



GUAM POWER AUTHORITY

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FOR IMMEDIATE RELEASE

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GPA EXPRESSES GRATITUDE TO LAWMAKERS FOR PUBLIC LAW 36-91 AND GEDA FOR SUCCESSFUL BOND SALE

GPA takes the next step in the implementation of its Clean Energy Master Plan

Guam Power Authority (GPA) General Manager John Benavente, P.E. expressed his appreciation to the 36th Guam Legislature for voting to pass Bill 213-36 (COR) during the final session of the month and to Gov. Lourdes Leon Guerrero for signing the Bill into law (Public Law 36-91) on April 11.

Benavente said, “Un dangkulu na si Yu’us ma’åse’ to Gov. Leon Guerrero for her support of Bill 213-36 (COR) and expeditiously moving to sign it into law. This is a huge step in the direction of our Clean Energy Master Plan.”

“We recognize and thank Sen. Joe San Agustin, the author of Bill 213-36 (COR), Senator Joanne Brown for her amendment, and all the Senators who supported the bill and its passage, including Vice Speaker Tina Muña Barnes, Minority Leader Sen. Chris Duenas, and Senators Tony Ada, Frank Blas, Jr., James Moylan, Telo Taitague, and Jose Terlaje. We also offer our sincere thanks to Sen. Clynt Ridgell, Oversight Chairman on Utilities, and his committee members for hearing, discussing, and voting on the legislation,” Benavente added.

Successful Refunding Bond Sale

Benavente also confirmed more positive news regarding the successful sale of GPA’s Revenue Refunding Bonds, 2022 Series A, in New York on Tuesday, April 12, 2022.

GPA, with the support and backing from the Office of the Governor, the Guam Economic Development Authority (GEDA), and the Bureau of Budget and Management Research (BBMR), had a successful bond sale that will generate up to \$10 million of cash flow savings in peak debt service years to accommodate capital payments for the new Ukudu power plant that is expected to begin operation in FY2024.

Despite a market environment that has seen an outflow of funds in recent weeks due to increasing treasury rates and rising inflation, GPA achieved a net present value savings of \$5.8 million with an all-in True Interest Cost (TIC) of 4.3%. The extremely successful sale of \$257.6 million in refunding bonds will refund \$285.8 million of outstanding GPA 2012 bonds, reducing the overall debt by \$28.2 million. GPA received \$728 million of total orders from 20 institutional investors for the entire series of bonds.

“I want to thank Gov. Leon Guerrero, Lt. Gov. Josh Tenorio, and the Guam Legislature for their approval and authorization to issue these refunding bonds as our agency identifies ways to reduce overall costs to the ratepayers of Guam,” stated Benavente. “I extend my special thanks to our GPA management team; GEDA CEO and Administrator Melanie Mendiola and her staff; the leadership team at BBMR; and bond counsel for their support and guidance on this deal.”

“We are pleased with the results of the GPA bond sale, which will help the Authority keep rates down as they convert to a more environmentally friendly power generation,” stated Gov. Leon Guerrero. “The investor confidence is reflective of the people of Guam and our Administration’s handling of our economic recovery.”

The bonds will forward refund the outstanding 2012 Series A bonds for settlement on July 7, 2022.

Progress for Ratepayers

According to Benavente, all components represent immense progress for ratepayers and residents.

He added, “This was a community effort. We thank the Consolidated Commission on Utilities and the Public Utilities Commission of Guam for their support. Our ratepayers were instrumental in reaching out to our Senators to get the Bill passed. Because of all this, Guam is another step closer to achieving 50% renewable energy by 2035 and 100% by 2045.”

Benavente concluded by saying that the passage of Bill 213-36 (COR), the selling of revenue bonds, and the addition of the latest solar farm are all integral parts of Guam’s remarkable energy future – a stable system that produces cleaner energy, fewer emissions, and with greater efficiency. He said, “The fuel savings that we will achieve will ultimately lead to lower power costs for our people. This is a significant win for everyone.”

For questions regarding Public Law 36-91, Legislative Bill 213 (COR), GPA’s Revenue Refunding Bonds 2022 Series A, or GPA’s Clean Energy Master Plan, please visit guampowerauthority.com. For the latest news, follow and engage with GPA on Facebook and Instagram (@GuamPowerAuthority).

HOW GPA ASSISTS RATEPAYERS

Guam Power Authority encourages eligible ratepayers to take advantage of programs designed to mitigate financial hardships associated with the COVID-19 pandemic: the [Emergency Rental Assistance](#) (ERA), a Department of Administration program that assists Guam households with rent and utility relief, and the Homeowner Assistance Fund (HAF), part of the Federal government's American Rescue Plan Act of 2021 that provides financial assistance to help prevent mortgage and utility delinquencies. For questions regarding ERA and HAF assistance programs, please email customersfirst@gpagwa.com or call (671) 647-5787/8/9. A DOA-ERA representative is available at the GPWA Customer Service Lobby in Fadian on Thursdays from 9:00 a.m. to 1:00 p.m. For tips on how to manage or reduce household or commercial energy consumption to save energy and money, visit guampowerauthority.com.