
2005 Guam Economic Development Conference

Guam Power Authority
Electric Power Infrastructure

Presenters:

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Where We Were – January 2003

- FY1999 through December 31, 2002
 - 83.5% of Gross Energy Production from Base Load Units
- Cabras 3&4 at 49% Equivalent Availability Factor (EAF)
- GPA bankrupt
 - Coffers Depleted
 - Collectors at the Door
- Emphasis on Crisis Management

Where We Are

- January 1, 2003 through February 28, 2005
 - 92.3 % of Gross Energy Production from Base Load Units
 - Base Load Availability Improvement Dividend
- Cabras 3&4 at 98%+ EAF
- GPA Financial Footing
 - Current with its vendors
 - Current in Collections
 - GovGuam Arrears Addressed (GO Bond, Promissory Notes)
 - FEMA Issues Resolved – Money in the Bank
- Emphasis on Long-Range Planning and Operational Effectiveness
- Professional Management with Private Sector Experience

The GPA Advantage

- Operated like a private business
 - Right-sizing
 - Right-sourcing
 - Visionary, Practical Management
- Leveraging public advantages
 - Triple Tax Exempt Bonds
 - No GRT
 - Federal Assistance
 - Grants
 - FEMA

The GPA Advantage

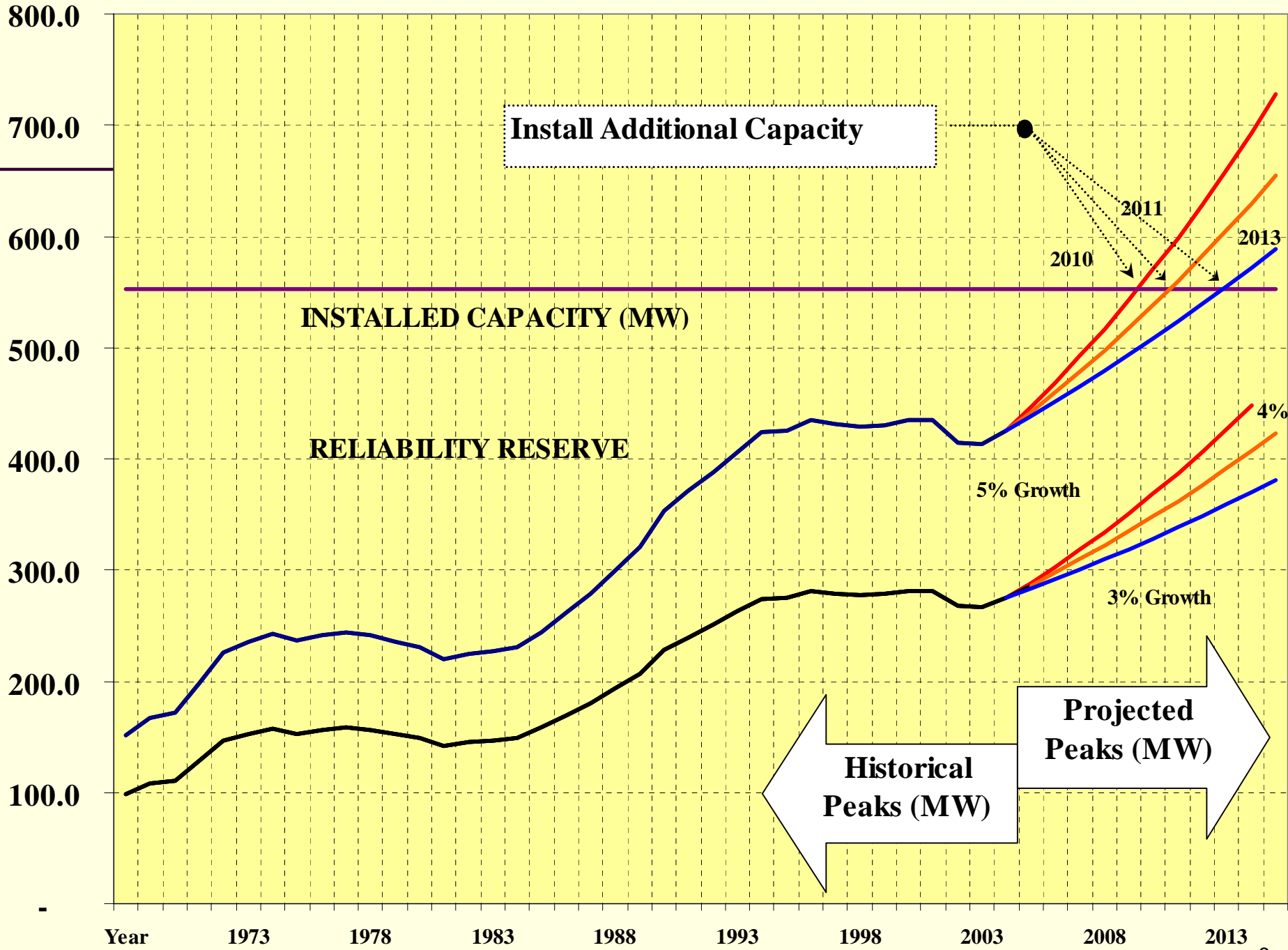
- Building Strong Business Partnerships
 - Anderson Air Force Base 34.5 kV Underground Transmission Line
 - Independent Power Producers
 - Performance Management Contracts
 - Take Over of AAFB Electric Distribution System?
 - BOS Subcontractor?

Generation Resources

- 552.4 MW Total, 281.5 MW System Peak
- 98% reserve margin

- Base Load Capacity: Privatized
 - 210.6 MW Under PMCs
 - Private Management, Public Employees, Incentives to Reduce O&M and Staffing Costs
 - 141 MW Under IPPs
 - Tango Plant staffed with Public Employees

- Reserve and Peaking Capacity
 - 40 MW Under IPP



Alternative Energy Initiative

- Focus Group of Island Stakeholders
- Demand-Side Management
 - Program Re-design and Re-Deployment
- Sea Water Air Conditioning Project
 - Detailed Feasibility Study
 - Projected annual savings of over 3.2 million gallons of imported fuel
- GPA is an Economic Catalyst
 - Green Power means less dependence on foreign oil
 - Keep your money multiplying on Guam

System Reliability Program

- Capacitor Program
- System Stability Study
 - Protection Relay Coordination Study
 - Under Frequency Load Shedding Protection Update
 - Assessment of Spinning Reserve and Automatic Generation Control

Distribution Resources

- FEMA mitigation program underway to harden facilities against typhoons with a \$20M electrical under-ground program in FY04-05
- **GPA plans to place major transmission and distribution facilities** underground by FY13 (\$200M) and other improvements using its revenues, bond financing and federal grants

Underground Improvements

GPA Underground Projects	Planned Finish	Funding	Estimate (x \$1,000)
Tumon 34.5 kV & 13.8 kV Underground Conversion Phase II	Jun-04	Tumon Beautification Bond Funds	
P401 Underground Conversion to Guam Memorial Hospital	FY' 06	FEMA 90%, GPA 10%	1,200
P003 Underground Conversion to GPA Cabras Facilities	FY' 06	FEMA 90%, GPA 10%	700
Harmon to Tumon 34.5 kV Underground Conversion	FY' 06	FEMA 90%, GPA 10%	2,960
Tamuning to Tumon 34.5 kV Underground Conversion	FY' 06	FEMA 90%, GPA 10%	2,480
San Vitores to Macheche 34.5 kV Underground Conversion	FY '07	FEMA 90%, GPA 10%	3,520
Harmon to Tanguisson 34.5 kV Underground Conversion	FY '07	FEMA 90%, GPA 10%	3,550
Macheche to GAA 34.5 kV Underground Conversion	FY '07	FEMA 90%, GPA 10%	1,510
Agana to Tamuning and P202 Underground Conversion	FY '07	FEMA 90%, GPA 10%	3,240
TOTAL INVESTMENT			19,160

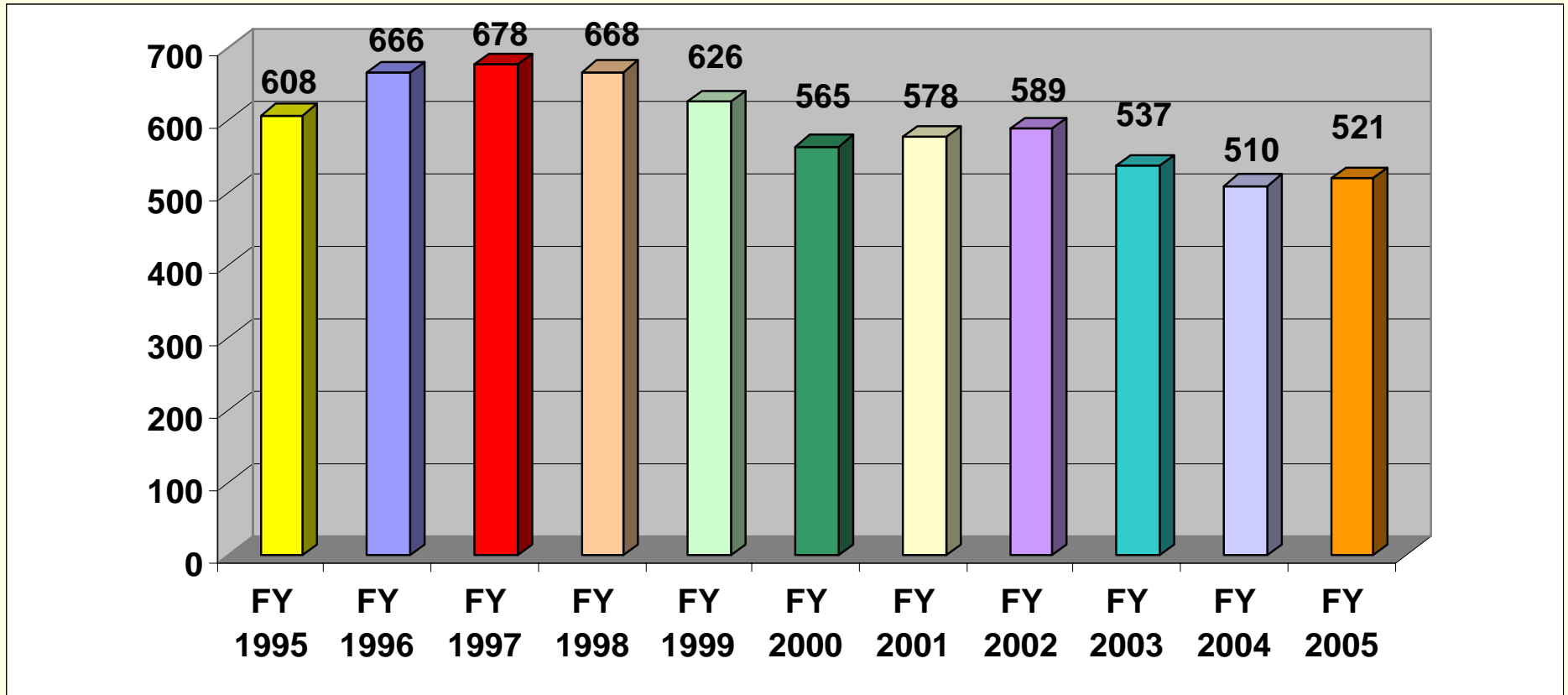
Human Resources

- 11 Professional Engineers in the Mechanical and Electrical Disciplines and growing
- Skilled Trades Journeymen
- Long-Term Plan for Developing Key Skill Sets
 - Over 23% of Employees over 50 years old
 - Only 5.6% of Employees below 30 years old

Manpower Development

- U.S. Department of Labor Certified Apprenticeship Program
 - Building Tomorrow's Work Force Today
- Engineering Scholarships
- Mentorship Program
- Engineering Summer Internship Program
- Compensation Study: Pay for Performance
 - Labor is 12% of Costs Managing other 88%

GPA Employment





Emphasis on planning and operational effectiveness keeps GPA out of operating in crisis management.

Emphasis on Long-Range Planning

- By end of 2005
 - Load, Sales and Fuel Forecasts
 - Integrated Resource Plan
 - Next Base Load Unit Addition
 - Cost of Service Study
 - Sea Water Air Conditioning Feasibility Study
 - Demand-Side Management Program Design
 - Avoided Cost
 - Long-Range Transmission Plan
 - Long-Range Strategic Plan
- Planning Launched in FY2005
 - Medium-Range Distribution Planning

Rates

GPA residential rates are comparable and in some cases, lower than other Island Utilities and U.S. Mainland areas.

Rate Comparisons (FY2004)

Utility	Residential (cents/KWh)	System Average (cents/KWh)
Guam Power Authority	12.82	14.11
Okinowa	20.77	17.97
Commonwealth Utilities Commission (Saipan)	11.00	14.96
Hawaii Electric Light Company, Inc. ¹	24.30	22.30
Maui Electric Company, LTd. ¹	21.30	20.40
Hawaiian Electric Company ¹	15.70	13.50
San Diego Gas & Electric Co.	16.23	
Southern California Edison	14.57	
PECO Energy Co.	14.45	
Public Service Co. of N.H.	12.36	

¹Month of September 2004

GPA, Electric Power Infrastructure and Guam's Resurging Economy

Ready to meet the tomorrow's needs
today!