



GUAM POWER AUTHORITY

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FOR IMMEDIATE RELEASE

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PUC ANNOUNCES LEAC INCREASE AND SCHEDULE

Rise in gas prices at the pumps mirrors increase in fuel cost to generate power; GPA's operation costs hold steady after a quarter-century

(Fadian, Guam) – The Public Utilities Commission (PUC) announced today the amount of the LEAC (Levelized Energy Adjustment Clause) increase and the rollout schedule, which will raise the cost of power for customers in the coming months.

Guam Power Authority General Manager John Benavente, P.E. said, “The price of oil continues to rise exponentially around the world. Consequently, the PUC has determined an increase in the LEAC is also necessary. With fuel costs higher than ever, the PUC Commissioners are supporting GPA’s petition and doing what is necessary to ensure viable GPA operations allowing GPA to have enough cash to purchase fuel to keep the lights on. The fuel cost will add \$100M to this year’s operational costs.”

On Thursday, PUC Commissioners voted on the following schedule to increase the fuel surcharge: Effective July 1, 2022, the LEAC will increase from \$0.209522 per kilowatt-hour (kWh) to \$0.251638/kWh. For residential customers, this represents an average increase of 13.72% or \$42.12 on their total power bill. Then, effective September 1, 2022, the LEAC will increase to \$0.296043/kWh, an additional 12.72% increase, or \$44.41, to the average residential power bill.

Benavente added, “We understand the hardship this causes our customers. As we are all feeling the increase at the gas pumps, there is a direct correlation between the increase in fuel prices to the increase in the LEAC. We are tirelessly looking for solutions to lighten the burden on our customers.”

GPA’s General Manager also stated that savings from the addition of the new solar farms have been realized but aren’t apparent to customers because of the surge in fuel costs.

Benavente said, “The rates would have been higher had the new KEPCO 60 MW Marbo solar farm not started producing energy that is expected to save ratepayers \$1.5M per month in reduced fuel expenses.”

“We will not stop looking for solutions to alleviate the impact of rate increases on our customers,” he said.

GPA’s base rate steady for a quarter-century

According to Melinda Mafnas, Assistant General Manager of Operations, GPA continues to work to find a solution. The Agency has kept the base rate down over the past quarter-century, General Manager Benavente and his team have been communicating with the Governor’s Office to identify a funding source to offset increases in the fuel surcharge so customers don’t have to bear the burden. GPA is also working with the 36th Guam Legislature to offset the proposed increase.

Mafnas said, “We have worked diligently to operate as efficiently as possible, which has allowed us to keep the base rate consistently low for more than 25 years. In the past decade, GPA has raised the base rate by less than two cents. In the past 25 years, the increase has been right under four cents. This means that the LEAC increases have been a direct result of fluctuating oil prices.”

“Guam and the world have been hit with the uncontrollable price of crude oil. I’m confident we will get through this with our customers, and find relief when the new Ukudu power plant is commissioned,” she added.

Save energy. Lower your power bill.

GPA is also providing energy-saving tips to power consumers to help manage and ultimately reduce their monthly power bills.

Mafnas added, “GPA offers simple tasks that if practiced, will help customers save power and money while decreasing the demand during the peak hours between 6:00 - 9:00 p.m. For instance, set your air conditioner’s thermostat to 75°F. Cool your house by using fresh air before turning on your air conditioner. Set your water heater to 110° to 120°F. Wash full loads of laundry in cold water after 9:00 p.m. Unplugging small appliances and fully charged devices every time you leave the house can lead to savings of \$2.50 a day. That may not seem like much, but that’s a savings of \$75 every month. If families reduce the use of air conditioners by doing more outdoor activities, opening their windows more often, water blasting their roofs, tinting the windows of their

homes, and barbecuing instead of baking or cooking on the stove, they can double those savings.”

GPA, through its Energy Sense program, provides rebates to customers for replacing inefficient air conditioners and other appliances with highly efficient models. Within a short time, customers can recover costs and significantly reduce their power bills. GPA is open to suggestions on how it can help customers, especially during these difficult times.

For tips on reducing energy consumption and lowering your power bill, please visit guampowerauthority.com and follow GPA on Instagram and Facebook (@guampowerauthority).

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How GPA Assists Customers

Guam Power Authority encourages eligible customers 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.

ATTACHMENT: CUSTOMER SERVICE DIRECTORY