

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)

GPA DOCKET 26-02)

THE PETITION OF THE GUAM
POWER AUTHORITY TO APPROVE
PHASE IV RENEWABLE
ACQUISITION AWARD TO PRG CTI
TANGUISSON LLC FOR UP TO 60 MW
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 PRG CTI Tanguisson LLC [Core Tech] for up to 60 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 Core Tech for a 60 MW Tanguisson renewable energy project.²
3. GPA requests that the PUC approve a partial award for the IFB to Core Tech for the 60 MW Tanguisson renewable energy project. The partial award is in the form of a Renewable Power Purchase Agreements ["REPA"]. The REPA's is for a term of twenty-five years with an option for five additional years, is estimated to cost \$548,689,641.38 for the REPA's base term of twenty-five years.³

¹ GPA Petition to Approve Phase IV Renewable Energy Acquisition Award to PRG CTI Tanguisson LLC for up to 60 MW of Renewable Energy Capacity , GPA Docket 26-02, dated October 10, 2025 [GPA Petition].

² GPA Petition at 2. 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 6 and 14. 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 the \$548,689,641.38 amount.

BACKGROUND

4. In GPA Docket 22-08, the PUC conditionally approved GPA's 2022 Integrated Resource Plan [IRP].⁴ The IRP stated 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 Core Tech submitted one of the bids for the 60 MW Tanguisson renewable energy project that would provide 60 MWAC of PV capacity and 30 MW MS/120MWh of Battery Energy Storage System Capacity.⁸ This project is for the construction of a solar facility in Tanguisson and for its operation for a base term of 25 years with a 5 year option to renew.⁹
6. On August 27, 2024, the Guam Consolidated Commission on Utilities ["CCU"] issued CCU Resolution No. 2024-29 authorizing GPA's management to petition the PUC for approval to award a REPA contract to Core Tech for the 60 MW Tanguisson renewable energy project.¹⁰
7. On October 24, 2025, PUC Legal Counsel issued his report recommending that the PUC approve the partial award for the IFB to Core Tech for the 60 MW Tanguisson solar facility project.

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 GPA Petition at 1-2.

⁸ Id., at 2.

⁹ Id., at 6.

¹⁰ Id., at 10.

DETERMINATIONS

8. GPA must obtain the PUC's approval for the 60 MW Tanguisson renewable energy project. 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 will cost \$548,689,641.38 for its base term of twenty-five years. Thus, GPA must obtain the PUC's authorization for the REPA because its cost exceeds the \$1,500,000 review amount.
9. The REPA's \$548,689,641.38 cost, if Core Tech provides 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 Core Tech's bid for the 60 MW Tanguisson project was within this price cap.¹² The REPA also contains a 1% annual escalation in its 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 Core Tech REPA 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 *de minimus* differences between those annual prices.¹⁴ The Core Tech REPA will increase GPA's annual LEAC costs by \$21,947,585.66, on average, for each year of the twenty-five year base term (\$548,689,641.38 Total Cost / 25 Years = \$21,947,585.66 Average Annual LEAC Cost). However, this cost will likely be reduced or neutralized by the reduction of GPA's existing fuel oil costs caused by using renewable energy from the Core Tech REPA. Generally, the price of oil would have to rise to approximately \$152.41 per barrel for the annual cost of the Core Tech REPA to have a neutral effect on the LEAC (\$21,947,585.66 Average Annual LEAC Cost / 144,000 barrels of fuel oil = \$152.41 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 Core Tech REPA, it would reduce GPA's fuel oil consumption by 800,000 barrels annually.¹⁶ The Core Tech REPA constitutes approximately 18% of the Phase IV Projects (60

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

¹² GPA Petition at 3.

¹³ *Id.*, at 14 and U.S. Inflation Calculator at <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>.

¹⁴ *Id.*, at 18 and Petition dated September 11, 2024 in GPA Docket 24-25 at 13.

¹⁵ GPA Petition at 5.

¹⁶ *Id.*

MWac / 332.4 total Phase IV MWac = .18) and this would equate to the Core Tech REPA being attributed 18% of the reduction of 800,000 barrels of fuel or 144,000 barrels of fuel oil (800,000 barrels of fuel oil x 18% = 144,000 barrels of fuel oil). GPA does not state which of its types of fuel its estimate is based on but if applied to Residual Fuel Oil [RFO] and Ultra-Low Sulphur 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 Core Tech REPA would result in a reduction in the annual LEAC of \$15,897,600 (144,000 barrels x \$110.40 per barrel of RFO & ULSFO = \$15,897,600) reducing the \$21,947,585.66 average annual LEAC cost of the Core Tech REPA to \$6,049,985.76 (\$21,947,585.66 Annual Average LEAC Cost of Core Tech REPA - \$15,897,600 reduction of 144,000 barrels of RFO & ULSFO = \$6,049,985.76).¹⁷ Although the Core Tech REPA may increase the LEAC costs when the cost of RFO & ULSFO is less than \$152.41 per barrel in the short-term, such cost increases will likely be off-set in the long-term. For example, GPA's analysis covers a scenario in which the cost of a barrel of Ultra Low Sulphur Diesel Fuel [ULSD] may rise to \$200 per barrel.¹⁸ If this price increase to \$200 occurs during the twenty-five year base term of the Core Tech REPA, then the overall annual LEAC costs will be reduced by \$6,852,414.34 (\$28,800,000 (144,000 barrels of ULSD at \$200 per barrel) - \$21,947,585.66 Annual Average LEAC Cost of Core Tech REPA = \$6,852,414.34 LEAC Cost Reduction). Finally, the Core Tech REPA was reviewed, and it contains 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 Core Tech REPA is not signed by the Parties but is 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 Core Tech REPA over the twenty-five-year base term, and the contract provisions are reasonable.

10. The Core Tech 60 MW Tanguisson solar facility project is prudent. As shown above, the LEAC cost savings when the price of oil rises above \$152.41 per barrel serve as an important hedge against rapid or prolonged increases in the price of oil. Additionally, these projects will add 60 MWac capacity to the Island Wide Power System which should mitigate the forecasted 100 MW increase in the demand for

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 37.

energy by 2033 caused by the military build-up.¹⁹ Accordingly, Core Tech project is prudent.

11. The Core Tech 60 MW Tanguisson solar facility project is necessary. Guam P.L. 29-62 mandates GPA's use of 50% renewable energy by 2035. If GPA constructs all its Phase IV renewable energy projects inclusive of the Core Tech's 60 MWac Tanguisson solar facility project, 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 Core Tech 60 MW Tanguisson solar facility project is necessary.
12. Based on the foregoing, the Core Tech 60 MW Tanguisson solar facility project is reasonable, prudent, and necessary.

ORDERING PROVISIONS

After a review of the record herein, GPA's Petition to Approve Phase IV Renewable Energy Acquisition Award to PRG CTI Tanguisson LLC for up to 60 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:

1. GPA's partial IFB award to PRG CTI Tanguisson LLC for up to 60 MW of Renewable Energy Capacity, and the REPA for that project are hereby conditionally approved and GPA is authorized to proceed with the finalization of the REPA.
2. GPA shall submit the final drafts of the REPA that GPA and Core Tech execute to the PUC. Upon certification by the PUC Legal Counsel that the Final REPA does not contain material changes from the draft REPA 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

¹⁹ Id., at 3.

Order
GPA's Petition to Approve Phase IV
Renewable Acquisition Award to
PRG CTI Tanguisson LLC for up to
60 MW of Renewable Energy Capacity
GPA Docket 26-02
October 30, 2025

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
PRG CTI Tanguisson LLC for up to
60 MW of Renewable Energy Capacity
GPA Docket 26-02
October 30, 2025

Dated this 30th day of October, 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