



RESOLUTION NO. FY2026-08

**RELATIVE TO APPROVAL TO INCREASE THE LIMIT
TO REPAIR AND OVERHAUL THE NAVY-OWNED OROTE POWERPLANT**

WHEREAS, Guam Power Authority (GPA) and Commander, Joint Region Marianas (CJRM), renewed the Inter-Governmental Support Agreement (IGSA) for another 10- year period in June 2023 for the purpose of providing each other with mutual assistance of electrical power goods and support services; and

WHEREAS, CJRM has requested GPA to assist with the repair and overhaul services for the Orote Power Plant located on Naval Base Guam (NBG); and

WHEREAS, the Orote Power Plant consists of three 6.8MW Wartsila diesel engines; and

WHEREAS, Navy has justified use of the original equipment manufacturer (OEM) to provide the repair and overhaul services and the diesel engines were recently assessed by Wartsila, the OEM; and

WHEREAS, GPA originally requested for approval of up to \$3 million based on an initial estimate for all work related to the Orote Power Plant --which is a reimbursable cost to GPA under the IGSA from Navy that will not produce an increased revenue requirement and as such only notice need be provided to the Guam Public Utilities Commission under its contract review protocol; and

WHEREAS, the overhaul of Unit 2 of Orote was completed and the unit was commissioned; however, the insulation on the Unit 2 generator was worn, and indicated a low Ohm value, causing the generator to burn. Unit 2 now requires at least \$1,450,000 to repair offsite; and

WHEREAS, to prevent Unit 1 and Unit 3 Generators from also burning and incurring similar damages, the OEM recommends the cleaning and servicing (generator rewinding) in addition to the overhaul of each unit. This is estimated to cost \$450,000 for both Unit 1 and Unit 3; and

1 **WHEREAS**, the total increase to complete the repair and overhaul of the Orote Power
2 Plant is estimated to be almost \$2,200,000 more than planned, which includes a 10% contingency
3 and additional costs added. And the estimated project total, with this additional estimated costs, is
4 \$4,642,596.18; and

5 **WHEREAS**, the Navy has requested to expedite this service to ensure power supply to the
6 Naval Base Guam at all times, especially after typhoons.

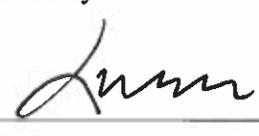
7 **NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on**
8 **Utilities, as follows:**

- 9 1. GPA is approved to increase the \$3,000,000 contract with Wartsila to up to
10 \$6,000,000, to provide repair and overhaul services on the Orote Power Plant, with
11 costs reimbursed by Navy under the IGSA.
12 2. GPA shall notify the PUC of the contract as required by the contract review
13 protocol.
14

15 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
16 of this Resolution.

17 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27th DAY OF**
18 **January, 2026.**

19 Certified by:
20 
21 _____
22 **FRANCIS E. SANTOS**
23 Chairperson
24 Consolidated Commission on Utilities

Attested by:
20 
21 _____
22 **MELVIN F. DUENAS**
23 Secretary
24 Consolidated Commission on Utilities

25
26 //
27
28 //

1 **I, Melvin F. Duenas**, Secretary for the Consolidated Commission on Utilities (CCU), as
2 evidenced by my signature above do certify as follows:

3 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular
4 meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held
5 at a place properly noticed and advertised at which meeting a quorum was present and the
6 members who were present voted as follows:

7
8
9
10
11

Ayes: 5
Nays: 0
Absent: 0
Abstain: 0

