¹⁸ GPA Petition at 5.

REPAs are not signed by the Parties but are based on a prior contract that was approved by the Guam Office of the Attorney General. Based on the foregoing, the annual cost per MWH, the 1% escalation rate for the REPAs over the twenty-five year base term, and the contract provisions are reasonable.

10. The PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects are prudent. As shown above, the LEAC cost savings when the price of oil rises above \$131.25 per barrel serve as an important hedge against rapid or prolonged increases in the price of oil. Additionally, these projects will add 18.4 MWac capacity to the Island Wide Power System which should mitigate the forecasted 100MW increase in the demand for energy by 2033 caused by the military build-up.¹⁹ Accordingly, the projects are prudent.
11. The PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects are necessary. Guam P.L. 29-62 mandates GPA's use of 50% renewable energy by 2035. If GPA all its Phase IV renewable energy projects inclusive of the 18.4 MWac from the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects, it will reach 39% renewable energy by 2028 which is just 11% under the 50% requirement GPA will have to meet by 2035. Therefore, to comply with P.L. 29-62 mandate of 50% renewable energy by 2035, the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects are necessary.
12. Based on the foregoing, the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects are reasonable, prudent, and necessary.

ORDERING PROVISIONS

After review of the record herein, GPA's Petition to Approve Phase IV Renewable Energy Acquisition Award to PRU Tamuning, PRU Malojloj, PRU Pulantat LLC, and PRU Barrigada for up to 18.4 MW of Renewable Energy Capacity, and the PUC Legal Counsel Report, and for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

¹⁹ Id., at 3.

1. GPA's partial IFB award to PEC & LMS for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects, and the respective REPAs for each project are hereby conditionally approved and GPA is authorized to proceed with the finalization of the REPAs.
2. GPA shall submit the final drafts of the REPAs that GPA and PEC & LMS for the PRU Tamuning, Malojloj, Pulantat, and Barrigada renewable energy projects to the PUC. Upon certification by the PUC Legal Counsel that the Final REPAs do not contain material changes from the draft REPAs submitted with GPA's Petition in this matter, the PUC's approval shall be final.
3. 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 the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

///

///

///

///

///

///

///

///

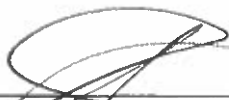
///

Order
GPA's Petition to Approve Phase IV
Renewable Acquisition Award to PRU
Tamuning LLC, PRU Majojloj LLC,
PRU Pulantat LLC, and PRU Barrigada
LLC for up to 18.4MW of Renewable
Energy Capacity
GPA Docket 25-16
August 28, 2025


Dated this 28th day of August, 2025.




Jeffrey C. Johnson
Chairman




Rowena E. Perez-Camacho
Commissioner



Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner



Doris Flores Brooks
Commissioner

Peter Montinola
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

PETITION OF THE GUAM POWER
AUTHORITY TO APPROVE THE
EXTENSION OF CABRAS 1 & 2
PERFORMANCE MANAGEMENT
CONTRACT UNTIL JANUARY 31, 2026

GPA DOCKET 25-17

ORDER



INTRODUCTION

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Power Authority's ["GPA"] Petition to Extend the Performance Management Contract for Cabras 1 and 2 [PMC] to January 31, 2026.¹
2. The Optional, and final, two (2) year terms of the PMC will expire on September 30, 2025.²
3. GPA requests that the PUC approve GPA's extension of the PMC's for an additional four (4) months to expire on January 31, 2026 that has a Fixed Management Fee in the amount of \$1,026,091 and reimbursable O&M expenses in the amount of \$400,000, for a total of \$1,426,091 for the four (4) month extension.³

BACKGROUND

4. Taiwan Electrical & Mechanical Services, Inc. [TEMES] has had the PMC for Cabras 1 and 2 since October 1, 2020 and its initial three (3) year term expired on September 30, 2023. The PMC had two (2) one (1) year options to renew which GPA has exercised and which will expire on September 30, 2025.⁴
5. GPA's consent decree with the U.S. Environmental Protection Agency permits GPA to operate Cabras 1 & 2 until six (6) months after GPA's new Ukudo Power Plant achieves its commercial operation date (COD). The Ukudo Power Plant is currently

¹ GPA Petition to Extend the Performance Management Contract for Cabras 1 and 2 to January 31, 2026, GPA Docket 25-17, dated August 8, 2025 [GPA Petition].

² GPA Petition at 5. NOTE: The page numbers in GPA's Petition and its exhibits are not continuous and the page numbers cited herein refer to the page number of the PDF version of the Petition which is continuous.

³ Id., at 5-6.

⁴ Id., at 1-2.

scheduled to achieve COD on September 30, 2025 and the consent decree authority will permit GPA to operate Cabras 1 & 2 until March 31, 2026.⁵

6. GPA and TEMES negotiated a four (4) month extension of the PMC to January 31, 2026 that has a Fixed Management Fee in the amount of \$1,026,091 and reimbursable O&M expenses in the amount of \$400,000, for a total of \$1,426,091 for the four (4) month extension.⁶
7. On July 29, 2025, the Guam Consolidated Commission on Utilities ["CCU"] issued CCU Resolution No. 2025-21 authorizing GPA's management to exercise the four (4) month extension of the PMC and its \$1,426,091 cost subject to the PUC's approval.⁷
8. On August 22, 2025 PUC Legal Counsel issued his report recommending that the PUC grant GPA's request that the PUC approve GPA's four (4) month extension of the Cabras 1 & 2 PMC for the total estimated cost of \$1,426,091.

DETERMINATIONS

9. GPA must obtain the PUC's approval to exercise the two (2) one (1) year extensions of the PMC contract. GPA's Contract Review Protocol states that for multi-year procurements with fixed terms and variable annual costs, GPA shall seek PUC approval of the procurement if the aggregate cost estimate for the entire term of the procurement exceeds its \$1,500,000 review threshold.⁸ Here, the \$8,114,382 cost of the two year optional extensions that were previously approved by the PUC will be increased by \$1,426,091 with the four month extension for a total amount of \$9,540,473 which exceeds the \$1,500,000 review threshold. Therefore, GPA must obtain the PUC's approval to exercise the four month PMC extension.
10. The \$1,426,091 cost of the four (4) month PMC extension is reasonable. The current average monthly cost of the PMC is \$343,601.67 and the average monthly cost of the four (4) month extension is 5% higher at \$362,512.75.⁹ The 5% increase in

⁵ Id., at 2.

⁶ Id., at 6.

⁷ Id.

⁸ PUC Order, Administrative Docket, Contract Review Protocol for GPA, at page 2.

⁹ GPA Petition at 3 and 5.

the monthly cost is justified because the Cabras 1 and 2 units are antiquated, they are being used far beyond their expected life span, and they require great repair, maintenance and upkeep for their operation. Therefore, the four (4) month extension cost is reasonable.

11. The four (4) month PMC extension is prudent. The PUC has previously found that PMCs for Cabras 1 and 2 have improved the operational efficiency, reliability, and cost savings of those power plants.¹⁰ Additionally, the continued operation of Cabras 1 and 2 during the four (4) months extension period will use up GPA's remaining supply of Low Sulfur Fuel Oil which is only used by Cabras 1 & 2.¹¹ Hence, the four (4) month extension of the PMC is prudent.
12. The four (4) extension of the PMC is necessary. GPA currently only has two baseload power plants and Cabras 1 & 2 are one of these baseload plants. If GPA does not exercise the four (4) month extension, Cabras 1 and 2 will not remain online after September 30, 2025 and this would potentially cause a great disruption in GPA's ability to operate the island-wide power system if the COD of the new Ukudo Power Plant is delayed after September 30, 2025.
13. Based on the foregoing, GPA's four (4) month contract extension with TEMES for the Cabras 1 & 2 PMC and its \$1,426,091 cost are reasonable, prudent, and necessary, and the extension will prevent a great disruption in GPA's ability to operate the island-wide power system if the COD of the new Ukudo Power Plant is delayed after September 30, 2025.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, GPA's Petition to extend the PMC for Cabras 1&2, the Report of PUC Legal Counsel, and the record herein, for good cause shown, and on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

¹⁰ PUC Order dated September 15, 2010 in GPA Docket No. 10-4 at 1.

¹¹ GPA Petition at 2.

1. GPA's four (4) month extension of the Cabras 1 & 2 PMC for the total estimated cost of \$1,426,091 is approved.
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 §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

PUC Order
Petition of the Guam Power Authority
To Extend The Performance
Management Contract For Cabras 1 & 2
GPA Docket 25-17
August 28, 2025


Dated this 28th day of August, 2025.




Jeffrey C. Johnson
Chairman



Rowena E. Perez-Camacho
Commissioner



Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner



Doris Flores Brooks
Commissioner

Peter Montinola
Commissioner