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9 *Counsel for Guam Power Authority*

10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 **IN THE MATTER OF:**) **GPA DOCKET NO. 26-10**
12)
13 **AMENDMENT TO UKUDU POWER) PETITION OF THE GUAM POWER**
14 **PLANT ENERGY CONVERSION) AUTHORITY TO AMEND THE UKUDU**
15 **AGREEMENT) POWER PLANT ENERGY CONVERSION**
16) **AGREEMENT TO PERMIT GPA TO PAY**
17) **FOR ADDITIONAL TESTING**
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23 The Guam Power Authority (GPA) hereby petitions the Public Utilities Commission of
24 Guam (PUC) to review and approve GPA’s request to amend the Energy Conversion Agreement
25 (ECA) between GPA and Guam Ukudu Power LLC (GUP) to allow GPA to pay for additional
26 pre-commissioning testing resulting in additional energy support services from the Ukudu Power
27 Plant (Ukudu). In support of the petition, GPA has attached the Consolidated Commission on
28 Utilities’ (CCU) Resolution No. FY2026-09 (Mar. 30, 2026), authorizing GPA to seek the
29 PUC’s approval to amend the ECA to pay for energy support. *See* Ex. A. This project is funded
30 through the Levelized Energy Adjustment Clause (LEAC).

31 **I. Background**

32 GPA entered into an ECA with GUP in November 2019. The ECA has been amended
and restated several times, mostly recently on May 30, 2025, in Amendment No. 1 to the Third

1 Amended and Restated ECA. *See* GPA Dkt No. 25-12. The current iteration of the ECA
2 provides in article 3.2.2:

3 Section 7.1 and Schedule 4 notwithstanding, prior to the Commercial Operation
4 Date, GPA will make all reasonable efforts to accept all the energy generated
5 and shall pay for such energy delivered to GPA during Testing and
6 Commissioning on terms mutually agreed upon by the Parties that provide a
7 benefit to ratepayers. The Parties agree to increase the daily Testing hours and
8 GPA shall pay the costs associated therewith and for any energy produced from
9 the additional Testing hours in accordance with the terms set forth in
10 Schedule 3-1.

11 Amendment No. 1 provided for energy support during peak hours during the period
12 from May 30 to September 6, 2025. Schedule 3-1, using rates in the ECA, set out the formulas
13 for calculating the payments for fixed and variable operations and maintenance charges
14 (FOMC, VOMC). At GUP's request, GPA agreed to pay the FOMC directly to GUP's
15 Engineering, Procurement, and Construction (EPC) contractor, Doosan Ukudu Power LLC
16 (Doosan). Calculations were based on actual energy supplied, according to figures provided to
17 GPA by GUP.
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19 On June 10, 2025, shortly after Amendment No. 1 took effect, Ukudu's steam turbine
20 generator experienced vibrations, causing damage to the rotor which necessitated repair work
21 at the manufacturer's factory overseas. By the time the rotor for the steam turbine generator
22 returned to Guam and was re-installed, the period for energy support under Amendment No. 1
23 was drawing to a close. As a result, GPA received very little benefit from the amendment
24 before it expired.
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26 Subsequently, on September 3, 2025, GUP notified GPA that one of the three gas
27 turbine generators was damaged and had to be shipped to the manufacturer's factory in Sweden
28 for repairs. Nevertheless, in the ensuing months, Ukudu remained capable of supplying energy
29 support to the grid with its two remaining gas turbine generators in combination with the newly
30 repaired and properly functioning steam turbine generator. GPA and GUP therefore entered
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1 into discussions to amend the ECA once again to permit GPA to pay for much-needed energy
2 support until Ukudu achieved commissioning.

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4 This time, however, despite GPA and GUP's best efforts, the parties could not reach an
5 agreement with direct payment to Doosan that was acceptable to Doosan. Finally, GUP
6 decided to dispense with the direct payment to Doosan under the ECA amendment for energy
7 support. This allowed GPA and GUP to agree to Amendment No. 2 to provide for energy
8 support by amending article 3.2.2 of the ECA to read as follows:
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11 Section 7.1 and Schedule 4 notwithstanding, prior to the Commercial Operation
12 Date, GPA will make all reasonable efforts to accept all the energy generated
13 and shall pay for such energy delivered to GPA during Testing and
14 Commissioning on terms mutually agreed upon by the Parties that provide a
15 benefit to ratepayers. The Parties agree to increase the daily Testing hours and
16 GPA shall pay the costs associated therewith and for any energy produced from
17 the Additional Testing Hours in accordance with the terms set forth in
18 Schedule 3-1 and, for the 75-day period from midnight on October 1, 2025, to
19 midnight on December 14, 2025, GPA shall pay GUP the sum of
20 \$6,148,441.00.

21 Ex. A (Amend. No. 2) at p. 5 of 6.

22 The lump-sum payment to GUP is calculated using the same formulas for FOMC and
23 VOMC as were used in Schedule 3-1 to Amendment No. 1, as well as actual energy supplied
24 by Ukudu during the relevant time period according to figures supplied by GUP, plus related
25 services. Because GPA has no contractual relationship with Doosan and was only making
26 direct payments to Doosan under the earlier amendment at the request of GUP, once GUP
27 withdrew its request for direct payments to Doosan, GPA had no reason to continue doing so.
28 As GUP's EPC contractor, Doosan can apply to GUP for what it believes to be its fair share of
29 the lump-sum payment.

30 The energy support provided during this time has enabled GPA to avoid unwelcome
31 load-shedding events due to overhaul and repairs at some plants and unscheduled outages at
32 others. It has also allowed GPA to reduce reliance on Cabras and other plants, which are less

1 fuel efficient than Ukudu and therefore more costly to run. The \$6.148 million cost of energy
2 support from Ukudu is more than offset by fuel savings from energy produced by the more
3 efficient new power plant.
4

5 At a continuation of its regular meeting on March 30, 2026, the CCU passed a
6 resolution approving the General Manager to enter into an agreement with GUP to pay for
7 \$6.148 million of additional test energy to be paid through the LEAC. Exhibit A contains the
8 draft ECA Amendment No. 2 agreed by the parties. The amendment allows GPA to pay for
9 additional testing with energy support and related services prior to the commercial operation
10 date.
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13 **II. Request for Approval**

14 The PUC's contract review protocol requires PUC authorization for all contracts in
15 excess of \$1.5 million. The estimated cost in this instance is approximately \$6.148 million to
16 be paid through LEAC, triggering the need for the PUC's review and approval. GPA hereby
17 petitions the PUC for its review and approval of ECA Amendment No. 2 to allow GPA to pay
18 \$6.148 million, through LEAC, for additional energy produced during Ukudu's pre-
19 commissioning test period.
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23 The amendment is reasonable because the cost is offset by fuel savings from using
24 energy produced by Ukudu, a much more efficient new power plant, compared with the cost of
25 running GPA's older plants. The amendment is necessary because GPA cannot pay for pre-
26 commissioning energy support services without it. The amendment is prudent because it has
27 allowed GPA to avoid load-shedding during a period of high demand.
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30 **III. Conclusion**

31 Based on the foregoing, GPA requests that the PUC approve GPA's request to amend
32 the ECA and allow GPA to purchase additional test energy during the pre-commissioning

1 period. Because it will save ratepayers money and help GPA avoid load shedding, this petition
2 is reasonable, necessary, and prudent.

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4 Respectfully submitted this 3rd day of April, 2026.

5 *Attorney for Guam Power Authority*

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8 By: _____
9 MARIANNE WOŁOSCHUK
10 GPA Legal Counsel



RESOLUTION NO. FY2026-09

**AUTHORIZING THE GUAM POWER AUTHORITY (GPA) TO AMEND THE
ENERGY CONVERSION AGREEMENT (ECA)
FOR ENERGY SERVICES AND OTHER ITEMS UNDER NEGOTIATION**

WHEREAS, in April 2025 and May 2025, the CCU authorized¹ the Guam Power Authority (GPA) to seek approval from the Public Utilities Commission (PUC) to amend the Energy Conversion Agreement (ECA) between GPA and Guam Ukudu Power (GUP) to allow GPA to purchase and receive additional Energy Support Services; and

WHEREAS, on May 29, 2025, the PUC approved GPA’s request to amend the ECA and to allow GPA to pay for additional pre-commissioning testing from May 30, 2025, to September 6, 2025; and

WHEREAS, GPA received some of the energy authorized by the Additional Support Agreement to support the Island Wide Power System, which reduced some load shedding events up to September 30, 2025, at which time, due to various issues, the Guam Ukudu Power Plant suspended pre-commissioning testing; and

WHEREAS, GUP has provided additional energy support services from October 1, 2025, to December 14, 2025, which is beyond the original 61 days of the Additional Energy Support Agreement; and

WHEREAS, GPA and GUP have agreed² to consider reasonable compensation for the additional pre-commissioning testing hours; and

WHEREAS, GUP and GPA have agreed that the additional charges amount to \$6,148,441.00; and

WHEREAS, in light of the charges for the additional hours, GPA respectfully requests to increase the limit for Additional Energy Services Agreement by \$6,148,441.00, subject to PUC approval; and

¹ GPA Resolution No. FY2025-16, adopted and approved on April 22, 2025, and GPA Resolution No. FY2025-18, adopted and approved on May 27, 2025.

² Letter from GPA to GUP, dated October 1, 2025, and Letter from GPA to GUP, dated December 17, 2025.

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WHEREAS, GPA further requests approval and authorization to issue Amendment No. 2 to the Third Amended and Restated ECA, detailing the terms for the extended additional testing hours, as set forth in Exhibit A; and

NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, as follows:

- 1. The General Manager of the Guam Power Authority is hereby authorized to seek approval from the PUC to increase the compensation for the Additional Energy Support Agreement by \$6,148,441.00.
- 2. The General Manager of the Guam Power Authority is hereby authorized to seek approval from the PUC to issue Amendment No. 2 to the Third Amended and Restated ECA, to extend the schedule and payment terms.


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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 30th DAY OF March, 2026.

Certified by:

Attested by:





FRANCIS E. SANTOS

MELVIN F. DUENAS

Chairperson

Secretary

Consolidated Commission on Utilities

Consolidated Commission on Utilities

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

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held

1 at a place properly noticed and advertised at which meeting a quorum was present and the
2 members who were present voted as follows:

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Ayes: 4
Nays: 0
Absent: 1
Abstain: 0



**AMENDMENT NO. 2 TO THIRD AMENDED AND RESTATED
ENERGY CONVERSION AGREEMENT**

This **Amendment No. 2 to Third Amended and Restated Energy Conversion Agreement** (hereinafter referred to as “Amendment”) is made and entered into and effective as of October 1, 2025, by and between the **GUAM POWER AUTHORITY** (“GPA”), whose address is Gloria B. Nelson Public Service Building, 688 Route 15 Fadian, Mangilao, Guam 96913, and **GUAM UKUDU POWER** (“GUP”), whose mailing address is 105 Inda Street, Suite 107, PMB 1053, Dededo, Guam 96929 (hereinafter referred to collectively as the “Parties” and each individually a “Party”).

RECITALS

WHEREAS, reference is made to that Energy Conversion Agreement, dated November 5, 2019, by and between GPA and GUP, as amended and restated by that Amended and Restated Energy Conversion Agreement dated March 17, 2021 and that certain letter agreement “re: Energy Conversion Agreement dated 5 November 2019” dated December 10, 2021, and further amended and restated by that Second Amended and Restated ECA dated September 30, 2022, and further amended and restated by the Third Amended and Restated ECA dated July 26, 2024, and further amended by Amendment No. 1 to Third Amended and Restated ECA dated May 30, 2025 (and as may be further amended, restated and/or modified from time to time, the “ECA”), wherein GUP shall, in accordance with the terms and conditions set forth in the ECA, develop, design, permit, finance, construct, test, commission, complete, own, insure, operate and maintain an electric power plant (the “Facility”) and a related BESS Facility (collectively with the Facility, the “Project Facilities”) on a build, own, operate and transfer basis to provide electric power capacity and net energy output to GPA (the “Project”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the ECA;

WHEREAS, the Required Commercial Operation Date (“RCOD”) of the Project Facilities was September 30, 2025;

WHEREAS, pursuant to Article 3.2.2 of the ECA, as amended in Amendment No.1 to Third Amended and Restated ECA, dated May 30, 2025, prior to the Commercial Operation Date, GPA is authorized to pay for energy delivered to GPA during Testing and Commissioning (“Test Energy”) during Additional Testing Hours during the period from May 30, 2025 through September 6, 2025 (“Initial Term”) as set forth in Schedule 3-1 of Amendment No. 1 to Third Amended and Restated ECA;

WHEREAS, due to technical issues, the Project Facilities were not commissioned by the RCOD and the Parties were unable to take full advantage of GPA’s authorization to pay for Test Energy during the Initial Term in Schedule 3-1;

WHEREAS, GUP began fully operating the Facility on December 25, 2025;

WHEREAS, in accordance with the terms and conditions set forth herein, the Parties desire to amend the ECA to allow GPA to purchase the Test Energy generated during the Additional Testing Hours, to set forth the terms for the purchase of power delivered to GPA during such Additional Testing Hours, and to set forth the terms for the payment of costs associated therewith;

NOW THEREFORE, GPA and GUP, in consideration of mutual covenants hereinafter set forth, do hereby **AGREE** to amend the ECA as follows:

SECTION 1. Article 3.2.2 of the ECA is hereby amended by restating and replacing it, in its entirety, with the following:

3.2.2 Test Energy

Section 7.1 and Schedule 4 notwithstanding, prior to the Commercial Operation Date, GPA will make all reasonable efforts to accept all the energy generated and shall pay for such energy delivered to GPA during Testing and Commissioning on terms mutually agreed upon by the Parties that provide a benefit to ratepayers. The Parties agree to increase the daily Testing hours and GPA shall pay the costs associated therewith and for any energy produced from the Additional Testing Hours in accordance with the terms set forth in Schedules 3-1 and, for the Additional Testing Hours for the 75-day period from midnight on October 1, 2025, to midnight on December 14, 2025, GPA shall pay GUP the sum of \$6,148,441.00.

SECTION 2. MISCELLANEOUS PROVISIONS.

A. **Governing Law.** This Amendment is made under and shall be interpreted, governed and construed in accordance with the laws of Guam and all applicable laws of the United States of America.

B. The provisions of Articles 22.1 through 22.4, 22.11 and 22.15 of the ECA shall apply to this Amendment to the same extent as if fully set forth in this Amendment *mutatis mutandis* and shall apply hereto.

C. **Effect on ECA.** Except as amended herein, the provisions, terms, and conditions of the ECA shall remain in full force and effect.

D. **PUC Approval.** GPA is required by law to obtain prior approval from the Guam Public Utilities Commission before entering into, extending, or amending contracts that could impact rates. This approval process is described in PUC's February 15, 2008 Order (Contract Review Protocol for Guam Power Authority), which is available for inspection. GPA certifies that it has complied with this requirement, if applicable, before entering into this Amendment.

E. **Approval by Lenders.** This Amendment is subject to approval by GUP's lenders.

F. **Counterparts.** This Amendment may be executed in more than one counterpart, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same instrument.

[Signature page follows]

IN WITNESS HEREOF, GPA and GUP have caused this Amendment No. 2 to Third Amended and Restated Energy Conversion Agreement to be executed as of the date set forth above.

GUAM POWER AUTHORITY

GUAM UKUDU POWER LLC

By: _____
JOHN M. BENAVENTE, P.E.
General Manager

By: _____
JAESUK HAN
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Marianne Woloschuk
GPA Legal Counsel