clerks@guamlegislature.org

From: Committee on Rules 36GL <cor@guamlegislature.org>
Sent: Friday, May 27, 2022 11:08 AM
To: Clerks; Rennae Meno
Cc: Speaker Therese M. Terlaje
Subject: Messages and Communications for Doc. No. 36GL-22-2070*
Attachments: 36GL-22-2070.pdf

Håfa Adai Clerks,

Please see attached M&C Doc. No. 36GL-22-2070 for processing:

36GL-22-2070	Guam Power Authority FY 2021 Citizen-Centric Report*	Guam Power Authority

Si Yu'os Ma'åse',

COMMITTEE ON RULES
Vice Speaker Tina Rose Muña Barnes
36th Guam Legislature
I Mina'trentai Sais Na Liheslaturan Guåhan
163 Chalan Santo Papa Hågatña Guam 96910
Email: cor@guamlegislature.org

"Disclaimer: This message is intended only for the use of the individual or entity to which it is addressed and may contain information which is privileged, confidential, proprietary, or exempt from disclosure under applicable law. If you are not the intended recipient or the individual responsible for delivering the message to the intended recipient, you are strictly prohibited from disclosing, distributing, copying, or in any way using this message. If you have received this communication in error, please notify the sender and immediately delete any copies you may have received. Thank you."

---------- Forwarded message ---------
From: **Speaker Therese M. Terlaje** <speaker@guamlegislature.org>
Date: Fri, May 27, 2022 at 10:37 AM
Subject: Messages and Communications for 36GL-22-2070
To: Legislative Secretary Amanda Shelton <officeofsenatorshelton@guamlegislature.org>, Committee on Rules 36GL <cor@guamlegislature.org>

Håfa Adai,

Please see attached M&C Doc. No. 36GL-22-2070*

36GL-22-2070	Guam Power Authority FY 2021 Citizen-Centric Report*	Guam Power Authority

Si Yu'os Ma'åse',

Marie Cruz
Community Relations Liaison

Office of Speaker Therese M. Terlaje
Committee on Health, Land, Justice and Culture
I Mina'trentai Sais na Liheslaturan Guåhan

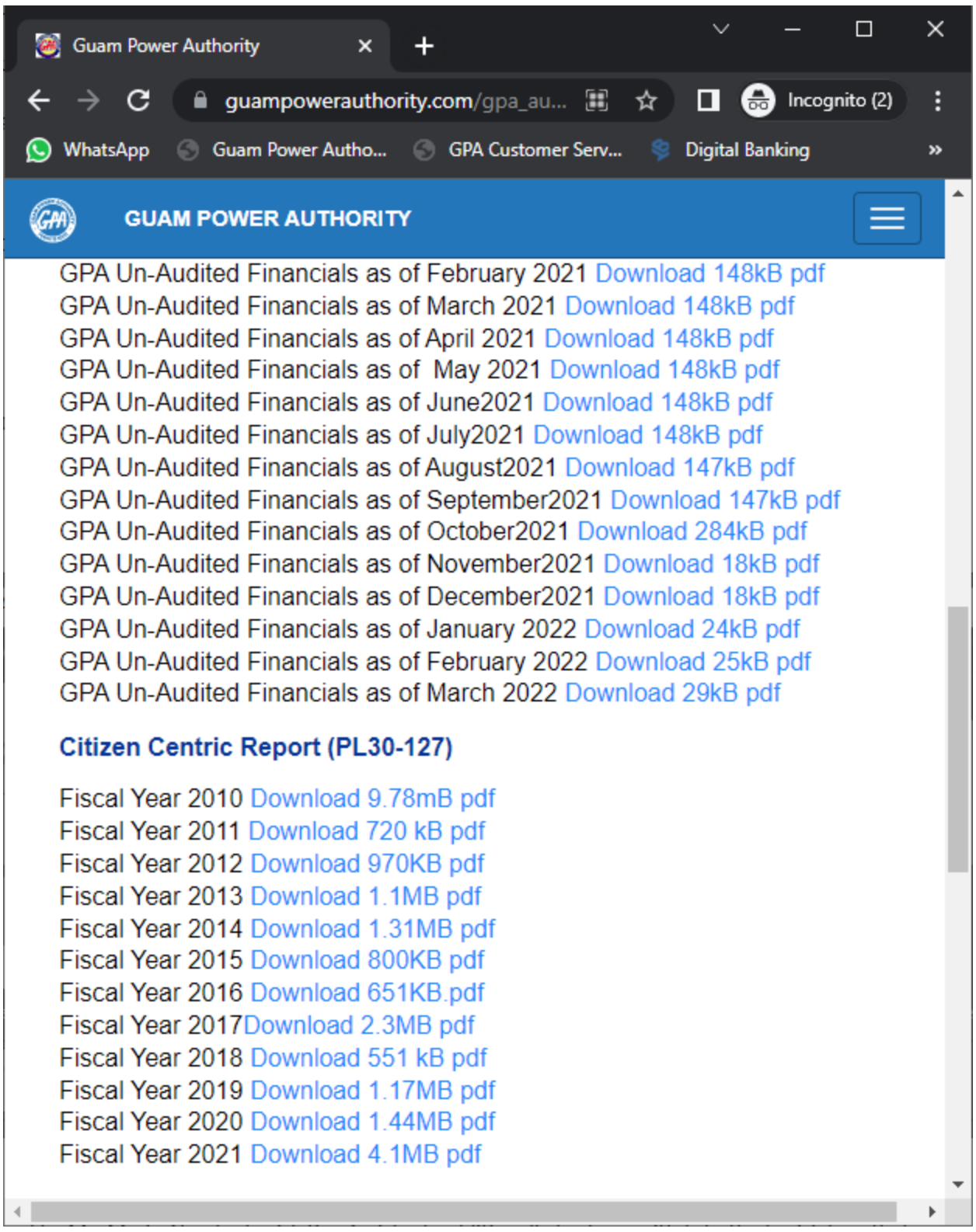
36th Guam Legislature
Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910
T: (671) 472-3586 F: (671) 989-3590 Email: senatorterlajeguam@gmail.com
website: www.senatorterlaje.com

---------- Forwarded message ---------
From: **Tamra M Muna** <tmuna@gpagwa.com>
Date: Thu, May 26, 2022 at 5:49 PM
Subject: FY 2021 Citizen Centric Report - Guam Power Authority
To: speaker@guamlegislature.org <speaker@guamlegislature.org>
Cc: John J.E. Kim <jjekim@gpagwa.com>, Maripaz N. Perez <mnperez@gpagwa.com>, Lenora M Sanz <lsanz@gpagwa.com>, Benjamin J. Cruz (bjcruz@guamopa.com) <bjcruz@guamopa.com>, Jerrick Hernandez <jhernandez@guamopa.com>

Dear Honorable Speaker Terlaje:

In accordance with Title 1 Guam Code Annotated (GCA) Chapter 19 §1922(a), please find the attached PDF of the Guam Power Authority Citizen Centric Report (CCR) for the fiscal year ended September 30, 2021. In addition, the CCR was posted on the GPA website today (see image below) and can be found at https://guampowerauthority.com/gpa_authority/investors/gpa_financial_statements.php.

We kindly ask for receipt acknowledgement for our records. Should you require further information, please do not hesitate to call me at 648-3162 or tmuna@gpagwa.com or Lenora Sanz Controller at 648-3122 or lsanz@gpagwa.com.



Respectfully,

Tamra Muña

Ms. Tamra Muña |Contracts Administrator | Guam Power Authority

Mailing Address: P.O. Box 2977, Hagatna, Guam 96932-2977 | Physical Address: 688 Route 15, Mangilao, Guam 96913

Direct Line: (671) 648-3162 | Telephone: (671) 648-3000 ext. 3162 | Fax: (671) 648-3168

E-Mail Address: tmuna@gpagwa.com Web-site: www.guampowerauthority.com

Speaker Therese M. Terlaje <speaker@guamlegislature.org>

FY 2021 Citizen Centric Report - Guam Power Authority

Tamra M Muna <tmuna@gpagwa.com> Thu, May 26, 2022 at 5:49 PM
To: "speaker@guamlegislature.org" <speaker@guamlegislature.org>
Cc: "John J.E. Kim" <jjekim@gpagwa.com>, "Maripaz N. Perez" <mnperez@gpagwa.com>, Lenora M Sanz <lsanz@gpagwa.com>, "Benjamin J. Cruz (bjcruz@guamopa.com)" <bjcruz@guamopa.com>, Jerrick Hernandez <jhernandez@guamopa.com>

Dear Honorable Speaker Terlaje:

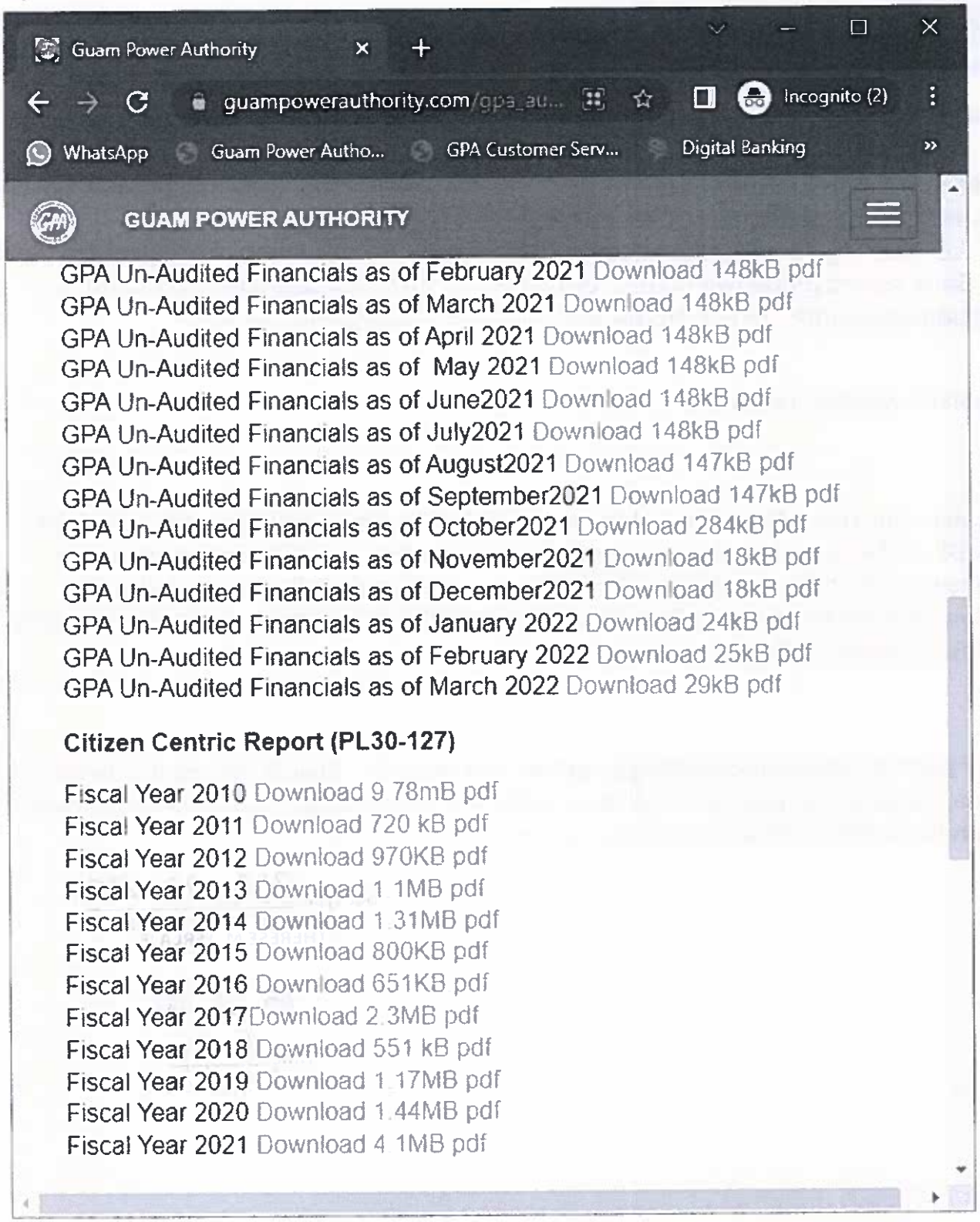
In accordance with Title 1 Guam Code Annotated (GCA) Chapter 19 §1922(a), please find the attached PDF of the Guam Power Authority Citizen Centric Report (CCR) for the fiscal year ended September 30, 2021. In addition, the CCR was posted on the GPA website today (see image below) and can be found at https://guampowerauthority.com/gpa_authority/investors/gpa_financial_statements.php.

We kindly ask for receipt acknowledgement for our records. Should you require further information, please do not hesitate to call me at 648-3162 or tmuna@gpagwa.com or Lenora Sanz Controller at 648-3122 or lsanz@gpagwa.com.

Doc Type: 36GL-22-2070
OFFICE OF THE SPEAKER
THERESE M. TERLAJE

05 26 2022
Time: 5:49pm
Received:

COMMITTEE ON RULES
RECEIVED:
May 27, 2022
10:37 A.M.



Respectfully,

Tamra Muña

Ms. Tamra Muña |Contracts Administrator | Guam Power Authority

Mailing Address: P.O. Box 2977, Hagatna, Guam 96932-2977 | Physical Address: 688 Route 15, Mangilao, Guam 96913

Direct Line: (671) 648-3162 | Telephone: (671) 648-3000 ext. 3162 | Fax: (671) 648-3168

E-Mail Address: tmuna@gpagwa.com Web-site: www.guampowerauthority.com

---

2 attachments

CFO 2022 079 CCR Report _ GLegislature FINAL.PDF
37K

GPACCR2021 final.pdf
4206K

GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

May 26, 2022

CFO 2022 079

Honorable Speaker Therese Terlaje
36th Guam Legislature
163 Chalan Santo Papa
Hagatna, GU 96910

SUBJECT: Guam Power Authority FY 2021 Citizen-Centric Report

Dear Speaker Terlaje:

In accordance with Title 1 Guam Code Annotated (GCA) Chapter 19 §1922(a), please find a PDF of the Guam Power Authority Citizen Centric Report (CCR) for the fiscal year ended September 30, 2021. In addition, the CCR was posted on the GPA website today and can be found at:

http://www.guampowerauthority.com/gpa_authority/investors/gpa_financial_statements.php.

Should you require further information, please do not hesitate to call me at 648-3122 or lsanz@gpagwa.com. Thank you.

JOHN J. KIM
CHIEF FINANCIAL OFFICER

cc: Office of the Public Auditor

GUAM POWER AUTHORITY
FY2021 CITIZEN-CENTRIC REPORT

FISCAL YEAR 2021 (OCTOBER 2020 - SEPTEMBER 2021)

ABOUT US

Guam Power Authority (GPA) was established in 1968 as a public corporation and autonomous instrumentality, of the Government of Guam. GPA is fully independent from its central government as it does not receive subsidies from the Government of Guam, with revenues derived solely from rates. GPA is a publicly-owned, retail electric utility that provides electric generation and transmission and distribution services throughout Guam and is the sole provider of such services.

GPA has been serving Guam for more than 50 years and has evolved from an entity with basically no assets to one which now owns all generation, transmission and distribution assets outside of Guam's US military bases. GPA generates all energy for the entire Guam community including the US military. The Authority is governed by the Consolidated Commission on Utilities (CCU), an elected five-member Board and its rates are subject to Guam Public Utilities Commission (GPUC) approval.

VISION

GPA will be the best utility providing outstanding energy solutions to our island community.

MISSION

GPA shall provide:
Reliable
Efficient, Effective, Environmentally Sound
Affordable, Accountable
Leading Energy Solutions

GOVERNANCE AND LEADERSHIP

Consolidated Commission on Utilities

Joseph (Joey) T. Dueñas, Chairman
Francis E. Santos, Vice Chairman
Michael T. Limtiaco, Secretary
Simon A. Sanchez II, Commissioner
Pedro Roy Martinez, Commissioner

Guam Power Authority

John M. Benavente, P.E. General Manager

WHAT'S INSIDE

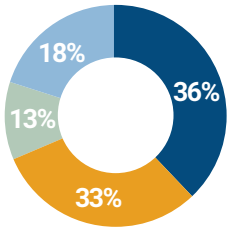
P.2 Our Progress
P.3 Our Finances
P.4 Our Future Challenges

Published: May 2022

Customer Overview – FY 2021

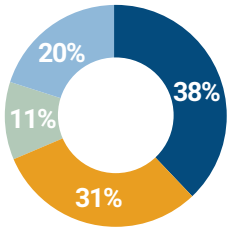
Electric Revenue Composition ($mm)

Segment	($mm)
Residential	$116.6
Commercial	106.0
Government of Guam	43.8
U.S. Navy	57.9
Total	**$324.2**



Energy Sales Composition (GWh)

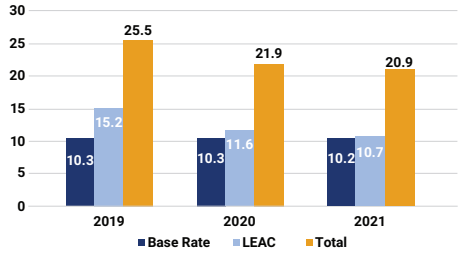
Segment	(GWh)
Residential	584.3
Commercial	484.3
Government of Guam	174.6
U.S. Navy	311.7
Total	**1,555**



Customer Demographics – FY 2021

Segment	2019	2020	2021
Residential	44,479	44,191	45,292
Commercial	5,809	5,880	5,852
Government of Guam	1,688	1,699	1,680
U.S. Navy	1	1	1
Total	**51,977**	**51,771**	**52,825**

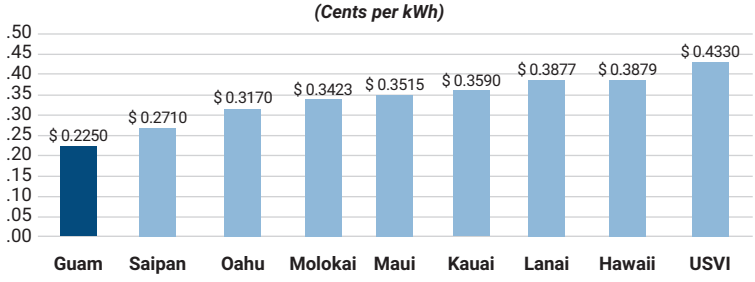
Systems Average Rate
(Cents per kWh)



Regional Rate Comparison – As of September 30, 2021

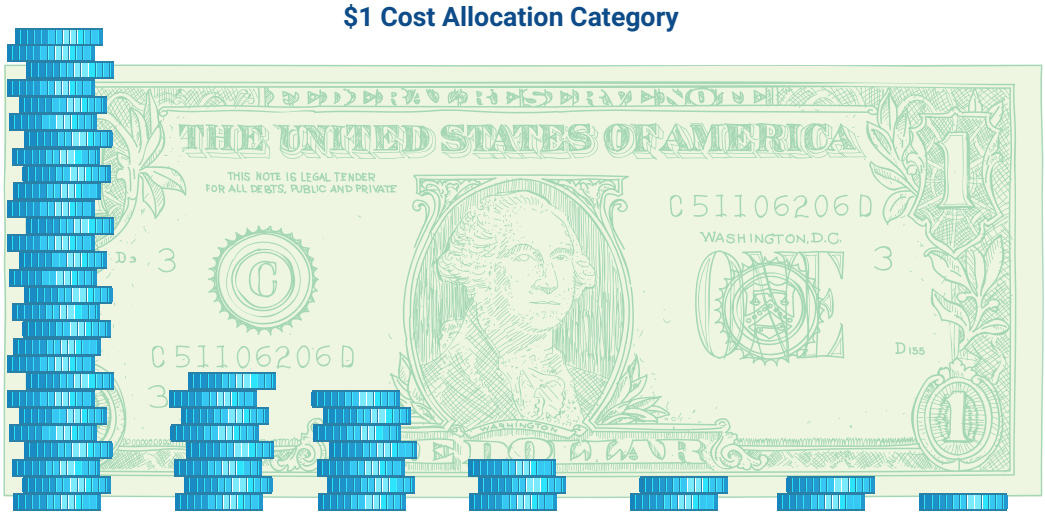
Guam	$	0.2250
Saipan	$	0.2710
Oahu	$	0.3170
Molokai	$	0.3423
Maui	$	0.3515
Kauai	$	0.3590
Lanai	$	0.3877
Hawaii	$	0.3879
US Virgin Islands	$	0.4330

(Cents per kWh)



Electricity Rate Breakdown - FY 2021

$1 Cost Allocation Category



56 cents	15 cents	14 cents	6 cents	4 cents	3 cents	2 cents
Production Fuel Cost	Debt Service Payments	Administrative and General	Other Production Costs	Transmission and Distribution Costs	IPP (Purchased Power)	Customer Accounting

GUAM POWER AUTHORITY
FY2021 CITIZEN-CENTRIC REPORT

OUR PROGRESS

Accomplishments and Key Strategies

KEY STRATEGIES	2019	2020 COVID-19 PANDEMIC YEAR	2021 COVID-19 PANDEMIC YEAR
PRODUCT AFFORDABILITY	• No increase in GPA base rate • Prudent managing of LEAC rate • FTE level of 454 • $1.3 million overtime expenditures to assist Saipan, CNMI with Super Typhoon Yutu recovery	• No increase in GPA base rate • Prudent managing of LEAC rate • FTE level of 443 • Customers impacted financially by the COVID-19 pandemic entered into arranged payment plans	• No increase in GPA base rate • Prudent managing of LEAC rate • FTE level of 426 • Maximized ratepayer access to government-sponsored Emergency Rental Assistance (ERA) program and similar financial assistance plans. Secured $15 million pandemic assistance grant with Governor to offset LEAC
SUPERIOR CUSTOMER SERVICE	• Provided more efficient and non-contact payments online with PAYGPA, EZPAY for mobile and telephone payments and pre-arranged ACH bank transfers • The addition of MYENERGY.COM for customers to manage and monitor home residential usage • GPA paid out $1.5 million in Energy Sense Rebates	• Suspended power account disconnections; waived customer late fees and penalties • Launched e-billing, through paygpa.com, allowing customers to view their statements online • GPA paid out $1.6 million in Energy Sense Rebates • Offered a variety of touchless options: LIVE telephone services, online payments, GPA Pay-by-Phone, a mobile app, Drive-Thru payment windows and E-mail communications	• Suspended power account disconnections; waived customer late fees and penalties; provided automatic payment arrangement plans • Launched improved GPWA mobile pay app and expanded PayGPA.com, including paperless statements • GPA paid out over $1.99 million in Energy Sense Rebates • Expanded touchless service options: LIVE telephone services; residential and business e-mail communications; SMS text Power Alerts; social media communications; and PayGPA.com, mobile app, pay-by-phone, IVR and drive-thru payment services
HIGH SYSTEM RELIABILITY	• Construction near completion of the Hagåtña 24-megawatt and Talo'fo'fo 16-megawatt utility-scale Energy Storage System • Signed two 60 megawatt Power Purchase Agreements with partners KEPCO and Hanwha • Signed a 25-year IPP contract with KEPCO for the construction of the 180-megawatt Ukudu baseload power plant	• Hagåtña 24-megawatt utility-scale Energy Storage System and Talo'fo'fo 16-megawatt utility-scale Energy Storage System construction completed • Construction underway at the Malojloj 60-megawatt and Mangilao 60-megawatt solar photovoltaic project sites • Design, permitting activities including biological and wetland assessment, developing requirements for cultural assessment proceeding for the construction of the 198-megawatt Ukudu baseload power plant • Completed procurement for a Phase III Renewable Energy Acquisition for 40-megawatt solar photovoltaic project including full energy shifting Energy Storage Systems on leased Navy lands. Award pending protest resolution	• Hagåtña 24-megawatt utility-scale Energy Storage System and Talo'fo'fo 16-megawatt utility-scale Energy Storage System commissioning completed and in commercial operation • The Malojloj 60-megawatt and Mangilao 60-megawatt solar photovoltaic projects continued to progress with design and construction activities • Design and permitting activities continue for the 198-megawatt Ukudu baseload power plant • Award for Phase III Renewable Energy Acquisition for 40-megawatt solar photovoltaic project including full energy shifting Energy Storage Systems on leased Navy lands pending protest resolution
FINANCIALLY SOUND AND STABLE	• 176 days unrestricted cash. • Debt service coverage of 1.78x • GPA maintained its current credit ratings: - S&P-BBB/Stable Outlook - Moody's-Baa2/Stable Outlook - Fitch-BBB-/Positive Outlook	• 249 days unrestricted cash • Debt service coverage of 1.39x • GPA's credit ratings despite COVID-19: - S&P-BBB/Stable Outlook - Moody's-Baa2/Negative Outlook - Fitch-BBB/Stable Outlook	• 216 days unrestricted cash • Debt service coverage of 1.47x • GPA's credit ratings despite COVID-19: - S&P-BBB/Stable Outlook - Moody's-Baa2/Stable Outlook - Fitch-BBB/Stable Outlook
COMMITMENT TO WORKFORCE DEVELOPMENT	• 3rd Place American Public Power Association's (APPA) Safety Award of Excellence • Launched 5th Cycle Graduate Apprentice Program with 20 new T&D apprentices • On-going training and continuing education for all employees	• In emerging COVID-19 operational challenges all employees were safeguarded in day-to-day activities and emergency responses and provided proper and necessary materials to, ensure workforce availability, and the continuity of power service • Launched 6th Cycle Apprentice Program with 17 new T&D apprentices • On-going training and continuing education for all employees	• Completed production installation and project implementation of Mobile Workforce Management System; allowing for automation and streamlining of field work • Added a new Cybersecurity internship program, while progressing with two T&D apprenticeship and Engineering summer internship programs • Added virtual interview and training options to promote personnel health and safety and ensure business continuity
OPTIMIZE THE USE OF TECHNOLOGY	• Relocated GPA's Supervisory Control and Data Acquisition (SCADA) system to Fadian for improved power, water and wastewater operations system dispatching • Signed a 25-year IPP contract with KEPCO for the construction of the 180 megawatt Ukudu base load power plant	• Launched GPA 'Power Alerts' 2-way text messaging service providing customers with real-time outage information and estimated time of restoration • Completed construction, commenced testing of GPA's Phase II Hagåtña 24-megawatt and Talo'fo'fo 16-megawatt utility-scale Energy Storage System Project. COVID-19 delayed the commissioning into 2021 • Increased digital transformations, resulting in new and improved ways of providing services to customers	• Launched GPA 'Power Alerts' 2-way text messaging service providing customers with real-time outage information and estimated time of restoration • Increased digital transformations, resulting in new and improved ways of providing services to customers • Completed training & data migration upgrade for Smartworks MDM and MyEnergyGuam.com

Doc. No. 36GL-22-2070.

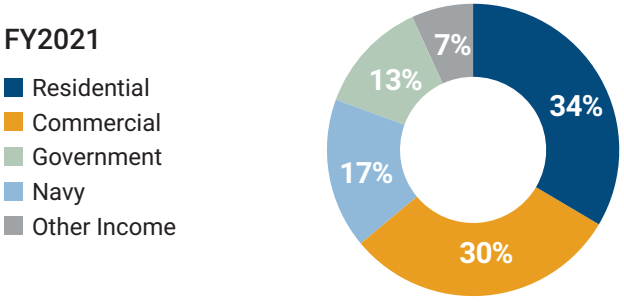
GUAM POWER AUTHORITY
FY2021 CITIZEN-CENTRIC REPORT

OUR FINANCES

Revenues

Type	FY 2021	FY 2020	% Change
(in $000)			
Residential	$ 116,590	$ 111,984	4.1%
Commercial	$ 105,963	$ 119,947	-11.7%
Government	$ 43,803	$ 48,785	-10.2%
Navy	$ 57,879	$ 52,852	9.5%
Other Income	$ 23,775	$ 8,300	186.5%
Total	**$ 348,010**	**$ 341,868**	**1.8%**

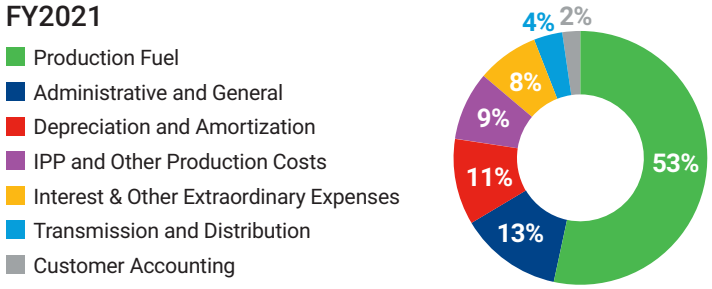
The Authority's operating revenues increased by $6 million or 1.8%. This is mainly due to the receipt of the $15 million grant through the American Rescue Plan, which was off-set by the shift in consumption between rate classes.



Expenses

Type	FY 2021	FY 2020	% Change
(in $000)			
Customer Accounting	$ 7,792	$ 7,134	9.2%
Transmission and Distribution	$ 12,333	$ 12,962	-4.9%
Administrative and General	$ 44,244	$ 43,662	1.3%
IPP and Other Production Costs	$ 29,663	$ 30,537	-2.9%
Interest & Other Extraordinary Expenses	$ 26,708	$ 28,228	-5.4%
Depreciation and Amortization	$ 37,214	$ 37,645	-1.1%
Production Fuel	$ 180,807	$ 176,992	2.2%
Total	**$ 338,761**	**$ 337,160**	**0.5%**

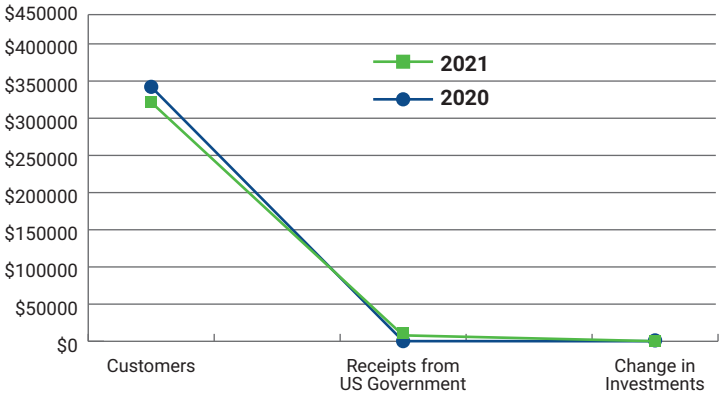
The Authority's operating expenses slightly increased by 0.5% or $1.6 million. Customer Accounting expense increase is mainly attributable to increase in credit card usage fees and Demand Side Management rebates.



Sources of Funds

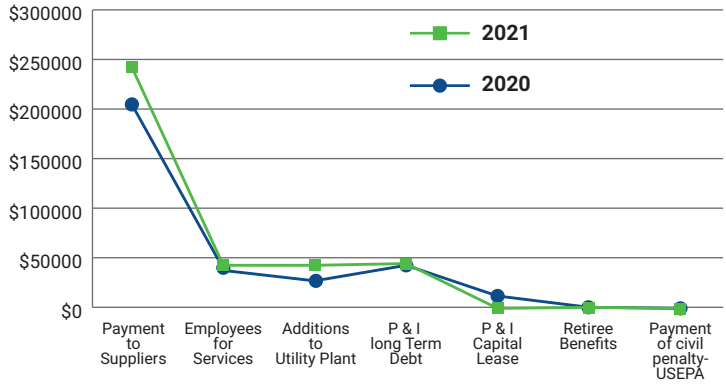
Type	FY 2021	FY 2020
(in $000)		
Customers	$ 323,462	$ 342,571
Receipts from US Government	$ 15,550	$ -
Change in Investments	$ (408)	$ 2,484
Total	**$ 338,604**	**$ 345,055**

Note: Customers was netted amount of Interest Paid on Deposits.



Uses of Funds

Type	FY 2021	FY 2020
(in $000)		
Payment to Suppliers	$ 246,510	$ 203,058
Employees for Services	$ 44,727	$ 40,553
Additions to Utility Plant	$ 45,224	$ 24,541
P & I - Long Term Debt	$ 47,224	$ 43,755
P & I - Capital Lease	$ 2,272	$ 8,946
Retiree Benefits	$ 4,036	$ 4,220
Payment of civil penalty-USEPA	$ -	$ 400
Total	**$ 389,992**	**$ 325,472**



All financial activities of GPA are in line with the mission, vision and goals established by the Authority. GPA's financial statements for fiscal year 2021 received a clean audit opinion from Deloitte & Touche, LLP. GPA's comprehensive financial statements may be viewed online at www.guampowerauthority.com.

Doc. No. 36GL-22-2070.*

GUAM POWER AUTHORITY
FY2021 CITIZEN-CENTRIC REPORT

OUR FUTURE CHALLENGES

Looking Ahead

For Fiscal Year 2021 and looking immediately ahead, only time will tell the full economic and operational impact of the global COVID-19 pandemic upon GPA.

GPA's strategic goals include:

• **Grid Transformation**
- GPA will generate 25% of its energy from renewable sources by 2025 and 50% by 2030 while improving grid stability and resiliency.

Customers benefit through lower and less volatile LEAC rates, cleaner air, improved power quality, and fewer outages. GPA reduces its carbon footprint and impact on the planet.

• **Consent Decree Compliance**
- The USEPA Consent Decree with GPA signed in May 2020 requires completion of many projects for renewable energy, energy storage, and projects for fuel infrastructure transitioning to cleaner fuels.
- Delayed by the onset of the COVID-19 pandemic in March 2020, GPA's new, flexible, and highly efficient Ukudu 198-megawatt combined cycle baseload power plant will support increasing renewable energy penetration and future load growth within the islandwide power system by April 2024.
- In March 2021, work was started to convert the 88-megawatt Piti #8 & #9 slow speed diesel units, to burn ultra-low sulfur diesel fuel to comply with USEPA national ambient air quality standards (NAAQS) and the RICE MACT. The conversion is expected to be completed by July 31, 2022.

Customers benefit from significantly cleaner air emissions, lower fuel costs, and sufficient capacity while the new Ukudu baseload power plant completes construction. As the cornerstone of GPA's generation fleet, the Ukudu plant will work well with renewable energy to ensure continuous power to the island in the event of non-solar days and natural disasters.

• **Building Grid Resilience**
- GPA completed its Phase 1 Tumon Bay Lateral Conversion Project in November 2020. The project converted existing overhead power lines along San Vitores Road to an underground system. Phase II is pending funding through FEMA grants.

Without impacting rates, customers benefit from significantly increased power service reliability; and quicker post-typhoon recovery and restoration of the power system, which supports Guam's economy and the entire community.

• **Improving Customer Service Delivery, Energy Affordability, and GPA Productivity**
- GPA's Hagåtña and Talo'fo'fo battery energy storage system projects have performed remarkably regulating frequency within 0.15 Hertz and reducing under frequency load shedding outages.
- The meter exchange field process transitioned to an automated workforce management system. Other manual field processes soon to follow.
- In 2022, more commercial rebate programs will be launched.
- In 2022, GPA's commercial and residential online energy sense energy efficient appliance rebate application portal will go live.
- GPA's Hagåtña 24-megawatt and Talo'fo'fo 16-megawatt, grid-scale Energy Storage Systems (ESS) batteries project met commissioning requirements and initiated its Commercial Operation Date on March 1, 2021. LG CNS America will operate and maintain these storage systems for the next 25 years.
- GPA launched Phase I of the Mobile Workforce Management System to improve field worker productivity. This system assists GPA in expediting work order processing necessary to update the billing system.
- GPA's Demand Side Management (DSM) programs help customers lower their monthly energy bills and reduce GPA's overall fuel use. Ongoing programs include the Energy Sense Rebate Program, BEST Schools Program, and Utility Energy Services Contracting (UESC) Programs. PUC has authorized about $3M annually for DSM programs.
- GPA continues to work on digitizing applications for its DSM rebates. Through optimizing technology, customers will soon be able to apply for GPA's Energy Sense rebates online or through GPA smart apps.
- Robotic process automation (RPA) implemented to identify and change out underperforming meters to ensure continuity of customer power service. This effort significantly reduces estimated bills and backbilling.
- Several customer engagement surveys conducted to gauge overall satisfaction and identify key improvement areas. Customer communication channels and messaging have been expanded to meet and exceed customer expectations.

Customers benefit from improved communications and account access, improved power reliability, a reduction in environmental impacts, greater efficiencies of an improved rebate application service, resulting in lower customer monthly energy bills and increased customer satisfaction.

• **Planning for the Future and a Sustainable Guam**
- The 2022 Integrated Resource Plan is slated for approval by the CCU and PUC in the first and second quarter of calendar year 2022.
- The 2022 IRP has been renamed the GPA Clean Energy Master Plan.
- GPA completed the draft of the Integrated Resource Plan (IRP) and held stakeholder meetings during its development. The IRP provides recommendations projecting how GPA will meet future power requirements. This document will be presented to the CCU and PUC for their review in 2022.

Customers benefit from GPA completing assessment of the impact of electric vehicles upon Guam's power grid to ensure GPA can meet future energy needs, at the lowest possible costs.

• **Workforce Planning**

A substantial number of GPA employees are eligible to retire within 5-10 years. In 2021 & 2022, GPA will launch new apprenticeship, internships and other training programs. It is critical that GPA attract and train highly and specialized employees, especially in the engineering, information technology, finance/accounting, transmission and distribution, and power generation fields.

Customers benefit with the assurance and performance of a sufficient professional and technical workforce to support GPA's operations that keep energy flowing and the lights on.

We want to hear from you.

Please contact GPA and let us know what information we can provide to you in future reports.

John J.E. Kim, CPA, GPA Chief Financial Officer
Telephone: (671) 648-3119/648-3122 • Email: jjekim@gpagwa.com • www.guampowerauthority.com • /Guam Power Authority

Doc. No. 36GL-22-2070.*