

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF: ) GPA Docket 26-06  
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Demand Side Management Initiatives. )  
) **ORDER**  
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**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission [“PUC”] for approval of funding for the expanded list of Demand Side Management (“DSM”) initiatives through the DSM funds held in the Energy Sense Account.<sup>1</sup>

**BACKGROUND**

The DSM program was created in 2014 through the cooperative efforts of the PUC and GPA. On July 31, 2014, the PUC ordered the ALJ to conduct proceedings and work collaboratively with GPA to develop a DSM Program.<sup>2</sup> On February 26, 2015, the PUC approved GPA’s plan to implement four DSM programs, including Central AC, Ductless AC, Washer, and Dryer.<sup>3</sup> On May 25, 2017, the PUC approved 10 additional DSM program initiatives which included Energy Audits, certain Commercial A/C initiatives, Commercial lighting, Water Heating and others.<sup>4</sup>

<sup>1</sup> GPA Petition to Approve the Funding of Expanded Demand Side Initiatives Through Energy Sense Account, GPA Docket 26-06, filed February 6, 2026.  
<sup>2</sup> PUC Order, GPA Docket 13-14, dated July 31, 2014.  
<sup>3</sup> PUC Order, GPA Docket 13-14 dated February 26, 2015.  
<sup>4</sup> PUC Order, GPA Docket 13-14, dated May 25 2017.

In the early years of the program, PUC and GPA reviewed various funding sources for the DSM Program, including bond funding and the Working Capital Account. In GPA Docket 20-05, the PUC approved the use of LEAC funding to pay for DSM programming through the Energy Sense Account. The PUC found that the DSM program was beneficial to the ratepayers of Guam in that it reduced energy consumption sourced from high-cost fuel or diesel oil.<sup>5</sup>

After further consideration, the Commission determined that the DSM program should be funded by the ratepayers. The most appropriate funding mechanism available to the PUC for the DSM was LEAC.<sup>6</sup> Funding through LEAC was established in the amount of \$1.5M for each 6-month LEAC period, with a per kilowatt charge of \$0.003 on all meters read on or after July 1, 2020.<sup>7</sup> True-Ups of the LEAC funding were to be conducted by GPA. Requests for LEAC funding would be subject to approval by the PUC in each LEAC proceeding. GPA was required to place all funds obtained for DSM from LEAC in the Energy Sense account.<sup>8</sup>

In GPA Resolution No. FY2026-10, the Consolidated Commission on Utilities requested that the PUC approve authorization for GPA to use DSM funds for eleven additional Energy Sense programs and supporting infrastructure.<sup>9</sup>

The ALJ filed his Report in this Docket on March 16, 2026.<sup>10</sup> The Commission adopts the recommendations and conclusions in the Report.

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<sup>5</sup> PUC Order, GPA Docket 20-05, dated May 28, 2020, at p. 2.

<sup>6</sup> Id. at pgs. 3-4.

<sup>7</sup> Id. at pgs. 6-7.

<sup>8</sup> Id. at p. 9.

<sup>9</sup> CCU GPA Resolution No. FY2026-10, Relative to the Authorization of Demand Side Management (DSM) Funds for Approved Energy Sense Programs and Supporting Infrastructure, adopted and approved on January 27, 2026 and attached to the GPA Petition.

<sup>10</sup> ALJ Report, GPA Docket 26-06, dated May 16, 2026.

## **DETERMINATIONS**

### A. PUC Approval

The PUC's prior orders "require GPA to obtain prior approval to use DSM funds in the LEAC-Funded Energy Sense account to pay for new DSM program initiatives."<sup>11</sup>

### B. GPA's Proposal for DSM Initiatives

GPA is proposing 11 additional DSM initiatives for adoption and implementation. These include EV Managed Charging Services Pilot, Hot Water Controller 100 Unit Pilot, Home Area Network Services, New Online Home Energy Assessment, Commercial LED Expansion, Electrical Transient Analyzer Program, PV Design and Calculation Annual Software, Membership Subscription for Commercial Lighting, Generation Expansion Planning software (Hitachi), Home Energy Audit Tools, and LEAC DSM Savings report (UFS).<sup>12</sup>

Attachment A, which is Exhibit "1" to this Report, indicates each project initiative, the proposed costs for CY2026 and CY2027, and the justification for each project. The total combined costs for these projects for CY2026 and CY2027 are One Million Two Hundred and Ninety-Three Thousand Dollars (\$1,293,000.00).

### C. Funding for the Proposed DSM Initiatives

#### 1. The Current Status of the DSM Energy Sense Account

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<sup>11</sup> GPA Petition at p. 2.

<sup>12</sup> Attachment A-DSM Additional Budget, GPA Petition at GPA Resolution No. FY2026-10.

On February 4, 2024, Utility Financial Solutions LLC submitted its report to GPA titled "Demand Side Management Review."<sup>13</sup> As that time, there was a balance of \$5.3 million in the Energy Sense account.<sup>14</sup> Between June 1, 2020 and July 31, 2023, there was an over-collection of DSM funds from LEAC in the amount of \$2,421,399.<sup>15</sup> Based upon the UFS Report, GPA petitioned the PUC in GPA Docket 24-08 to reduce the DSM component of the LEAC to \$0.00 per kWh.<sup>16</sup> Since February 1, 2024, a period of over two years, the ratepayers have not been charged any additional amounts for the DSM program through LEAC.

The current balance for DSM funds in the Energy Sense account is \$1.8 million. These funds can be used in part to fund the initiatives proposed by GPA. At the present time, GPA does not propose any increase in the LEAC rate for DSM initiatives. The prior charge to ratepayers was \$0.003 per kWh, which generated over \$3 million annually. Approximately \$1.9 million was generated per 6-month LEAC period, which was more than the approved \$1.5 million per 6-month LEAC period.<sup>17</sup>

2. No Increase in DSM Budget for Additional Initiatives

GPA indicates that the amounts identified for the proposed eleven DSM initiatives for CY2026 and CY2027 will not require funds to be spent which are in addition to the \$3 million annual DSM budget previously authorized through LEAC.<sup>18</sup>

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<sup>13</sup> Utility Financial Solutions LLC, Guam Power Authority Demand Side Management Review, dated February 4, 2024.

<sup>14</sup> Id. at p. 6.

<sup>15</sup> Id. at p. 4.

<sup>16</sup> GPA Responses to PUC Request for Information at par. 4.

<sup>17</sup> Id. at par. 4.

<sup>18</sup> DSM Initiatives-GPA Responses to PUC Request for Information, GPA Docket 26-06, dated February 20, 2026, at p. 1.

If GPA proposes to reactivate the LEAC DSM charge, the DSM factor (\$/kWh, which is presently \$0.003), may be adjusted, as necessary and subject to Commission approval to maintain approximately \$3 million in annual DSM funding.<sup>19</sup> For FY2026, GPA's DSM rebate expenditures are projected at approximately \$80k per month. To sustain the DSM program operations beyond the current balance, collections through LEAC will need to resume. Any such resumption will be subject to full review and approval by the PUC.

D. GPA's Justifications for the proposed DSM Initiatives

1. The Additional Initiatives are a continuation and modernization of the existing DSM Program

In addition to the justifications provided in Attachment A for the 11 proposed initiatives, GPA has submitted a substantial number of materials justifying the new initiatives. GPA "wishes to expand the DSM offerings to include load shifting, controllable demand, improved forecasting of renewable generation, managed electrical vehicle charging, and analytical tools that shape and control energy consumption."<sup>20</sup> GPA's goal with these proposed initiatives is "establishing grid stability, resilience and affordability."<sup>21</sup>

The initiatives are not "new" initiatives, but a continuation and modernization of that established DSM portfolio."<sup>22</sup> Attached hereto as Exhibit "2" are GPA's explanations as to why each of the proposed 11 DSM Initiatives are a continuation of

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<sup>19</sup> GPA Responses to PUC Request for Information at par. 5.

<sup>20</sup> GPA Petition at p. 2.

<sup>21</sup> Id.

<sup>22</sup> GPA Responses to PUC Request for Information at par. 12.

the established DSM portfolio and fit into the established objectives and goals of the DSM program.<sup>23</sup> These initiatives are all part of a program for “demand response.”

Demand response refers to a range of programs intended to reduce energy consumption during specific times of the day, specific day types, and/or during system peak days. Demand response is achieved through “either incentivized behavioral changes or direct control of end uses and is typically enabled by real-time meter data and two-way, detailed data communications between the customer site and the utility. Common measures include direct load control, dynamic pricing, demand bidding/buyback programs, and dispatchable load shifting.”<sup>24</sup>

## 2. Specific Program Initiatives

### EV Managed Charging Services Pilot Program

In the EV Managed Charging Services Pilot program, GPA seeks, through managed charging, to use load control strategies and time-of-use price signals to shift EV charging away from system peak period, including charging during daytime solar hours. GPA has FlowEV to implement a pilot study to evaluate load management strategies, customer participation, and grid impacts.<sup>25</sup>

### Water Heater Controller 100 Unit Pilot (Aquanta)

This pilot program will allow GPA to treat each water heater “as a form of thermal energy storage, enabling the shifting of heating load to off-peak periods and times of higher renewable generation.” GPA has already issued a solicitation for this initiative (GPA-RFP-24-003) and has identified a sole-source vendor, pending funding approval by the PUC.<sup>26</sup>

### Home Area Network Devices (HAN)

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<sup>23</sup> Id.

<sup>24</sup> Leidos, Inc., Final DSM and EE Implementation Plan, dated December 19, 2014, at pgs. 2-12.

<sup>25</sup> See Exhibit 2 attached hereto (GPA Responses to PUC Request for Information at par. 12, 1.1)

<sup>26</sup> Id. at par. 12, 1.2.

These devices “interface with GPA’s advanced metering infrastructure and allow customers to access near real-time energy usage data.” This infrastructure enables load visibility, customer alerts, peak-time notifications, and potential integration with controllable and used technologies. This initiative will allow demand response deployment.<sup>27</sup>

#### New Online Home Energy Assessment Tool (NEX)

GPA plans to procure a new online energy audit platform to ensure continuity of digital audit services and uninterrupted access for customers seeking to evaluate energy efficiency improvements and participate in rebate programs. The online home energy assessment tool supports customer engagement, energy awareness, and participation in DSM programs.<sup>28</sup>

#### Commercial LED Expansion & Automation of Rebate Applications

The commercial LED rebate program has been an approved initiative under GPA Docket 13-14. Enhancing the online rebate platform and automating the verification processes improves administrative efficiency, reduces processing time, and lowers program overhead.<sup>29</sup>

#### Electrical Transient Analyzer Program (ETAP)

ETAP provides analytical capabilities to model grid impacts, assesses load-shifting strategies, and evaluates the system-level effects of DSM measures. The primary end user for ETAP will be the GPA Engineering department.<sup>30</sup>

#### PVsyst

This software supports system evaluation, performance validation, and production forecasting for distributed solar installations. PV modeling informs DSM planning and grid alignment. The software can also analyze customer-

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<sup>27</sup> Id. at par. 12, 1.3.

<sup>28</sup> Id. at par. 12, 2.1.

<sup>29</sup> Id. at par. 12, 2.2.

<sup>30</sup> Id. at par. 12, 2.3.

owned battery energy storage system incentives, enabling evaluation of solar-plus-storage configurations and their operational impact on the system. DSM funds will be used for future subscription renewals.<sup>31</sup>

#### DesignLights Consortium (DLC) Subscription

The DesignLights Consortium Qualified Products Lists provide an industry-recognized technical standard for high-efficiency commercial lighting products. Utility membership provides GPA with access to verify product listings, technical specifications, performance criteria updates, and program support resources. The subscription enables faster rebate processing through integration from the DLC product listing into GPA's DSM online portal. DSM funds will be used to cover future membership fees.<sup>32</sup>

#### Generation Expansion Planning Software (Hitachi)

This software enables comparative analysis of demand-side measures versus generation additions, quantifies avoided capacity impacts, and supports optimization of DSM within GPA's overall resource portfolio. GPA maintains a contract for this software and seeks authorization to fund future contract extensions through DSM funds.<sup>33</sup>

#### Home Energy Audit Tools

GPA already has a program of home energy audits. Calibrated diagnostic instruments and field measurement equipment are needed to evaluate building envelope performance, equipment operation, load profiles, and the development of accurate energy savings reports. GPA will procure necessary audit tools to support accurate field measurements and defensible savings calculations.<sup>34</sup>

#### LEAC DSM Savings Report

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<sup>31</sup> Id. at par. 12, 2.4.

<sup>32</sup> Id. at par. 12, 2.5.

<sup>33</sup> Id. at par. 12, 2.6.

<sup>34</sup> Id. at par. 12, 3.1.

The LEAC DSM Savings Report ensures that measured savings, fuel reductions, and program results are transparently documented and defensibly incorporated into regulatory filings. This Report will be conducted by GPA Consultant UFS.<sup>35</sup>

For each of the proposed initiatives, GPA has undertaken a considerable amount of work on documenting the validity and usefulness of such initiatives. GPA has submitted Exhibits F and Exhibit G concerning these proposed initiatives, which reflect detailed written analysis and recommendations.

#### E. Evaluation of the proposed initiatives

The ALJ believes that GPA has met its burden of justifying the adoption of the proposed initiatives. As an important consideration, the cost of the initiatives will not increase the overall DSM Budget. The total cost for the projects for CY2026 and CY2027 is \$1,293,000.

GPA has established that payment for these initiatives can be covered within the existing LEAC budget of \$3M per year for DSM. Collection of the yearly amount of \$3M may have to be continued to fund the DSM program. However, the expense for the LEAC Budget has already been well established in PUC regulatory practice and will not be increased because of these initiatives. When GPA seeks to recommence the collection of funds from LEAC for DSM, any such request will be subject to the full review and approval of the PUC.

The proposed DSM initiatives are fully supported by GPA consultant analysis and prior directed Commission planning documents, such as the Final DSM and EE

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<sup>35</sup> Id. at par. 12, 4.1.

Implementation Plan and the Energy Sense Program plan. Several of the initiatives such as HAN devices, online assessment tools, and rebate portal automation are operational implementations of the program categories previously identified in the DSM program. These are not new programs, but are based on program categories previously identified in the Plans. These are modernization, technology upgrades, or pilot-scaled deployment of program types that were previously evaluated and contemplated within the DSM portfolio framework. From a due diligence standpoint, GPA has performed internal technical and operational evaluation of the proposed initiatives. These initiatives will greatly improve the existing DSM program and are reasonable, prudent, and necessary.

### ORDERING PROVISIONS

After review of the record herein, including GPA Petition to Approve the Funding of Expanded Demand Side Initiatives through Energy Sense Account and the ALJ Report, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The 11 proposed initiatives for the DSM program are approved.
2. Should GPA choose to reactivate the \$1.5M DSM funding for each six-month LEAC period, GPA must obtain the prior approval of the PUC. The DSM factor of \$0.003 per kWh DSM component must be evaluated by the PUC and a determination made as to whether that factor should be changed and possibly reduced.

3. When the collection of DSM funding from LEAC is recommenced, GPA shall thereafter comply with the Reporting Requirements of the PUC Order in GPA Docket 20-05. GPA shall file a true-up report with each LEAC filing thereafter. The following requirements of provision 4 of the Ordering Provisions in the Order in GPA Docket 20-05 must be satisfied:

GPA's "true-up" report will indicate the total amount of funds collected in the prior LEAC period for DSM, and the extent to which such amount was an over or under recovery of the \$1.5M. Each GPA report for each LEAC period will include a complete accounting of all amounts expended by GPA during the prior LEAC period for DSM, including rebates, program costs, and every expenditure of every nature. The report will include estimated fuel savings during the prior LEAC period resulting from the program. The Report will also state the projected price per kWh to arrive at the funding amount of \$1.5M for the LEAC period.

4. 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 §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

**[SIGNATURES TO FOLLOW ON NEXT PAGE]**

**SO ORDERED** this 26<sup>th</sup> day of March, 2026.

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Jeffrey C. Johnson  
**Chairman**



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Peter Montinola  
**Commissioner**



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Doris Flores Brooks  
**Commissioner**



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Joseph M. McDonald  
**Commissioner**



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Michael A. Pangelinan  
**Commissioner**