

AMENDMENT NO. 3
TO PERFORMANCE MANAGEMENT CONTRACT

This AMENDMENT NO. 3 to GPA-001-16 Performance Management Contract for GPA's COMBUSTION TURBINE POWER PLANTS (to include; DEDEDO CT 1 AND CT2, Macheche CT, Yigo CT ("PMC")) is made and entered into as of this ____ day of August 2025, by and between GUAM POWER AUTHORITY ("GPA"), a public corporation and autonomous instrumentality of the Government of Guam, acting through the Guam Consolidated Commission on Utilities, and Taiwan Electrical and Mechanical Engineering Services, Inc. ("TEMES"), registered to do business in Guam (GPA and TEMES referred to herein collectively as the "Parties").

RECITALS

WHEREAS, the PMC contract with TEMES, as amended, is for the Management, Operation and Maintenance of the Dededo Combustion Turbine, Macheche, and Yigo plants, with extended operation and maintenance services for Piti 7, Tenjo Vista, Talofofu and Manenggon plants through February 28, 2026; and

WHEREAS, in June 2025 GPA issued IFB GPA-015-25 for Performance Management Contract for the Guam Power Authority's Combustion Power Plants: Dededo CT 1 and 2, Macheche CT, Yigo CT, and Piti 7 CT however the already aggressive bid schedule was impacted by a protest which could potentially delay the award of the new PMC contract until after the expiration of the current TEMES PMC contract; and

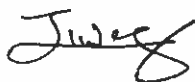
WHEREAS, GPA is requesting to extend this current CT PMC Contract with TEMES for five (5) months to ensure the continued safe and reliable operations of the aforementioned plants until a new PMC contract is issued.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the PMC Contract as follows:

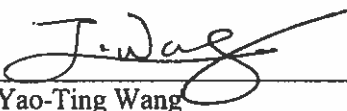
1. The expiration of this contract as amended shall be extended five (5) months through July 31, 2026.
2. The Fixed Management Fee for the extended period shall be \$72,600.58 per month and the reimbursable O&M budget shall be \$56,719.21 per month.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date specified above.

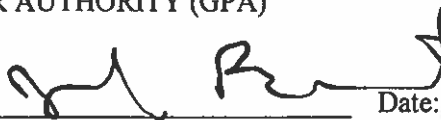
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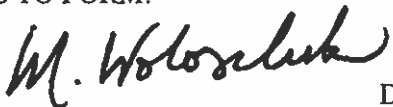
TAIWAN ELECTRICAL AND MECHANICAL
ENGINEERING SERVICES, INC. (TEMES)

By:  Date: 2025/08/18
Mr. Yao-Ting Wang
Chairman, Board of Directors
Duly Authorized Representative

GUAM POWER AUTHORITY (GPA)

By:  Date: 10/9/2025
John M. Benavente, P.E.
General Manager

APPROVED AS TO FORM:

By:  Date: 10/9/2025
Marianne Woloschuk
GPA Legal Counsel

MARIANNE WOLOSCHUK
 Legal Counsel
 Guam Power Authority
 Gloria B. Nelson Public Building
 688 Route 15, Mangilao, Guam 96913
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 Fax No. (671) 648-3290
 Email: mwołoschuk@gpagwa.com
Counsel for Guam Power Authority

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA DOCKET NO. 25-19
)
COMBUSTION TURBINE PLANTS PMC) PETITION OF THE GUAM POWER
EXTENSION) AUTHORITY TO APPROVE 5-MONTH
) EXTENSION OF PERFORMANCE
) MANAGEMENT CONTRACT FOR
) COMBUSTION TURBINE PLANTS TO
) JULY 31, 2026
)
)
)

The Guam Power Authority (GPA) petitions the Guam Public Utilities Commission (PUC) to approve a 5-month extension of GPA's performance management contract (PMC) with Taiwan Electrical & Mechanical Services, Inc. (TEMES) at the Combustion Turbine (CT) power plants through July 31, 2026. In support of the petition, GPA attaches the resolution of the Consolidated Commission on Utilities (CCU) on this matter. *See* Ex. 1 (CCU GPA Resolution No. FY2025-27, Aug. 26, 2025).

I. Background

GPA originally entered into a 5-year PMC with TEMES on March 1, 2016, and ending on February 28, 2021, for the management, operation, and maintenance of the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, Tenjo Vista, Talofofo and Manenggon power plants. The PMC was extended for five years, from March 1, 2021, to February 28, 2026. All options

1 to extend have been exhausted.

2 In June 2025, GPA issued MS IFB GPA-015-25 to solicit a PMC for Dededo CT 1 and
3 2, Macheche CT, Yigo CT, and Piti 7 CT. GPA anticipated completing the procurement and
4 obtaining the necessary regulatory and legal approvals and executing the contract by
5 January 29, 2026, to provide the new contractor with a 30-day mobilization period. *See* Ex. 1,
6 Attach. A (Bid Schedule). Two bidders lodged bid protests, one after another, throwing off the
7 timing and thwarting GPA's careful planning. The protests have since been resolved, but they
8 nevertheless engendered some delay in what was already a tight schedule.
9

10 A 5-month extension of the current PMC would give GPA sufficient time to deal with
11 the protests, complete the procurement, obtain the necessary approvals, and allow for
12 mobilization. The extension would also allow the CT plants to be operated reliably in a safe
13 manner until the new contractor can take over. The cost of the extension would be made up of
14 monthly fixed management fees of \$72,600.58 and monthly reimbursable O&M costs of
15 \$56,719.21, for a total monthly cost of \$129,319.9, or a total cost of \$646,598.95 for the
16 5-month period. The total cost of the contract would increase from \$13,311,415.56 to
17 \$13,947,014.51. *See* Ex. 1, Attach. B (Contract Cost Summary) & Attach. C (Letter from
18 TEMES).
19

20 GPA has prepared a contract amendment. *See* Ex. 1, Attach. D (Proposed PMC
21 Amendment).
22

23 **II. Request for Approval**

24 The PUC's contract review protocol for GPA requires PUC authorization for all
25 contracts in excess of \$1.5 million. The total cost of the CT PMC is nearly \$14 million,
26 triggering contract review.
27

28 The contract extension is necessary because this procurement has a tight schedule and
29

1 GPA cannot predict that there will be no more bid protests.

2 The contract extension is reasonable because the monthly cost will remain more or less
3 the same as GPA's previous monthly CT PMC costs.
4


5 The contract extension is prudent because, without a PMC, there will be no one to
6 operation and maintain the CT power plants safely and reliably.
7

8 **III. Conclusion**

9 Based on the foregoing, GPA requests that the PUC approve the 5-month extension of
10 TEMES's PMC for the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, Tenjo Vista,
11 Talofoto and Manenggon power plants. The requested contract extension is necessary,
12 reasonable, and prudent.
13

14 Respectfully submitted this 5th day of September, 2025.
15

16 *Attorney for Guam Power Authority*

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18 By: 
19 MARIANNE WOŁOSCHUK
20 GPA Legal Counsel
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CONSOLIDATED COMMISSION ON UTILITIES
 Guam Power Authority | Guam Waterworks Authority
 P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. FY2025-27

**RELATIVE TO AUTHORIZING THE EXTENSION OF THE PERFORMANCE MANAGEMENT
 CONTRACT FOR THE COMBUSTION TURBINE POWER PLANTS**

WHEREAS, the Combustion Turbine Performance Management Contract (PMC) with TEMES, Inc. is for the Management, Operation and Maintenance of the Dededo Combustion Turbines, Macheche CT, Yigo CT, and includes extended operation and maintenance services for Piti 7, Tenjo Vista, Talofofo and Manenggon plants through February 28, 2026, as amended; and

WHEREAS, the current PMC contract was awarded with a base term of 5 years, beginning March 1, 2016 and ending on February 28, 2021, and was extended for an additional 5 years, beginning March 1, 2021 and ending on February 28, 2026; and

WHEREAS, there are no additional extension periods under the current PMC contract; and

WHEREAS, in June 2025, GPA issued IFB GPA-015-25 for Performance Management Contract for the Guam Power Authority's Combustion Power Plants: Dededo CT 1 and 2, Macheche CT, Yigo CT, and Piti 7 CT;

WHEREAS, the current schedule requires all regulatory approvals to be completed and a new contract signed before January 29, 2026 to provide a 30-day mobilization period for a new PMC contractor; and

WHEREAS, the bid schedule has already been impacted by a protest which caused the schedule to be adjusted (see Attachment A); and

WHEREAS, GPA has just received another protest that may also impact the bid schedule; and

WHEREAS, GPA is requesting to extend this current CT PMC Contract with TEMES for five (5) months to ensure ample time is allowed to complete the bid process as well as provide the required mobilization period to a new PMC contractor and to ensure continued PMC support for the safe and reliable operations of the aforementioned plants until a new PMC contract is issued; and

WHEREAS, TEMES has proposed an extension of the existing contract term fixed management fees of \$72,600.58 per month and monthly reimbursable O&M cost is \$56,719.21 totaling \$129,319.79 per month and \$646,598.95 for the 5-month extension period; and

1 **WHEREAS**, the total contract cost for the current CT PMC contract will increase by \$646,598.95
2 to a new total of \$ \$13,947,014.51 as shown in Attachment B.


3
4 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, the governing
5 body of the Guam Power Authority and subject to the review and approval of the Public Utilities
6 Commission as follows:

- 7 1. GPA is authorized to amend the CT Performance Management Contract (GPA-001-16) with
8 TEMES, Inc. to extend the expiration date by five (5) months through July 31, 2026 and to
9 increase the total contract cost from \$ \$13,300,415.56 to \$ \$13,947,014.51 for Fixed
10 Management Fees and Reimbursable O&M costs;

11 **RESOLVED**, that the Chairman certifies and the Secretary attests the adoption of this
12 Resolution.

13
14 **DULY AND REGULARLY ADOPTED**, at Mangilao, Guam, this 26th day of August 2025.

15
16 Certified by:

17 
18 _____

19 **Francis Santos**

20 Chairperson

21 Consolidated Commission on Utilities

22 Attested by:

23 
24 _____

25 **Melvin Duenas**

26 Secretary

27 Consolidated Commission on Utilities

SECRETARY'S CERTIFICATE

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

4 AYES

0 NAY

0 ABSTENTIONS

1 ABSENT



Attachment A**Bid Schedule****Invitation For Multi-Step Bid No. GPA-015-25***(From Amendment IV dated July 30, 2025)*

Milestone	From	To
Bid Announcement	6/24/2025	7/1/2025
Bid Documents Available	6/24/2025	07/25/2025
Pre-Bid Conference	7/7/2025 9:00AM	
CT Power Plant Tours	7/7/2025 to 7/11/2025	
2nd Pre-Bid Conference	8/6/2025 9:00AM	
2nd CT Power Plant Tours	8/6/2025 to 8/12/2025	
Vendors Submit Questions	6/24/2025	08/22/2025
GPA Review and Answer Questions	6/24/2025	08/25/2025
Vendor Prepare Proposals	6/24/2025	09/01/2025
Cut Off Date for Receipt of Bid Documents	9/2/2025 2:00 PM	
Step One:		
Opening of Technical Proposal	9/2/2025 2:00 PM	
Evaluation by Committee	9/11/2025	9/19/2025
Determine & Notify Qualified Vendor	9/22/2025	
Step Two:		
Opening of Price Proposal	10/7/2024 at 2:00 PM	
Price Proposal Evaluation	10/7/2025	10/8/2025
Notification of Award	10/9/2025	10/22/2025
Contract Finalization	10/24/2025	10/27/2025
CCU & PUC Approval	10/28/2025	11/27/2025
Contract Signing	12/11/2025	
Contract Mobilization	1/31/2026	2/28/2026
Contract and Operational Commencement	3/1/2026	

Attachment B
CT PMC Contract Cost Summary

	Contract Year	Fixed Management Fee	O&M Spending Budget	Total Annual Costs
Base Term	1	\$ 640,000.00	\$ 500,000.00	\$ 1,140,000.00
	2	\$ 655,360.00	\$ 512,000.00	\$ 1,167,360.00
	3	\$ 671,088.65	\$ 524,288.00	\$ 1,195,376.65
	4	\$ 698,194.78	\$ 536,870.91	\$ 1,235,065.69
	5	\$ 703,687.44	\$ 549,755.82	\$ 1,253,443.26
Subtotal:		\$ 3,368,330.87	\$ 2,622,914.73	\$ 5,991,245.60

Extension Term	1	\$ 774,056.00	\$ 604,731.37	\$ 1,378,787.37
	2	\$ 797,278.00	\$ 622,873.31	\$ 1,420,151.31
	3	\$ 821,196.00	\$ 641,559.51	\$ 1,462,755.51
	4	\$ 845,832.00	\$ 660,806.29	\$ 1,506,638.29
	5	\$ 871,207.00	\$ 680,630.48	\$ 1,551,837.48
Subtotal:		\$ 4,109,569.00	\$ 3,210,600.96	\$ 7,320,169.96

Contract Costs (Base & Extension Terms):	\$ 7,477,899.87	\$ 5,833,515.69	\$ 13,311,415.56
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5 Month Extension	\$ 363,002.92	\$ 283,596.03	\$ 646,598.95
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Total Contract Costs: \$ 7,829,902.79 \$ 6,003,673.31 \$ 13,947,014.51

ATTACHMENT C
TEMES Contract Extension Cost Proposal



財團
法人

台灣機電工程服務社

TAIWAN ELECTRICAL AND MECHANICAL ENGINEERING SERVICES, INC.

ENGINEERS • CONSULTANTS • CONSTRUCTORS

8th FL., 119, BAOZHONG ROAD, XINXIAN DIST.,
NEW TAIPEI CITY 23144, TAIWAN (R.O.C.)

TEL : 886-2-86658182

FAX : 886-2-86658180

TEMS-202508-0170

Aug. 18, 2025

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

Subject: Re: PMC Extension for GPA Combustion Turbine Power Plants

Dear Mr. Benavente,

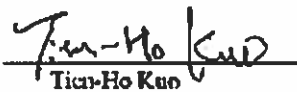
Thank you for your continued trust in TEMES. We understand the ongoing challenges in the CT PMC re-bidding process and fully recognize the importance of maintaining safe and stable operations at the CT Power Plant during this transitional period.

As requested, TEMES is willing to continue providing PMC support services for the CT Power Plant through May 31, 2026 or July 31, 2026. For the additional three or five months extension, the fees are based on a pro-rata calculation using the final year of the contract as the basis: the PMC fixed fee is USD 72,600.58 per month, and the O&M fee is USD 56,719.21 per month. These figures are respectfully submitted for your consideration and remain subject to the necessary regulatory approvals.

We sincerely appreciate the opportunity to continue supporting GPA and highly value the long-standing partnership established through the Cabras and Combustion Turbine PMC contracts.

Should you require any preliminary information or further clarification in the meantime, please do not hesitate to contact us.

Warm regards,


Tien-Ho Kuo

President, TEMES, Inc

CC : Ms. Jennifer U Sablan, P.E. AGMO
CC : Mr. Edward Leon Guerrero, Generation Manager

ATTACHMENT D
DRAFT CONTRACT AMENDMENT

AMENDMENT NO. 3
TO PERFORMANCE MANAGEMENT CONTRACT

This AMENDMENT NO. 3 to GPA-001-16 Performance Management Contract for GPA's COMBUSTION TURBINE POWER PLANTS (to include; DEDEDO CT 1 AND CT2, Macheche CT, Yigo CT ("PMC")) is made and entered into as of this ____ day of _____ 2025, by and between GUAM POWER AUTHORITY ("GPA"), a public corporation and autonomous instrumentality of the Government of Guam, acting through the Guam Consolidated Commission on Utilities, and Taiwan Electrical and Mechanical Engineering Services, Inc. ("TEMES"), registered to do business in Guam (GPA and TEMES referred to herein collectively as the "Parties").

RECITALS

WHEREAS, the PMC contract with TEMES, as amended, is for the Management, Operation and Maintenance of the Dededo Combustion Turbine, Macheche, and Yigo plants, with extended operation and maintenance services for Piti 7, Tenjo Vista, Talofofo and Manenggon plants through February 28, 2026; and

WHEREAS, in June 2025 GPA issued IFB GPA-015-25 for Performance Management Contract for the Guam Power Authority's Combustion Power Plants: Dededo CT 1 and 2, Macheche CT, Yigo CT, and Piti 7 CT however the already aggressive bid schedule was impacted by a protest which could potentially delay the award of the new PMC contract until after the expiration of the current TEMES PMC contract; and

WHEREAS, GPA is requesting to extend this current CT PMC Contract with TEMES for five (5) months to ensure the continued safe and reliable operations of the aforementioned plants until a new PMC contract is issued.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the PMC Contract as follows:

2. The expiration of this contract as amended shall be extended five (5) months through July 31, 2026.
3. The Fixed Management Fee for the extended period shall be \$72,600.58 per month and the reimbursable O&M budget shall be \$56,719.21 per month.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date specified above.

[signature page follows]

**TAIWAN ELECTRICAL AND MECHANICAL
ENGINEERING SERVICES, INC. (TEMES)**

By: _____ Date: _____
Mr. Yao-Ting Wang
Chairman, Board of Directors
Duly Authorized Representative

GUAM POWER AUTHORITY (GPA)

By: _____ Date: _____
John M. Benavente, P.E.
General Manager

APPROVED AS TO FORM:

By: _____ Date: _____
Marianne Woloschuk
GPA Legal Counsel



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 25-19
)
 COMBUSTION TURBINE PLANTS PMC)
 EXTENSION) **ORDER**
)
)
)
)

I. INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] for approval of a 5-Month Extension of GPA's performance management contract ["PMC"] with Taiwan Electrical & Mechanical Services, Inc. [TEMES] at the Combustion Turbine ["CT"] power plants, through July 31, 2026.¹

II. BACKGROUND

GPA entered into 5-Year PMC with TEMES on March 1, 2016, and ending on February 28, 2021, for the management, operation and maintenance of the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, and the Tenjo Vista, Talofoto, and Manenggon power plants.² The PUC approved the PMC in GPA Docket 15-22.³ In GPA Docket 21-03, the PUC approved the extension of the PMC with TEMES for the Combustion Turbine Power Plants for five additional years through February 28, 2026.⁴ However, GPA indicates that presently, "[A]ll options to extend have been exhausted."⁵

¹ GPA Petition for Request to Approve a 5-Month Extension of Performance Management Contract for Combustion Turbine Plants to July 31, 2026, GPA Docket 25-19, filed September 5, 2025.

² Id. at p. 1.

³ PUC Order, GPA Docket 15-22, dated January 25, 2016, at p. 4.

⁴ PUC Order, GPA Docket 21-03, filed November 30, 2020, at p. 8.

⁵ GPA Petition at pgs. 1-2.

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 Combustion Turbine Plants PMC Extension
 GPA Docket 25-19
 September 25, 2025

Given that the PMC with TEMES was set to expire in February 2026, in GPA Docket 25-06, the PUC authorized GPA to solicit a new PMC for GPA's Combustion Turbine Power Plants.⁶ In June of 2025, GPA issued MS IFB GPA-015-25 to solicit a PMC for the Combustion Turbine plants. GPA anticipated that the completion of the procurement, and obtaining the necessary regulatory, legal, and contract approvals, would be completed by January 29, 2026. This schedule provided the new contractor with a 30-day mobilization period.⁷ However, two bid protests derailed the schedule and planning contemplated by GPA. While the two protests have been resolved, there has been a delay in the tight schedule that GPA contemplated.⁸

GPA indicates that a 5-month extension of the current PMC will give GPA "sufficient time to deal with the protest, to compete the procurement, obtain the necessary approvals, and allow for mobilization."⁹ The extension would also allow the CT plants to be operated reliably in a safe manner until the new contractor can take over.¹⁰ In GPA Resolution No. FY2025-27, the Guam Consolidated Commission on Utilities authorized an amendment to the CT PMC with TEMES "to extend the expiration date by five (5) months through July 31, 2026 and to increase the total contract cost from \$13,311,415.56 to \$13,947,014.51 for Fixed Management Fees and Reimbursable O&M costs."¹¹

**III. GPA HAS PROVIDED SUFFICIENT JUSTIFICATION FOR
 THE PUC TO APPROVE A 5-MONTH EXTENSION OF THE
 TEMES PMC FOR THE COMBUSTION TURBINE PLANTS.**

⁶ PUC Order, GPA Docket 25-06, dated January 30, 2025, at p. 7.

⁷ GPA Petition at p. 2.

⁸ Id.

⁹ Id.

¹⁰ Id.

¹¹ Guam CCU GPA Resolution No. FY2025-27, Relative to Authorizing the Extension of the Performance Management Contract for the Combustion Turbine Power Plants, adopted and approved on August 26, 2025, at GPA Petition, Exhibit "1".

PUC Order
Combustion Turbine Plants PMC Extension
GPA Docket 25-19
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A. Contract Review Protocol

To extend the expiration date of the PMC by five (5) months through July 31, 2026, the total contract cost will be increased from \$13,311,415.56 to \$13,947,014.51.¹² The period of the 5-month extension will cost an additional \$646,598.95. The Fixed management fee will be \$363,002.92 and O&M spending budget will be \$283,596.03.¹³ To calculate the fee, TEMES has set the monthly Fixed Management Fee at \$72,600.58 and the monthly O&M fee at \$56,719.21.¹⁴ These fees are based upon the current PMC monthly prices.¹⁵

Since the PMC has been a “multi-year” contract, the test to determine whether a procurement exceeds the \$1,500,000 threshold for PUC review and approval is the total estimated cost of the procurement, including cost incurred in any renewal options.¹⁶ Thus, the procurement exceeds the \$1,500,000 threshold and requires prior PUC approval as a professional service procurement in excess of \$1,500,000, or as any contract or obligation, not specifically referenced in the protocol, which exceeds \$1,500,000.¹⁷

- B. The contract extension is necessary because of the tight schedule of the procurement and the fact that GPA cannot predict whether there will be more bid protests.**

¹² GPA Petition at Exhibit 1 & Attachment B.

¹³ Id.

¹⁴ Id. at Attachment C.

¹⁵ Id.

¹⁶ Contract Review Protocol for Guam Power Authority, Administrative Docket, dated February 15, 2008 at par. 4.

¹⁷ Id. at par. 1 (c) and (e).

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Combustion Turbine Plants PMC Extension
GPA Docket 25-19
September 25, 2025

Attachment A to the GPA petition indicates the Procurement Bid Schedule. The PMC Multi-Step Bid is still undergoing evaluation by the GPA committee. Remaining steps are: opening of the bid proposal, price proposal evaluation, notification of award, contract finalization, and CCU & PUC Approval. It is certainly possible that there could be other bid protests in the process. Also, the Schedule only leaves one month for contract mobilization, which seems to be a very short timeframe if there is a change in the PMC. To assure adequate time for a smooth transition, it is appropriate to extend the PMC of TEMES for five months.

- C. The contract extension is reasonable because the monthly cost for the extension period will remain the same as GPA's current monthly CT PMC costs.

For the 5-month extension, TEMES will charge GPA the same monthly Fixed Management Fee and the same O&M Spending Budget as are presently charged in the fifth year of the current extension term for the PMC.¹⁸

- D. The contract extension is prudent because, without an extension, there would be no PMC to operate and maintain the CT power plants safely and reliably.

Previously, the PUC determined that the availability of the CT units is critical for GPA. It will assist in allowing GPA to meet reliability requirements and sufficient additional power capacity.¹⁹ The PUC also found that the previous contract extension for TEMES allowed it to further repair the combustion turbines and to maintain their operational efficiency.²⁰ To allow GPA to be in position without any PMC for the combustion turbines would be a dangerous and unacceptable risk. The requested contract extension is reasonable, prudent, and necessary.

¹⁸ GPA Petition at Attachment B & C.

¹⁹ PUC Order, GPA Docket 21-03, dated November 30, 2020 at p. 4.

²⁰ Id. at p. 7.

PUC Order
Combustion Turbine Plants PMC Extension
GPA Docket 25-19
September 25, 2025

IV. ORDERING PROVISIONS

After review of the record herein, including GPA's Petition for Approval of the five-month Extension of the Performance Management Contract (PMC) with TEMES for the Combustion Turbine Power Plants, and the ALJ Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The 5-month extension of TEMES's PMC for Dededo CT 1 & 2, Macheche CT, Yigo CT, Piti 7 CT, and the Tenjo Vista, Talofoto, and Maneggon power plants, is approved.
2. GPA is authorized to amend the TEMES PMC by entering into draft Amendment No. 3 with TEMES.
3. The total authorized cost of CT PMC (GPA-001-16) with TEMES, Inc. is hereby increased from \$13,311,415.56 to \$13,947,014.51 for Fixed Management Fees and Reimbursable O&M costs.
4. GPA is authorized to expend the total amount of \$646,598.95 for the five-month extension of the TEMES PMC as Fixed Management Fees (\$72,600.58 monthly) and Reimbursable O&M costs (\$56,719.21 monthly).
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's

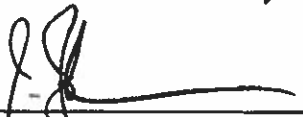
**PUC Order
Combustion Turbine Plants PMC Extension
GPA Docket 25-19
September 25, 2025**


regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

PUC Order
Combustion Turbine Plants PMC Extension
GPA Docket 25-19
September 25, 2025

Dated this 25th day of September 2025.



Jeffrey C. Johnson
Chairman

Rowena E. Perez-Camacho
Commissioner

Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner

Doris Flores Brooks
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 25-19
)
 COMBUSTION TURBINE PLANTS PMC)
 EXTENSION) **ORDER**
)
)
)
)

I. INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] for approval of a 5-Month Extension of GPA's performance management contract ["PMC"] with Taiwan Electrical & Mechanical Services, Inc. [TEMES] at the Combustion Turbine ["CT"] power plants, through July 31, 2026.¹

II. BACKGROUND

GPA entered into 5-Year PMC with TEMES on March 1, 2016, and ending on February 28, 2021, for the management, operation and maintenance of the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, and the Tenjo Vista, Talofofo, and Manenggon power plants.² The PUC approved the PMC in GPA Docket 15-22.³ In GPA Docket 21-03, the PUC approved the extension of the PMC with TEMES for the Combustion Turbine Power Plants for five additional years through February 28, 2026.⁴ However, GPA indicates that presently, "[A]ll options to extend have been exhausted."⁵

¹ GPA Petition for Request to Approve a 5-Month Extension of Performance Management Contract for Combustion Turbine Plants to July 31, 2026, GPA Docket 25-19, filed September 5, 2025.

² Id. at p. 1.

³ PUC Order, GPA Docket 15-22, dated January 25, 2016, at p. 4.

⁴ PUC Order, GPA Docket 21-03, filed November 30, 2020, at p. 8.

⁵ GPA Petition at pgs. 1-2.

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Given that the PMC with TEMES was set to expire in February 2026, in GPA Docket 25-06, the PUC authorized GPA to solicit a new PMC for GPA's Combustion Turbine Power Plants.⁶ In June of 2025, GPA issued MS IFB GPA-015-25 to solicit a PMC for the Combustion Turbine plants. GPA anticipated that the completion of the procurement, and obtaining the necessary regulatory, legal, and contract approvals, would be completed by January 29, 2026. This schedule provided the new contractor with a 30-day mobilization period.⁷ However, two bid protests derailed the schedule and planning contemplated by GPA. While the two protests have been resolved, there has been a delay in the tight schedule that GPA contemplated.⁸

GPA indicates that a 5-month extension of the current PMC will give GPA "sufficient time to deal with the protest, to compete the procurement, obtain the necessary approvals, and allow for mobilization."⁹ The extension would also allow the CT plants to be operated reliably in a safe manner until the new contractor can take over.¹⁰ In GPA Resolution No. FY2025-27, the Guam Consolidated Commission on Utilities authorized an amendment to the CT PMC with TEMES "to extend the expiration date by five (5) months through July 31, 2026 and to increase the total contract cost from \$13,311,415.56 to \$13,947,014.51 for Fixed Management Fees and Reimbursable O&M costs."¹¹

**III. GPA HAS PROVIDED SUFFICIENT JUSTIFICATION FOR
THE PUC TO APPROVE A 5-MONTH EXTENSION OF THE
TEMES PMC FOR THE COMBUSTION TURBINE PLANTS.**

⁶ PUC Order, GPA Docket 25-06, dated January 30, 2025, at p. 7.

⁷ GPA Petition at p. 2.

⁸ Id.

⁹ Id.

¹⁰ Id.

¹¹ Guam CCU GPA Resolution No. FY2025-27, Relative to Authorizing the Extension of the Performance Management Contract for the Combustion Turbine Power Plants, adopted and approved on August 26, 2025, at GPA Petition, Exhibit "1".

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A. Contract Review Protocol

To extend the expiration date of the PMC by five (5) months through July 31, 2026, the total contract cost will be increased from \$13,311,415.56 to \$13,947,014.51.¹² The period of the 5-month extension will cost an additional \$646,598.95. The Fixed management fee will be \$363,002.92 and O&M spending budget will be \$283,596.03.¹³ To calculate the fee, TEMES has set the monthly Fixed Management Fee at \$72,600.58 and the monthly O&M fee at \$56,719.21.¹⁴ These fees are based upon the current PMC monthly prices.¹⁵

Since the PMC has been a “multi-year” contract, the test to determine whether a procurement exceeds the \$1,500,000 threshold for PUC review and approval is the total estimated cost of the procurement, including cost incurred in any renewal options.¹⁶ Thus, the procurement exceeds the \$1,500,000 threshold and requires prior PUC approval as a professional service procurement in excess of \$1,500,000, or as any contract or obligation, not specifically referenced in the protocol, which exceeds \$1,500,000.¹⁷

- B. The contract extension is necessary because of the tight schedule of the procurement and the fact that GPA cannot predict whether there will be more bid protests.**

¹² GPA Petition at Exhibit 1 & Attachment B.

¹³ Id.

¹⁴ Id. at Attachment C.

¹⁵ Id.

¹⁶ Contract Review Protocol for Guam Power Authority, Administrative Docket, dated February 15, 2008 at par. 4.

¹⁷ Id. at par. 1 (c) and (e).

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Attachment A to the GPA petition indicates the Procurement Bid Schedule. The PMC Multi-Step Bid is still undergoing evaluation by the GPA committee. Remaining steps are: opening of the bid proposal, price proposal evaluation, notification of award, contract finalization, and CCU & PUC Approval. It is certainly possible that there could be other bid protests in the process. Also, the Schedule only leaves one month for contract mobilization, which seems to be a very short timeframe if there is a change in the PMC. To assure adequate time for a smooth transition, it is appropriate to extend the PMC of TEMES for five months.

- C. The contract extension is reasonable because the monthly cost for the extension period will remain the same as GPA's current monthly CT PMC costs.

For the 5-month extension, TEMES will charge GPA the same monthly Fixed Management Fee and the same O&M Spending Budget as are presently charged in the fifth year of the current extension term for the PMC.¹⁸

- D. The contract extension is prudent because, without an extension, there would be no PMC to operate and maintain the CT power plants safely and reliably.

Previously, the PUC determined that the availability of the CT units is critical for GPA. It will assist in allowing GPA to meet reliability requirements and sufficient additional power capacity.¹⁹ The PUC also found that the previous contract extension for TEMES allowed it to further repair the combustion turbines and to maintain their operational efficiency.²⁰ To allow GPA to be in position without any PMC for the combustion turbines would be a dangerous and unacceptable risk. The requested contract extension is reasonable, prudent, and necessary.

¹⁸ GPA Petition at Attachment B & C.

¹⁹ PUC Order, GPA Docket 21-03, dated November 30, 2020 at p. 4.

²⁰ Id. at p. 7.

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IV. ORDERING PROVISIONS

After review of the record herein, including GPA's Petition for Approval of the five-month Extension of the Performance Management Contract (PMC) with TEMES for the Combustion Turbine Power Plants, and the ALJ Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The 5-month extension of TEMES's PMC for Dededo CT 1 & 2, Macheche CT, Yigo CT, Piti 7 CT, and the Tenjo Vista, Talofofo, and Maneggon power plants, is approved.
2. GPA is authorized to amend the TEMES PMC by entering into draft Amendment No. 3 with TEMES.
3. The total authorized cost of CT PMC (GPA-001-16) with TEMES, Inc. is hereby increased from \$13,311,415.56 to \$13,947,014.51 for Fixed Management Fees and Reimbursable O&M costs.
4. GPA is authorized to expend the total amount of \$646,598.95 for the five-month extension of the TEMES PMC as Fixed Management Fees (\$72,600.58 monthly) and Reimbursable O&M costs (\$56,719.21 monthly).
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's

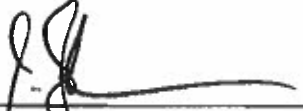
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regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

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Dated this 25th day of September 2025.



Jeffrey C. Johnson
Chairman

Rowena E. Perez-Camacho
Commissioner

Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner

Doris Flores Brooks
Commissioner

AMENDMENT NO. 3
TO PERFORMANCE MANAGEMENT CONTRACT

This AMENDMENT NO. 3 to GPA-001-16 Performance Management Contract for GPA's COMBUSTION TURBINE POWER PLANTS (to include; DEDEDO CT 1 AND CT2, Macheche CT, Yigo CT ("PMC")) is made and entered into as of this ____ day of August 2025, by and between GUAM POWER AUTHORITY ("GPA"), a public corporation and autonomous instrumentality of the Government of Guam, acting through the Guam Consolidated Commission on Utilities, and Taiwan Electrical and Mechanical Engineering Services, Inc. ("TEMES"), registered to do business in Guam (GPA and TEMES referred to herein collectively as the "Parties").

RECITALS

WHEREAS, the PMC contract with TEMES, as amended, is for the Management, Operation and Maintenance of the Dededo Combustion Turbine, Macheche, and Yigo plants, with extended operation and maintenance services for Piti 7, Tenjo Vista, Talofofu and Manenggon plants through February 28, 2026; and

WHEREAS, in June 2025 GPA issued IFB GPA-015-25 for Performance Management Contract for the Guam Power Authority's Combustion Power Plants: Dededo CT 1 and 2, Macheche CT, Yigo CT, and Piti 7 CT however the already aggressive bid schedule was impacted by a protest which could potentially delay the award of the new PMC contract until after the expiration of the current TEMES PMC contract; and

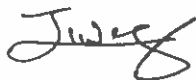
WHEREAS, GPA is requesting to extend this current CT PMC Contract with TEMES for five (5) months to ensure the continued safe and reliable operations of the aforementioned plants until a new PMC contract is issued.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the PMC Contract as follows:


1. The expiration of this contract as amended shall be extended five (5) months through July 31, 2026.
2. The Fixed Management Fee for the extended period shall be \$72,600.58 per month and the reimbursable O&M budget shall be \$56,719.21 per month.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date specified above.

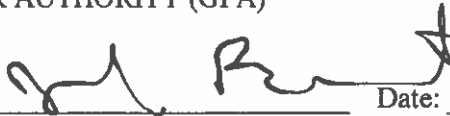
[signature page follows]




TAIWAN ELECTRICAL AND MECHANICAL
ENGINEERING SERVICES, INC. (TEMES)

By:  Date: 2015/08/18
Mr. Yao-Ting Wang
Chairman, Board of Directors
Duly Authorized Representative

GUAM POWER AUTHORITY (GPA)

By:  Date: 10/9/2025
John M. Benavente, P.E.
General Manager

APPROVED AS TO FORM:

By:  Date: 10/9/2025
Marianne Woloschuk
GPA Legal Counsel