



Jerrick Hernandez <jhernandez@guamopa.com>

(no subject)

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Mon, Nov 13, 2023 at 4:59 PM

To: Jerrick Hernandez <jhernandez@guamopa.com>

Cc: Camarine Hopkins <camarine@camachotaitano.law>, Marianne Woloschuk <mwoloschuk@gpagwa.com>, John M Benavente <jbenavente@gpagwa.com>, Beatrice Limtiaco <tlimtiaco@gpagwa.com>, Jennifer G Sablan <jsablan@gpagwa.com>, jsdesoto@guamwaterworks.org, tgrojas@guamwaterworks.org

Hafa Adai OPA,

Please find the attached for electronic filing: **GPA's Motion for Confirmation of Substantial Interest and Supporting Declarations.**

Thank you,

Theresa

Interim GPA Counsel


*Theresa G. Rojas, Esq.**Legal Counsel**Guam Waterworks Authority**Ste 200, Gloria B. Nelson Public Service Building**688 Route 15**Mangilao, Guam 96913**Work (671) 300-6853**tgrojas@guamwaterworks.org*

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4 attachments

 **Motion_for_Substantial_Interest_Declaration_TGR.pdf**
138K

 **AGMA_TLimitiaco_Declaration_TGR_tpl SIGNED.pdf**
2094K

 **GM_Benavente_Declaration SIGNED.pdf**
152K

 **AGMO JSablan_Declaration_JSD signed.pdf**
1098K



Jerrick Hernandez <jhernandez@guamopa.com>

(no subject)

tgrojas@guamwaterworks.org <tgrojas@guamwaterworks.org>

Mon, Nov 13, 2023 at 5:13 PM

To: Jerrick Hernandez <jhernandez@guamopa.com>






Cc: Camarine Hopkins <camarine@camachotaitano.law>, Marianne Woloschuk <mwoloschuk@gpagwa.com>, John M Benavente <jbenavente@gpagwa.com>, Beatrice Limtiaco <tlimtiaco@gpagwa.com>, Jennifer G Sablan <jsablan@gpagwa.com>, jsdesoto@guamwaterworks.org, "Theresa G. Rojas" <tgrojas@guamwaterworks.org>

Hafa Adai OPA,

Apologies, inadvertently the GM's Exhibit A letter was not with the attached Declaration. Please accept this change in our filing adding the GM's letter here.

[Quoted text hidden]

5 attachments

-  **AGMA_TLimitiaco_Declaration_TGR_tpl SIGNED.pdf**
2094K
-  **GM_Benavente_Declaration SIGNED.pdf**
152K
-  **AGMO JSablan_Declaration_JSD signed.pdf**
1098K
-  **Motion_for_Substantial_Interest_Declaration_TGR (002).pdf**
214K
-  **Transmittal Letter to OPA_OPA-PA023-004 SIGNED.pdf**
1024K

1 **THERESA G. ROJAS, ESQ.**
2 Interim Counsel
3 Guam Power Authority
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9 *Attorney for Guam Power Authority*

10 **BEFORE THE OFFICE OF PUBLIC ACCOUNTABILITY**
11 **PROCUREMENT APPEAL**

12 **In the Appeal of:**

13 **DOOIK ENG., LTD.,**

14
15 Appellant.

16 } **Appeal Case No. OPA-PA-23-004**

17 } **MOTION FOR CONFIRMATION OF**
18 } **SUBSTANTIAL INTEREST**

19 **COMES NOW**, Purchasing Agency the GUAM POWER AUTHORITY (“GPA”), by
20 and through its Interim Counsel THERESA G. ROJAS, ESQ, and hereby moves the OPA to
21 confirm the substantial interests of GPA-023-023 to the Territory to lift the stay on the referenced
22 procurement pursuant to 5 G.C.A. 5425(g). In support of this Motion, attached are GPA’s
23 statutory Declarations of Substantial Interest. All Declaration attached herein support the instant
24 Motion. Concurrently, this Motion is also sent to the Office of the Attorney General for the
25 Attorney General’s statutory approval and concurrence.

26
27 Respectfully submitted this 13th day of November, 2023.

28 *Purchasing Agency*
29 *Guam Power Authority*

30
31 By: 

32 **THERESA G. ROJAS, ESQ.**
Interim Counsel



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUÂHAN
P.O.BOX 2977 • HAGÁTÑA, GUAM U.S.A. 96932-2977

November 13, 2023

Honorable Benjamin J.F. Cruz
Public Auditor of Guam
Office of Public Accountability
Suite 401, DNA Building
238 Archbishop Flores St.
Hagatna, Guam 96910

Subject: Declaration of Substantial Interest Declaration, OPA-PA-23-004 re GPA Multi-Step Bid GPA-023-23

Dear Public Auditor,

The Guam Power Authority was created in 1968 as public corporation and autonomous instrumentality of the Government of Guam. Since that time, GPA has maintained and expanded the island wide power system in Guam and as of 2023, more renewable energy plants have been constructed and are in the planning phases AND the construction of Guam's newest and needed 198MW Ukudu power plant was underway. The authority has 435.2 megawatts (MW) of generation capacity in Guam, over 1,800 miles of transmission and distribution lines, and operates and maintains 33 substations.

GPA is the sole provider for electrical services on Guam to residential, commercial, GovGuam, and military customers. GPA sells power to the United States Navy under a Utility Service Contract and ensures the most critical and all government agencies of the Territory to include the Guam Waterworks Authority, the Guam Memorial Hospital Authority, the Port Authority of Guam, the Guam International Airport Authority, the Guam Police Department, and the Guam Department of Education, all receive power.

Today, the GPA generation installed capacity of 435.2 MW has suffered due to damages sustained by Typhoon Mawar, needed operation and maintenance contracts stalled in procurement protests, and age.

Protest delays, COVID pandemic, permitting, and the recent typhoon Mawar have impacted the timely implementation of the Integration Resource Plan or Clean Energy Master Plan which address future generation requirements and the ability of GPA to provide service to our customers.

- The Ukudu Power Plant Energy Conversion Agreement was signed in November 2019, however air permitting would be impacted by the COVID pandemic delaying permits, financing and construction of the plant. GPA was required to extend the original commissioning date from October 2022 to April 2024.
- Two 30 MW Solar PV capacity renewable projects with full energy shifting capacity on leased Navy lands was cancelled as vendor was not able to commit to bid price nearly 3 years later due to protests which were finally resolved by a Superior Court ruling, with all appeals in GPA's favor. Commissioning of these projects would have been by end of 2023 if awarded in 2019. *GPA lost millions of dollars in fuel savings due the cancellation of the renewable project as well as access to Navy leased lands due to the lack of progress on the project.*

The projects above alone would have provided GPA a potential of 198 MW of new reliable capacity since October 2022 and an additional capacity of 60MW totaling 258MW of new generation to support GPA's peak loads by the end of 2023.

Unfortunately, this is not the case so GPA continues to procure renewable contracts, operation and maintenance contracts, and temporary power for additional energy production. A constructed and commissioned renewable

EX-A-001



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUĀHAN
P.O.BOX 2977 • HAGÁTÑA, GUAM U.S.A. 96932-2977

plant is not expected to be online for 3 years after contract award and the Ukudu Power Plant suffered significant damage which as further delayed the new plant's commissioning until potentially early 2026. New generation capacity, unless fast tracked and funded, will not be available sooner than 2026. GPA has launched several programs for energy conservation to manage customer growth and efficient use of power consumption.

Due to a reduced generation capacity, the continuous operations on most generating units now have caused a derated capacity or have been shut down due to needed major emergency repairs and maintenance. These repairs take the generating units offline while repairs are underway and when units are offline GPA has a resulting reduced operating capacity. At times the operating capacity can drop to 221.4 MW. The 221.4 MW is far below customer demand which results in rotating load shedding when necessary. This has affected GPA's ability to serve our residential customers, the government, and our commercial ratepayers affecting all facets of life, health, and the economy of the Territory.

All existing GPA generating units are critical in order to serve customer loads until new reliable capacity is available. This includes the 39 diesel generator units totaling over 40MW, now referred to as the Yigo Diesels units, which is at issue in this appeal. Additionally, the Yigo CT plant was damaged during the recent typhoon requiring the generator to be serviced in the U.S. mainland reducing GPA's operating capacity by 20 MW. The unit is not expected to be returned to service until early 2024 and repairs are being managed by the current PMC contractor for this plant.

The continued and extended operations of the plants, however, has impacted the condition of most units including the Yigo Diesel units which require overhauls and continuous preventive maintenance required with extended operations. This has been challenging without the required personnel and procurement award to keep up with maintenance parts and labor; which again is the core of GPA-023-023. Like other GPA plants, GPA looks towards Performance Management Contracts with management experience, technical skills and access to part suppliers and laborers to restore and maintain the capacity of the Yigo Diesel units.

GPA respectfully requests for your support in determining the PMC Yigo Diesel Generators GPA-023-23 is necessary without delay to protect the substantial interests in Guam. It is crucial to award the PMC for the Yigo Diesels to improve GPA's operating capacity and reliability. While GPA is working with customers to help reduce loads through conservation and is working with our large customers to help reduce load through interruptible load program, load growth expected and conservation will not be able to sustain all growth until the new power plant is commissioned. This includes military buildup and defense projects.

The increased capacity gained on the above-referenced procurement will allow for GPA to meet customer loads as well as provide the necessary reserve to support maintenance or emergency outages at other plants minimizing or avoiding load shedding.

Sincerely,

John M. Benavente, P.E.
General Manager

Attachment

cc: Jennifer G. Sablan, AGMO
Beatrice "Tricee" P. Limtiaco, AGMA

EX-A-002

1 **THERESA G. ROJAS, ESQ.**
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9 *Attorney for Guam Power Authority*

10 **BEFORE THE OFFICE OF PUBLIC ACCOUNTABILITY**
11 **PROCUREMENT APPEAL**

12 **In the Appeal of:**

13 **DOOIK ENG., LTD.,**

14
15 Appellant.

16 } **Appeal Case No. OPA-PA-23-004**

17 } **DECLARATION OF JOHN M.**
18 } **BENAVENTE, P.E. STATING GPA'S**
19 } **SUBSTANTIAL INTEREST**

20 I, JOHN M. BENAVENTE, P.E., declare:

21 1. I am the General Manager for the Purchasing Agency the
22 Guam Power Authority ("GPA").

23 2. I have personal knowledge of the following facts and, if called as a witness, I would
24 and could competently testify thereto.

25 3. Attached herewith as **Exhibit A** is a true and correct copy of GPA's Declaration and
26 Letter of Substantial Interest declaring Multi-Step Bid GPA-023-023 necessary without delay to
27 protect the substantial interests of the Territory.

28 *Purchasing Agency*
29 *Guam Power Authority*

30
31 By: 

32 **JOHN M. BENAVENTE, P.E.**
General Manager

1 **THERESA G. ROJAS, ESQ.**
2 Interim Counsel
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9 *Attorney for Guam Power Authority*

10 **BEFORE THE OFFICE OF PUBLIC ACCOUNTABILITY**
11 **PROCUREMENT APPEAL**

12 **In the Appeal of:**

} **Appeal Case No. OPA-PA-23-004**

13 **DOOIK ENG., LTD.,**

} **DECLARATION OF BEATRICE P.**
14 **LIMTIACO IN SUPPORT OF GPA'S**
15 **DECLARATION OF SUBSTANTIAL**
16 **INTEREST**

17 Appellant.

18 I, BEATRICE P. LIMTIACO, declare:

19 1. I am the Assistant General Manager of Administration for the Purchasing Agency the
20 Guam Power Authority ("GPA").

21 2. I have personal knowledge of the following facts and, if called as a witness, I would
22 and could competently testify thereto.

23 3. On November 8, 2023, I had a meeting with Senator William A. Parkinson to
24 to discuss the events contributing to ongoing load shedding.

25 4. During our meeting, we discussed the following facts:

- 26
- 27 a. The COVID-19 pandemic delayed the Ukudu power plant permitting and
28 manufacture of equipment and components by 19 months, requiring existing
29 power plants to continue operations beyond their respective forecasted
30 maintenance and capitalization.
31
32

- 1 b. Typhoon Mawar destroyed the nearly complete Ukudu power plant fuel and
2 water tanks, requiring the complete reconstruction of these tanks and further
3 delaying the power plant construction by an additional 18 months.
- 4 c. The Ukudu power plant was to be constructed and operable by October 2022,
5 then extended to April 2024 due to pandemic-caused delays, but the plant's
6 operation is now estimated to commence in January 2026.
- 7 d. This timeframe is a nearly 18-month delay and leaves GPA without the ability
8 to generate the 198 MW of power planned from the Ukudu plant.
- 9 e. GPA must rely on its current base load plants and all other sources of generation
10 to make up for the shortfalls.
- 11 f. Cabras 1 & 2, GPA's baseload plants are currently rated at 43MW and 35MW
12 respectively, are aging and were to be decommissioned by 2024 not extended.
- 13 g. At any moment, GPA's aging baseload plants can be taken offline for
14 emergency repairs.
- 15 h. These emergency repairs affect and reduce GPA's generation capacity affecting
16 its ability to meet peak power demands.
- 17 i. In May 2023, the 20MW Yigo combustion turbine (CT) plant was damaged by
18 Typhoon Mawar requiring a \$3M off-island repair to the rotor and reducing
19 overall generation capacity by 20MW.
- 20 j. Additionally, procurement protests and appeals to GPA's Phase III 40MW
21 renewable energy procurement with load-shifting batteries and procurement
22 protests to GPA's 40MW Yigo diesel generator performance management
23 contracts (PMC) further exacerbated and have effectively reduced the power
24 generation capacity attributing to island-wide load shedding.
- 25 k. All of above, now impact GPA's ability to generate enough power capacity
26 today and continually in the months and years ahead up to the date of Ukudu
27 plant's commissioning and accommodating required preventive maintenance
28 and emergency repairs of existing power plants.
- 29 l. Without enough power generation capacity to meet its customer demands at
30 their peak GPA must load-shed.
31

32 5. In our meeting and in order to provide immediate relief from the critical power

1 power shortage currently existing we further discussed draft legislation.

2 6. The draft legislation waives certain procurement government requirements to permit
3 GPA to proceed and expedite a bid to maintain, operate and overhaul all GPA generators to
4 include the Yigo Diesel Generators (the procurement at issue in this appeal) subject to the
5 approval of the Guam Public Utilities Commission.
6

7 7. Attached hereto as **Exhibit A** is a true and correct copy of the draft legislation
8 as amended and introduced by Senator William A. Parkinson, Chairperson to the 37th Guam
9 Legislature’s Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit,
10 Unemployment Insurance and Universal Health Insurance.
11

12 8. On November 10, 2023 the Senator Parkinson issued a media release: *Parkinson on*
13 *Load Shedding: “The madness needs to end.”*
14
15

16 9. The press release indicated that among the several reasons for the Bill, it would assist
17 GPA to “clear procurement hurdles” which have prevented “critical power generation from
18 coming online.”
19

20 10. The 40MW Yigo Diesel units were among the plants listed as needing maintenance,
21 overhauls, operation and maintenance to “stem the need for loadshedding,”
22

23 11. On November 12, 2023, the Guam Post ran an article on the media release. The article
24 was titled: *“To help end load shedding, Parkinson proposes waiving certain procurement laws.”*
25

26 12. Attached hereto as **Exhibit B and C** is a true and correct copy of the November 10,
27 2023, media release and the November 12, 2023 Guam Post article.
28

29 13. Exhibits B and C accurately reflect all facts, as I discussed, to GPA’s power
30 generation.
31
32

1 I declare under penalty of perjury under the laws of Guam that the foregoing is true and
2 correct.

3
4
5 Executed this 13th day of November, 2023, at Mangilao, Guam.

6
7
8 *Purchasing Agency*
9 *Guam Power Authority*

10
11 By: 
12 **BEATRICE P. LIMTIACO**
13 *Assistant General Manager of Administration*


I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
201-37 (COR)	William A. Parkinson	AN ACT TO ADD A NEW § 8113.15 TO CHAPTER 8 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING MAINTENANCE, OPERATION AND OVERHAUL OF DIESEL GENERATORS.	11/8/23 4:24 p.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 201-37 (COR)

Introduced by:

William A. Parkinson 

**AN ACT TO *ADD* A NEW § 8113.15 TO CHAPTER 8 OF
TITLE 12 OF THE GUAM CODE ANNOTATED,
RELATIVE TO PROVIDING MAINTENANCE,
OPERATION AND OVERHAUL OF DIESEL
GENERATORS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the Guam Power Authority (“GPA”) is aggressively transitioning to clean and
4 renewable power generation sources. Key components of the clean energy transition
5 are the 198 megawatt (MW) combined cycle Ukudu power plant, utility-scale
6 renewable energy farms, and battery energy storage systems.

7 *I Liheslaturan Guåhan* further finds that the COVID-19 pandemic
8 significantly impacted GPA energy projects and services. The permitting and
9 construction of the *Ukudu* power plant was delayed by 19 months due to closures of
10 federal permitting agencies, factories, seaports, and travel restrictions. Such delays
11 required the existing power plants to continue operations beyond their respective
12 forecasted maintenance and capitalization.

13 *I Liheslaturan Guåhan* further finds Typhoon Mawar destroyed the nearly
14 complete Ukudu power plant fuel and water tanks, requiring the complete
15 reconstruction of the tanks and delaying the power plant construction by an

1 additional 21 months. Also, the 20MW Yigo combustion turbine was damaged by
2 Typhoon Mawar requiring a \$30M off-island repair to the rotor.

3 *I Liheslaturan Guåhan* further finds that procurement protests and appeals to
4 GPA’s 40MW renewable energy with load-shifting batteries and diesel generator
5 performance management contracts (PMC) further exacerbated the delays of GPA’s
6 clean energy transition. The 2-year 40 MW renewable energy appeal was decided in
7 GPA’s favor, but the contractor refused to proceed due to drastically higher project
8 costs. GPA has no confidence that the diesel generator PMC appeal will be timely
9 resolved.

10 *I Liheslaturan Guåhan* further finds that the foregoing events caused and
11 contributes to the current lack of power generation capacity and the resulting
12 ongoing load shedding. Responsible solutions for temporary power generation and
13 repair of existing diesel generators are needed immediately and until the Ukudu
14 power plant is commissioned in January 2026 to increase power generation capacity
15 and end scheduled island-wide load shedding.

16 It is the intent of *I Liheslaturan Guåhan* to waived the requirements of
17 Subarticle F, Article 1, Chapter 5, Title 5 Guam Code Annotated; Article 3, Chapter
18 5, Title 5 Guam Code Annotated; Article 9, Chapter 5, Title 5 Guam Code
19 Annotated; and Article 12, Chapter 5, Title 5 Guam Code Annotated and GPA is
20 hereby authorized to use such method of source selection as it deems necessary,
21 subject to the approval of GPUC.

22 **Section 2.** Section 8113.15 is hereby *added* to Chapter 8 of Title 12 of the
23 Guam Code Annotated to read as follows:

24 **“8113.15 Maintenance, Operation and Overhaul of Diesel Generators.**

25 In order to provide immediate relief from the critical power shortage currently
26 existing in 2023, the Guam Power Authority (“GPA”) with all deliberate speed, and
27 with the consent of the Guam Public Utilities Commission (“GPUC”), shall proceed

1 with the procurement for a vendor or vendors to maintain, operate and overhaul
2 diesel generators specifically described as 40 MW Yigo Diesels, 24 MW Tenjo
3 Diesels, 6 MW MDI/Pulantat Diesels, and 6 MW *Talo 'fo 'fo'* Diesels. In view of the
4 urgency for the procurement of these services for the repair, maintenance, operation
5 and overhaul of diesel generators, the requirements of Subarticle F, Article 1,
6 Chapter 5, Title 5 Guam Code Annotated; Article 3, Chapter 5, Title 5 Guam Code
7 Annotated; Article 9, Chapter 5, Title 5 Guam Code Annotated; and Article 12,
8 Chapter 5, Title 5 Guam Code Annotated are hereby waived, and GPA is hereby
9 authorized to use such method of source selection as it deems necessary, subject to
10 the approval of GPUC.”

11 **Section 3. Severability.** If any provision of this Law or its application to
12 any person or circumstance is found to be invalid or contrary to law, such invalidity
13 shall not affect other provisions or applications of this Law which can be given effect
14 without the invalid provisions or application, and to this end the provisions of this
15 Law are severable.



Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

Parkinson on Load Shedding: “The madness needs to end.”

FOR IMMEDIATE RELEASE (November 10, 2023 – Hagåtña, Guam)--
Senator William A. Parkinson aims to eliminate load shedding with Bill 201-37 (COR). The proposed legislation would resolve procurement protests that have hampered the repair of critically needed 76 MW of power generation.

40 MW Yigo Diesels, 24 MW Tenjo Diesels, 6 MW MDI/Pulantat Diesels, and 6 MW Talo'fo'fo' Diesels need to be maintained, overhauled and operated to stem the need for loadshedding. These are nearly 70 smaller generators that provide 1.1 MW of power each, but when combined provide 76 MW of power, more than any of the island's major baseline generators singularly provide.

However, GPA has been stuck in procurement protests with no end in sight, preventing this critical power generation from coming online and staying online. Bill 201-37 would clear procurement hurdles in this clear emergency situation.

“GPA could not get this done, so the Legislature must step in to ensure the quickest possible procurement for the private maintenance, overhaul and operation of these generators,” said Parkinson. **“Loadshedding doesn't just cause inconvenience, it's a drain on our economy. It destroys electronics, and it needs to end as soon as possible. We can not wait for GPA to resolve procurement issues on their own anymore. It needs to be done now.”**

GPA has expressed that they have no confidence that the diesel generator PMC (Performance Management Contract) appeal will be timely resolved, despite the need for these generators to stop load shedding as our baseline generators go off-line for emergency maintenance.

“We can't be our own worst enemy. We know these diesel generators need to be maintained and overhauled now. Our own laws shouldn't prevent ourselves from fixing what we know needs to be fixed,” Parkinson explained. **“The madness needs to end.”**



Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

Typhoon Mawar destroyed the nearly complete Ukudu power plant fuel and water tanks, requiring the complete reconstruction of the tanks and delaying the power plant construction by an additional 21 months. Also, the 20MW Yigo combustion turbine was damaged by Typhoon Mawar requiring a \$30 million off-island repair to the rotor.

Procurement protests and appeals to GPA's 40MW renewable energy with load-shifting batteries and diesel generator performance management contracts (PMC) further exacerbated the delays. The 2-year 40 MW renewable energy appeal was decided in GPA's favor, but the contractor refused to proceed due to drastically higher project costs.

The foregoing events caused and contributed to the current lack of power generation capacity and the resulting ongoing load shedding. Responsible solutions for temporary power generation and repair of existing diesel generators are needed immediately, and they will continue to be needed until the Ukudu power plant is commissioned in January 2026 to increase power generation capacity and end scheduled island-wide load shedding.

"Frequent power outages not only disrupt daily life but also pose significant challenges to the economic stability and public safety of our communities. The people of Guam deserve a power system they can depend on."

###

https://www.postguam.com/news/local/to-help-end-load-shedding-parkinson-proposes-waiving-certain-procurement-laws/article_568c2dec-7f70-11ee-b2a8-ob20399308d5.html

To help end load shedding, Parkinson proposes waiving certain procurement laws

JOHN O'CONNOR | THE GUAM DAILY POST

NOV 12, 2023



POWER PLANT: Construction at the Ukudu Power Plant in Dededo is pictured on Monday, July 10. Norman M. Taruc/The Guam Daily Post

In an effort to eliminate load shedding on island, Sen. William Parkinson is proposing to waive certain procurement requirements for specific Guam Power Authority generator projects.

"We can't be our own worst enemy. We know these diesel generators need to be maintained and overhauled now. Our own laws shouldn't prevent ourselves from fixing what we know needs to be fixed," Parkinson stated in a release announcing the measure.

EX-C-001

"The madness needs to end."

Guam has been experiencing instances of load shedding as the island's generation status remains vulnerable pending completion of the new power plant at Ukudu, Dededo. Not only are two of the existing baseload generators on Guam decades old and showing their wear, but a major combustion turbine remains offline due to damage caused by Typhoon Mawar.

Just Thursday, GPA published a release stating the half-century-old Cabras 2 baseload unit was taken offline Wednesday night for emergency repairs. The power utility hopes to get the unit back online within five to seven days.

To maintain the stability of the power grid when consumer demand exceeds capacity, GPA initiates load shedding, which translates to rotating outages for consumers.

As the potential for load shedding became more frequent, the power utility had taken to publishing notices of potential outages that apply for an entire month.

In addition to an interruptible load program, which sees large groups of consumers taken off the grid to mitigate demand, and efforts to bring in 40 megawatts of temporary power, GPA has wanted to increase capacity among some existing assets to help cure load shedding issues, but have been running into roadblocks in the procurement process.

Specifically, GPA General Manager John Benavente has spoken about how procurement protests have hurt the utility's efforts to meet its generation goals.

Parkinson's Bill 201-37 requires GPA to proceed with procurements for the maintenance, operation and overhaul of diesel units in Yigo, Tenjo, Pulantat and Talo'fo'fo areas.

To facilitate that, Bill 201 waives procurement law requirements related to source selection, legal and contractual remedies and procurement appeals.

The bill, as introduced, would also waive "Subarticle F" of Article 1 of the the procurement law, but there is no Subarticle F in Article 1. There are two "Subarticle F" in the law, but they reside in Article 2 and Article 3.

Regardless, under Bill 201, GPA will be authorized to use whatever source selection it deems necessary, subject to the approval of the Public Utilities Commission, which holds final say over matters that could affect rates.

"Frequent power outages not only disrupt daily life but also pose significant challenges to the economic stability and public safety of our communities. The people of Guam deserve a power system they can depend on," Parkinson stated in his release on Bill 201.

1 **THERESA G. ROJAS, ESQ.**
2 Interim Counsel
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8 Email: tgrojas@guamwaterworks.org

9 *Attorney for Guam Power Authority*

10 **BEFORE THE OFFICE OF PUBLIC ACCOUNTABILITY**
11 **PROCUREMENT APPEAL**

12 **In the Appeal of:**

13 **Appeal Case No. OPA-PA-23-004**

14 **DOOIK ENG., LTD.,**

15 **DECLARATION OF JENNIFER G.**
16 **SABLAN, P.E., IN SUPPORT OF GPA'S**
17 **DECLARATION OF SUBSTANTIAL**
18 **INTEREST**

19 **Appellant.**

20 I, JENNIFER G. SABLAN, P.E., declare:

21 1. I am the Assistant General Manager of Operations for the Purchasing Agency the
22 Guam Power Authority ("GPA").

23 2. I have personal knowledge of the following facts and, if called as a witness, I would
24 and could competently testify thereto.

25 3. GPA has and is working with our larger load customers to help reduce load through
26 GPA's interruptible load program.

27 4. This program was necessary to address capacity shortfalls and to avoid load shedding for
28 residential, commercial, and government customers.

29 ///

30 ///

31 ///

HYATT REGENCY GUAM
1155 PALE SAN VITORES RD
TAMUNING, GU 96913



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

August 24, 2023

HYATT REGENCY GUAM
1155 PALE SAN VITORES RD
TAMUNING, GU 96913

Subject: Interruptible Load Program Invitation

Buenas!

GPA's generation capacity is in a vulnerable period as the Authority works towards commissioning the new 198 MW power plant in 2024. As you may know, the bulk of GPA's power supply comes from 4 baseload units, Cabras 1&2 and Piti 8&9. These units are designed to run continuously under ideal operating conditions. GPA is doing all it can to prevent the loss of more than 1 baseload unit. Unfortunately, the age and condition of the Cabras units has affected their availability and reliability. When any 2 of the 4 GPA baseload units are off line, customer demand will likely exceed system capacity and GPA will need to implement load shedding island wide.

GPA's reserve capacity has been recently impacted by Typhoon Mawar with the loss of the Yigo 20 MW Combustion Turbine. Additionally, due to an on-going procurement protest, GPA has not been able to make significant repairs to the Yigo Diesel 40 MW Power Plant limiting its current capacity to 10 MW. GPA's goal is to make these units available at maximum capacity within the next 6 months.

Whenever, GPA must load shed, an option to minimize disruption for the community is to ask our large customers to voluntarily go off the grid and operate on their standby generators during the periods of time when capacity is less than demand. In 2015, GPA rolled out the Interruptible Load Program to alleviate load shedding. GPA wishes to reinstitute the ILP program over the next six months.

GPA is most vulnerable during the early evening hours when the demand is highest. We expect the most likely time we will ask for your establishment to isolate from the grid is between 6pm to 10pm when demand is higher. Typically, this high demand occurs during real sunny hot days. During overcast and rainy days, GPA usually has adequate capacity.

GPA's Interruptible Load Program will compensate the participating large customers a \$ per KW multiplied by their KW demand pledged towards the ILP. The higher demand customers

pledging 1,000 KW would be compensated at the higher rate. Additionally, GPA provides compensation for the hours you are interrupted to assist in operation and maintenance cost. The compensation structure is similar to 2015 one and is provided in the attached contract.

Your facility is invited to join this Interruptible Load Program for the next 6 months (September 2023 thru February 2023). This is the period of time we believe we are most vulnerable. Program may be extended as deemed necessary. If interested, please complete and sign the attached Interruptible Load Program Contract provided. We will be in contact with a confirmation of acceptance into the program.

If you are interested in participating, have any questions or would like to discuss your participation further, please contact John Cruz, P.E. at jcruz@gpagwa.com and 671.483.9557, or, alternatively, Jennifer Sablan, P.E. via email at jsablan@gpagwa.com or by phone at 671.648.3103.

In consideration of our need to implement this program immediately in order to mitigate the energy shortage upon our customers, your earliest response would be appreciated.

Thanking you in advance for your consideration and participation.



John M. Benavente, P.E.
 General Manager
 Guam Power Authority

Proposed Monthly Capacity Payment (\$/KW/Month)

KW Range	\$/KW/Month
2,000 KW and Above	\$ 8.00
1,000 KW to 1,999 KW	\$ 7.00
500 to 999 KW	\$ 6.00
200 to 499 KW	\$ 5.00
Variable Operations Rate (Fuel) (\$/KWH) **	\$ 0.75
Variable Operations Rate (Other) (\$/KWH)	\$ 0.15

Energy Payment will be set at the beginning of each month based upon current fuel price. The proposed payment is based on \$6/gallon ULSD.

INTERRUPTIBLE LOAD PROGRAM CONTRACT



INTERRUPTIBLE LOAD PROGRAM CONTRACT

This Contract is made and entered into by and between the following parties:

Guam Power Authority, hereinafter referred to as "GPA" _____
_____ hereinafter referred to as "Customer", and jointly, or
individually, referred to as "Parties" or "Party".

I. RECITALS

WHEREAS, Customer has voluntarily chosen to participate in a program that will require them, upon noticed by GPA, to disconnect all or a portion of their load, as pledged, from the electric grid and to self-generate power supply through the Customer's owned generator(s). This program is the GPA Interruptible Load Program (ILP).

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

II. TERM

This Contract shall become effective when signed by both parties, and remains effective for a based period of six (6) months or terminated sooner by the terms herein.

III. FIRM SERVICE LEVEL

Customer shall reduce energy use to their selected Firm Service Level amount (pledge) identified in Attachment B consistent with Interruptible Load Rate Schedule, which is attached hereto as Attachment C and incorporated by reference.

Customers may modify their Firm Service Level, as set forth on Attachment B, which is attached hereto and incorporated herein by reference, or discontinue participation in Interruptible Load Program only once during the contract period. Formal notice of such action is required to GPA General Manager.

IV. PROGRAM COMMITMENT

Participation in the program requires the customer to commitment based on an



INTERRUPTIBLE LOAD PROGRAM CONTRACT

incentive payment and operations cost reimbursement set forth in the Interruptible load Program Rate Schedule in attachment C. Customers who have signed agreement and not perform as required shall be removed or penalties shall be applied as appropriate.

V. NOTIFICATION

GPA will provide an advance schedule upon determination that GPA generation shortage may occur due to scheduled or unscheduled outages. GPA will provide a minimum of two (2) hour notice before Customer is expected to be off the grid.

VI. ASSIGNMENT

Customer shall not assign this Contract without prior written consent of GPA.

VII. DISPUTE RESOLUTION

Any dispute that cannot be resolved between the Parties shall be resolved pursuant to the laws of Guam. In any action in litigation to enforce or interpret any of the terms of this Contract, the prevailing party shall be entitled to recover from the unsuccessful party all costs, expenses (including expert testimony) and reasonable attorneys' fees (including fees and disbursements of in- house and outside counsel) incurred therein by the prevailing party.

VIII. DISCLAIMER OF WARRANTY

No promise, representation, warranty, or covenant not included in this Contract has been, or is relied on by either Party. Each Party has relied on its own examination of this Contract, the counsel of its own advisors, and the warranties, representations, and covenants in the Contract itself.

IX. LIMITATION OF LIABILITY

The limitations of liability set forth below in this Section IX shall not apply to errors or omissions caused by willful misconduct, fraudulent conduct, or violations of law.

In no event shall GPA, its directors, employees, agents or subcontractors

INTERRUPTIBLE LOAD PROGRAM CONTRACT



collectively "GPA Parties") be liable to Customer for any direct, indirect, consequential, special, incidental, or punitive damages under any other theories including, but not limited to, tort, contract, breach of warranty or strict liability for (i) the design, manufacture, installation, operation, maintenance, performance or demonstration of the Utility System, or (ii) the acts or omissions of, or the performance or non- performance under any agreement with Customer by, any utility service contractor designated by Customer. The "Utility System" is the Customer's Utility System which includes any it's standby generator, metering, meter communication equipment, Internet communication software, energy demand management software and related goods and services. GPA shall not be responsible for any business loss, actual or implied, as a result of the partial or complete failure of the Utility System to operate.

X. ESSENTIAL CUSTOMER DECLARATION

I hereby state that I am the _____
_____ (title) of the _____
_____ (company), and am
authorized to make this declaration on behalf of my company at the following
location.

Address:

I declare that I have voluntarily elected to participate in the GPA Interruptible load Program for all or part of my electrical load based on adequate back-up generation or other means to interrupt load when requested by GPA, while continuing to meet my essential needs.

INTERRUPTIBLE LOAD PROGRAM CONTRACT



IN WITNESS WHEREOF, GPA and Customer have executed this Contract:

Customer

Guam Power Authority

By _____

By _____

Title _____

Title _____

Date _____

Date _____

The following attachments are attached hereto and incorporated by reference:

Attachment A: Customer Contact Information

Attachment B: Customer Account Information

Attachment C: Interruptible load Rate Schedule

INTERRUPTIBLE LOAD PROGRAM CONTRACT



ATTACHMENT A

Base Interruptible Program Customer Contact Information

CUSTOMER NAME: _____

Primary Contact:

Name: _____

Title: _____

Mailing Address: _____

Telephone (Primary): _____

Telephone (Secondary): _____

Email Address: _____

Secondary Contact:

Name: _____

Title: _____

Mailing Address: _____

Telephone (Primary): _____

Telephone (Secondary): _____

Email Address: _____

Additional Contact:

Name: _____

Title: _____

Mailing Address: _____

Telephone (Primary): _____

Telephone (Secondary): _____

Email Address: _____

Additional Contact:

Name: _____

Title: _____

Mailing Address: _____

Telephone (Primary): _____

Telephone (Secondary): _____

Email Address: _____

INTERRUPTIBLE LOAD PROGRAM CONTRACT



ATTACHMENT B

Base Interruptible Program Customer Account Information

CUSTOMER NAME: _____

Site #1

Account Name: _____

Account Number: _____

Site Address: _____

Existing Electric Meter Number: _____

Customer Selected Firm Service Level (kW): _____

Site #2

Account Name: _____

Account Number: _____

Site Address: _____

Existing Electric Meter Number: _____

Customer Selected Firm Service Level (kW): _____

Site#3

Account Name: _____

Account Number: _____

Site Address: _____

Existing Electric Meter Number: _____

Customer Selected Firm Service Level (kW): _____

Site#4

Account Name: _____

Account Number: _____

Site Address: _____

Existing Electric Meter Number: _____

Customer Selected Firm Service Level (kW): _____

Site #5

Account Name: _____

Account Number: _____

Site Address: _____

Existing Electric Meter Number: _____

Customer Selected Firm Service Level (kW): _____

Attach additional Customer Account Information sheets to this contract if required. (Sheet _ of _)

INTERRUPTIBLE LOAD PROGRAM CONTRACT



ATTACHMENT C

Interruptible Load Program Rate Schedule

1. Fixed Capacity Payment:

Customers in the Interruptible Load Program shall be compensated with a fixed capacity payment to be made monthly based the customers average demand for the participation month. Average demand shall be based on total energy consumption for the billing period divided by the total hours in the billing period.

Firm Service Level - KW Range (Pledge)	Fixed Capacity Rate \$/KW
2,000 KW and Above	8.00
1,000 KW to 1,9999 KW	7.00
500 KW to 999 KW	6.00
200 KW to 499 KW	5.00

2. Variable Operations Payment:

Customers who disconnect from the grid as requested by GPA shall in addition to the fixed capacity fee be paid a variable operations payment for fuel and labor based on the Variable Operations Rate, the Customer Average Demand, and the number of hours the Customer was off the grid. Average demand shall be based on total energy consumption for the billing period divided by the total hours in the billing period.

Variable Operations Rate	(\$/KWH)
Fuel	0.75
Other	0.15

3. Payment Method:

Customers will be paid for participation and operations of Customer generator(s) shall be through a credit adjustment in the Customer's next power bill. Fixed fee will be prorated as necessary to adjust for contract effective date and Customer billing cycle period.