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GPA Advances Long-Term Capital Plan to Strengthen Island-Wide Power System

Proposed bond authorization would support investments in Guam's future energy needs

(Fadian, Mangilao) **-** The Guam Power Authority (GPA) is advancing long-term capital improvement planning to strengthen the Island-Wide Power System, address current system needs and prepare for Guam's energy future as electricity demand continues to grow.

Bill No. 345-38, which was heard by the Legislature's Committee on Finance and Government Operations on August 27, 2026, would approve the terms and conditions for GPA to issue up to $375 million in revenue bonds, in one or more series, to finance capital improvements to the Island-Wide Power System. Under the bill, proceeds may be used for certain energy storage, generation, transmission and distribution projects and other capital improvements.

GPA's current system planning projects peak electricity demand to grow from approximately 270 megawatts (MW) today to about 300 MW by 2029. To meet that demand while maintaining sufficient reserves when individual generating units are unavailable, GPA's longer-term energy plan calls for more than 600 MW of total system capacity by the end of 2029 through a combination of conventional generation, renewable energy and energy storage.

"Our mission is to provide reliable and affordable electricity to the people of Guam on a sustained basis," said GPA General Manager John M. Benavente, P.E. "We are addressing the system's immediate needs, but we also have a responsibility to plan ahead. Making deliberate investments before aging infrastructure, customer growth or a major storm forces emergency action puts GPA in a better position to manage both reliability and costs over the long term."

The near passages of Super Typhoons Sinlaku and Bavi in 2026 were a stark reminder of the importance of that planning. Although Guam avoided direct hits, the two storms still resulted in approximately $10.3 million in combined recovery expenses and lost revenue, reinforcing the need to strengthen critical infrastructure before the next major storm.

The proposed bond-funded project list includes significant transmission and distribution investments, including underground infrastructure, as well as rehabilitation of existing generating units, substation and relay improvements, facility upgrades and other system needs. Many of these infrastructure investments are expected to serve Guam for 25 to 40 years or longer.

GPA is also pursuing federal funding for critical transmission-hardening projects to complement bond financing and other available resources.

GPA intends to pursue these investments with continued prudent fiscal management and careful consideration of the impact on ratepayers. GPA's intention is to pursue the financing without increasing utility rates. Financing long-lived infrastructure over time allows costs to be spread across its useful life rather than impacting today's customers or being addressed under emergency conditions.

Any bond issuance that could affect rates would remain subject to review and written approval by the Consolidated Commission on Utilities (CCU) and the Guam Public Utilities Commission (PUC). GPA will evaluate the amount and timing of any issuance based on system needs, customer growth, available revenues and financial conditions.

GPA will continue working with the CCU, PUC, Guam Economic Development Authority, the Governor and the Legislature as projects and financing plans move through the required approval processes.

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