GUAM POWER AUTHORITY

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GLH 34-18-1665

Speaker Benjamin J.F. Cruz Tel: (671) 648-3180; Fax: (671) 648-3290

MAR 2 0 2018
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Received By: [signature]

March 19, 2018

Office of the People
Senator Régine Biscoe Lee
Legislative Secretary
Date/Time: 03/20/18@4pm
Initials: auctp, gina

The Honorable Regine Biscoe Lee
Legislative Secretary
34th Guam Legislature
Guam Congress Building
Hagatna, GU 96910

RE: Notification of Plan Regarding Refinancing Savings (P.L. 34-69)

Dear Senator Lee:

As mentioned earlier on our February 19, 2018 letter, GPA requested an extension of its mandate to report to the *I Liheslatura* its intent and plan regarding the savings achieved from the refinancing of its bond. GPA has now finalized its plans for the utilization of savings achieved from refinancing, which was approved by the Consolidated Commission on Utilities (CCU) on February 27, 2018, and petition filed with the PUC thereafter.

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The order of priority for bond financing savings utilization is as follows:

1. Savings beginning 2022 will be utilized to offset the annual debt service cost of the new 180 MW power plant;

2. For savings in 2018 to 2021, GPA desires to reserve part of the savings (*estimated at $500,000*) for the benefit of the community by making a strategic investment assisting the Guam Department of Education (GDOE) with its Legislative mandate for renewable energy. GPA proposes to use part of the savings towards **GPA's Bringing Energy Savings to (BEST) Schools Programs**, the BEST Schools Program goals include:

    - Supporting GDOE to achieve their legislative mandate to deploy and utilize renewable energy systems;

    - Incentivizing GDOE to reduce their energy use and expenditures;

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- Modernizing GDOE facilities infrastructure and extending GDOE equipment life with enhanced proactive maintenance;
- Partnering up with GDOE under the UESC Program to execute the above.

GPA will also supplement the funding of this program by assisting GDOE in pursuing federal grants and private/public partnerships. For details of the *BEST* school program please see **Attachment A.**

3. Remainder for the Bond Refinancing Program savings will also be used to replenish GPA's Demand-Side Management (DSM) Rebate Program, which provides incentives to its customers to purchase energy efficient equipment in order to reduce their energy consumption.

The approved CCU Resolution (Resolution No. 2018-02) and the petition filed with the PUC are also attached (**Attachment B)** for your reference. The program will begin once GPA has received PUC approval.

Should you have any questions on this matter, please do not hesitate to contact me.

Sincerely,

JOHN M. BENAVENTE, P.E.
General Manager

Attachments

cc: CCU

Attachment A

SIEMENS
Ingenuity for life

Guam Department of Education's Bringing Energy Savings to (BEST) Schools Program
Preliminary Feasibility Assessment (the "study")

Siemens Industry, Inc. (Siemens) has been contracted to assist Guam Power Authority (GPA) with Guam Department of Education's (GDOE) **Bringing Energy Savings to (BEST) Schools Program**. Siemens, working in collaboration with GPA to conduct a Preliminary Feasibility Assessment (the "Study") for the Guam Department of Education's 41 schools comprising of approximately 4,000,000 SF. This will include:

- Twenty-Seven (27) Elementary Schools
- Eight (8) Middle Schools
- Six (6) High Schools

Siemens' proposed Study will build on, not duplicate previously performed condition surveys and energy audits conducted for the GDOE. It is designed to support GPA's goal to help GDOE achieve their legislative mandate to deploy and utilize renewable energy systems. In addition, the Study can be used by GPA to incentivize GDOE to reduce their energy use and expenditures, while modernizing their infrastructure and extending the life of their equipment with enhanced, proactive maintenance routines.

Attachment A

Helping GDOE Meet Its 10% Energy Reduction Goal

Supporting Bond Refinance Savings Use Option 3

GDOE Request

From: **Vincent Dela Cruz** <vincedc@gdoe.net>
Date: Mon, Feb 12, 2018 at 2:40 PM
Subject: Re: GPA Billings
To: "Taling M. Taitano" <tmtaitano@gdoe.net>

Is there any way to get the mygpa online portal for our schools and division?

That GPA web portal provides information on a daily (I think also hourly) information on usage. It might help look at trends and peak times which may in turn help manage/reduce consumption. It would be nice if the portal could be setup to monitor per school / per school group with all meters (if more than one meter to a school/site).

Thanks,

Vincent Dela Cruz
FSAIS
GUAM Department of Education

On Feb 12, 2018, at 2:33 PM, Taling M. Taitano <tmtaitano@gdoe.net> wrote:

Hafa Adai! As part of GDOE's cost cutting initiatives, we are targeting a reduction of 10% of our utility consumption.

In this regard, attached is the FY17 and FY18 year to date GPA billings. We will be updating the spreadsheet to monitor your progress.

Let me know if you have any questions or concerns.

--

Every student: Responsible, Respectful and Ready for Life!
Taling M Taitano, CPA, CGFM
Deputy Superintendent, Finance & Administrative Services
Guam Department of Education
500 Mariner Avenue, Barrigada GU 96913-1608
671 300-1556 work
671 488-2234 cell
671 472-5009 fax

BizConnect

- GPA has a separate product for commercial and government customers called BizConnect
- BizConnect is especially useful for customers with multiple meters servicing their premise
- GPA has configured BizConnect for two customers: UOG and GTA.
  - GTA uses it aggressively
- Bizconnect can help GDOE School Leadership manage toGDOE's 10% energy reduction goal

BizConnect

- Offers a configurable suite of reports for C&I users to gain visibility into their usage and cost, coupled with measurement and verification to quantify the results of their conservation measures
- Presents deduct and net metering views, as well as coincident peak analysis
- Encourages behavioral savings in response to user configured threshold consumption notifications
- Empowers the large customer base to understand the impact of participating in utility programs, while working toward their own objectives of containing risk and minimizing impact on the environment

GPA Goals

- Near-Term Goals
  - Determine the top five schools for electricity (kWh) consumption per student. (Done)
  - Create Login Profiles for each of these schools
  - Create a training program on BizConnect for these schools
  - Conduct the training for the principals of these five schools
  - Provide Guidance on Using BizConnect to Manage Energy Use and help Meet GDOE's 10% Energy Reduction Mandate
- Long-Term Goals
  - Have every school on BizConnect
  - Help GDOE achieve its mandate to cut energy use by 10%
  - Become GDOE's Favored Energy Partner

Doc. No. 34GL-18-1665.

Top Five Energy Consuming Schools

Rank	School Name	kWh Billed	# of Students	kWh/Student
1	Southern High School	538,389.30	1,495	360.13
2	Tamuning Elementary School	145,570.72	565	257.65
3	As Tumbo Middle School	106,398.00	581	181.26
4	Tiyan High School	223,392.00	1,260	177.30
5	Okkodo High School	302,816.24	1,762	171.86

GPA BizConnect Goals

- Increase customer satisfaction by helping them manage energy usage and cost
- Increase mindshare between GPA and its commercial, industrial, and government customers
- Improve effectiveness of GPA's DSM initiatives
- Lower burden on call centers by reducing call volume and duration
- Improve public reputation of the utility
- Improve the value we provide customers

Doc. No. 34GL-18-1665.

Attachment B

CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

RESOLUTION NO. 2018-02

RELATIVE TO BOND FINANCING SAVINGS UTILIZATION

WHEREAS, savings beginning 2022 will be utilized to offset the annual debt service cost of the new 180 MW power plant; and

WHEREAS, Guam Power Authority's (GPA) Bond Refinancing Program will result in a 2018 to 2021 *cumulative debt service reduction of* ***$1,639,189*** (Exhibit A); and

WHEREAS, as per Guam PL 34-69, Section 2(h), GPA must notify I Liheslatura within sixty (60) days of refinancing of its intent and plan regarding the savings achieved from refinancing; and

WHEREAS, GPA desires to reserve part of the savings for the benefit of the community by making a strategic investment assisting the Guam Department of Education's (GDOE) with its Legislative mandate for renewable energy; and

WHEREAS, GPA proposes to use part of the Bond Refinancing Program savings towards GPA's ***Bringing Energy Savings to (BEST) Schools Program;*** and

WHEREAS, the BEST Schools Program goals include:

- Supporting GDOE to achieve their legislative mandate to deploy and utilize renewable energy systems;
- Incentivizing GDOE to reduce their energy use and expenditures;
- Modernizing GDOE facilities infrastructure and extending GDOE equipment life with enhanced, proactive maintenance;
- Partnering up with GDOE under the UESC Program to execute the above; and

WHEREAS, GPA will supplement the funding of this program by assisting GDOE in pursuing federal grants and private/public partnerships; and

WHEREAS, any installed solar PV system energy production shall offset GDOE electricity billing on a kilowatt-hour generated for kilowatt-hour consumed basis at about the LEAC rate; and

WHEREAS, this proposed program benefits GDOE, GPA, renewable energy system providers, and Guam students and residents; and

WHEREAS, seed funding for the BEST Program is estimated at ***$500,000***; and

WHEREAS, additionally, GPA will use the remainder of the Bond Refinancing Program savings towards replenishing GPA's Demand-Side Management (DSM) Rebate Program; and

NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as FOLLOWS:

1. The CCU authorizes GPA to petition the PUC to use the bond refinancing program savings of ***$1,639,189*** where up to ***$500,000*** shall be used to implement the BEST Schools Program and any savings balance remaining thereafter shall be transferred to replenish the funding for GPA's DSM Rebate Program.
2. Upon program approval by the PUC, the CCU authorizes the GPA General Manager to implement the BEST Schools Program and fund GPA's DSM Rebate Program.

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 27th DAY OF FEBRUARY 2018.

Certified by:

JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities

Attested by:

J. GEORGE BAMBA
Secretary
Consolidated Commission on Utilities

I, J. George Bamba, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

RESOLUTION NO: 2018-02

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

Ayes: 5

Nays: 0

Absent: 0

Abstain: 0

EXHIBIT A

Bond Refinancing

PL 34-69

- Section 2(h) – GPA shall notify I Liheslatura within sixty (days) of refinancing of it intent and plan regarding the savings achieved from refinancing.

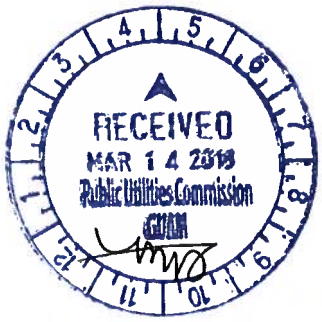
Summary of Savings:

- Final Par Amount of Refunding: $148,670,000
- Final Par Amount of Refunded: $150,440,000
- Total Cash Flow Savings: $11,528,439
- Annual Cash Savings: $501,236
- NPV Savings: 5.17%
- All-In True Interest Cost: 4.12

Bond Refinancing – Cash Flow

	Cash Savings
4/1/2018	$ 41,919
10/1/2018	41,919
4/1/2019	196,225
10/1/2019	196,225
4/1/2020	290,725
10/1/2020	290,725
4/1/2021	290,725
10/1/2021	290,725
	$ 1,639,189

D GRAHAM BOTHA, ESQ.
General Counsel
Guam Power Authority
688 Route 15, Suite 302
Maite, Guam 96913
Ph: (671) 648-3203/3002
Fax: (671) 648-3290



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: The Application of the Guam Power Authority to Approve the GPA's Use of Bond Refinancing Savings for GPA's Bringing Energy Savings to (BEST) Schools Program and GPA's Demand-Side Management (DSM) Rebate Program.	**GPA DOCKET NO. 18-11** **PETITION FOR CONTRACT REVIEW**

COMES NOW, the GUAM POWER AUTHORITY (GPA), by and through its counsel of record, D. GRAHAM BOTHA, ESQ., and hereby files GPA's Petition for the Public Utilities Commission of Guam to review and approve GPA's use of bond refinancing savings for GPA's Bringing Energy Savings to (BEST) Schools program and GPA's Demand-Side Management (DSM) rebate program, as follows:

BACKGROUND

The Guam Power Authority in GPA Docket 17-20 was ordered to submit a petition to the PUC indicating the manner in which actual savings shall be allocated, and the purposes for which GPOA intends to expend the savings from the bond issuance. The CCU in Resolution 2018-02 has approved GPA's request to use $500,000 of the expected savings toward assisting Guam Department of Education (GDOE) in renewable energy systems, reduction of energy use, and assisting GDOE facilities infrastructure, and the balance for the GPA Demand-Side Management (DSM) rebate program.

COPY

DISCUSSION

GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam Power Authority, approved by the PUC, to review and approve GPA's request to use $500,000 of the expected savings toward assisting Guam Department of Education (GDOE) in renewable energy systems, reduction of energy use, and assisting GDOE facilities infrastructure, and the balance for the GPA Demand-Side Management (DSM) rebate program. In support of this Petition, GPA hereby provides the PUC with Consolidated Commission on Utilities (CCU) Resolution No. 2018-02, which authorizes the General Manager to petition the PUC to approve the use of $500,000 to the BEST Schools program and the remaining balance to fund the GPA Demand-Side Management (DSM) rebate program. Said resolution and its exhibits are attached herein as Exhibit A, and incorporated by reference herein as if fully set forth.

CONCLUSION

The PUC should approve GPA's request to proceed with GPA's request to use $500,000 of the expected savings toward assisting Guam Department of Education (GDOE) in renewable energy systems, reduction of energy use, and assisting GDOE facilities infrastructure, and the balance for the GPA Demand-Side Management (DSM) rebate program. The use of the bond refinancing savings for the BEST Schools program and GPA's DSM rebate program is reasonable, prudent, and necessary.

RESPECTFULLY SUBMITTED this 14th day of March, 2018.

D. GRAHAM BOTHA, ESQ.
GPA General Counsel

Selma HG Blas

From: Selma HG Blas
Sent: Monday, March 19, 2018 3:35 PM
To: 'senatorbiscoelee@guamlegislature.org'
Cc: CCU Board Members; John M Benavente; John J.E. Kim; Graham Botha; Bernadette Lou Sablan; Cora R Montellano
Subject: GPA's Finalized Plans RE: Notification of Plan Regarding Refinancing Savings (P.L. 34-69
Attachments: img-319150228-0001.pdf

Dear Honorable Senator Regine Biscoe Lee,

Forward for your perusal is GPA's attached subject memorandum.

Should you have any questions on this subject matter, please do not hesitate to contact our office at 648-3225.

Si Yu'os Ma'ase,

Selma H. Guerrero Blas
Administrative Officer
Guam Power Authority
General Manager's Office
P.O. Box 2977
Hagatna, Guam 96932
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