



TERRITORY OF GUAM
OFFICE OF THE GOVERNOR
AGAÑA, GUAM 96910
U. S. A.
EXECUTIVE ORDER NO. 96-23

**RELATIVE TO DECLARATION OF EMERGENCY AND
AUTHORIZING THE GUAM POWER AUTHORITY TO
PROCURE POWER GENERATION, SUBSTATION, AND
TRANSMISSION SERVICES, PURSUANT TO PUBLIC
LAW NO. 23-103.**

WHEREAS, Guam Power Authority has experienced a shortage of power generation for at least a year, causing numerous power outages during 1995 and 1996; and

WHEREAS, the people of Guam have made it abundantly clear that they wish their government to do all that is necessary to provide them with a reliable power system; and

WHEREAS, Public Law 23-103 was passed on June 24, 1996 authorizing the Guam Power Authority to utilize emergency procurement procedures to obtain necessary power generation, substation, and transmission services without need to go through Public Utility Commission approval; and

WHEREAS, the Guam Power Authority solicited proposals for various requirements; and

NOW, THEREFORE, I, CARL T. C. GUTIERREZ, Governor of Guam, by virtue of the authority vested in me by the Organic Act do order:

- 1) Emergency conditions exist in Guam with regard to the adequacy and reliability of the electrical power generation system.
- 2) Pursuant to Public Law 23-103 and §5215 of Title 5, Guam Code Annotated, authorizing Emergency Procurement upon Executive Order, the Board of Directors of the Guam Power Authority (GPA) is authorized to procure the following:
 - a) **Refurbish, operate, and maintain Tanguisson 2 x 20 MW steam turbine generators.**

Currently, one of the steam turbines is owned by GPA and the other is owned by the U. S. Navy. Both are operated by GPA. As a part of the transfer of Navy generation assets to GPA it is expected that the Navy unit will shortly be transferred to GPA. The intent is for the contractor to take over the responsibility for the maintenance and operation of both of these units for a period of Twenty (20) years and for the contractor to refurbish the units to bring them up to nameplate rating. GPA's requirement is for the contractor to operate and maintain the units in an efficient manner so as to ensure availability of 87%+.



A power purchase agreement would be entered into with GPA. This is considered to be an urgent requirement and the raising of output to nameplate rating by Christmas 1996 is the aim.

The site has an environmental problem that must be addressed by the contractor and that is the clean up of the Residual Fuel Oil that has leaked into limestone caverns beneath the ground. Some of this has been pumped out by GPA but the contractor shall take over the responsibility for the complete clean up;

b) Build, own, and maintain a 40 MW combustion turbine.

The requirement is for the installation and setting to work of 40 MW of simple cycle combustion turbine(s) to be erected on GPA property at Cabras within as short a time period as is practical. The intent is for the contractor to own the plant for a period of Twenty (20) years with the option to transfer to GPA at the end of that period. A power purchase agreement would be entered into with GPA. It is expected that starting, stopping, and alarming of this plant would be from the existing control room for Cabras #3 and #4 and that this would be handled by GPA staff. This plant is required to be on line by the end of March 1997;

c) The option to refurbish, operate, and maintain U. S. Navy generation plants which will be transferred to GPA.

U. S. Navy generation assets to be transferred to GPA includes Tanguisson Unit No. 1 mentioned above and also the Piti power plant which consists of 3 x 11 MW de-commissioned steam turbines known as Piti 1, 2, and 3 and 2 x 20 MW operating steam turbines known as Piti 4 and 5.

GPA's Generation Expansion Plan calls for Piti 1, 2, and 3 to be replaced by slow speed diesel generators to provide the next phase of base load generation before the year 2000. As the major relatively easily permissible area on Guam, the object is to achieve the maximum kW per m² within the confines of Piti 1, 2, and 3, the aim being total output in the order of 60 to 70 MW. To achieve that end the contractor is not bound to use slow speed diesels as it is recognized that other plant or combinations of plant may be more cost effective for an IPP. The object at the end of the day is the lowest power cost to GPA customers. Also, if a contractor can provide another suitable site in lieu of Piti and arrange permitting in a guaranteed time frame then this could be an acceptable alternative;

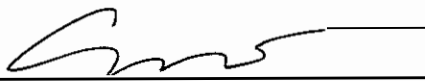
d) In addition to the above base load generation, we propose that the following step of base load generation at some date to be determined be that Piti 4 and 5 be modified to operate in conjunction with two 40 MW (total each) combustion turbines in a combined cycle arrangement.



The first 40 MW of combustion turbines would be the plant detailed in Subsection (b) above relocated to the Piti site. The intent is for the contractor to own, operate, and maintain the units for a period of Twenty (20) years with the option to transfer to GPA at the end of that period. A power purchase agreement would be entered into with GPA;

- e) In accordance with this declaration of emergency, the Guam Power Authority is authorized to make any other emergency procurement of power generation, substation, and transmission services as it deems to be necessary pursuant to Public Law 23-103.
- 3) The authorization for the certification, approval, and expenditure of necessary funds pursuant to §5215 of Title 5, Guam Code Annotated, shall be this Executive Order, subject only to the exhaustion of identified funds. Any funds not so expended shall revert to the Guam Power Authority.

SIGNED AND PROMULGATED at Agana, Guam this 22nd day of August, 1996.



CARL T. C. GUTIERREZ
Governor of Guam

COUNTERSIGNED:



MADELEINE Z. BORDALLO
Lieutenant Governor of Guam