Power *for the* People

2025 ANNUAL REPORT

GUAM POWER AUTHORITY
GPA
POWER TO SERVE

About GPA

Guam Power Authority (GPA) was established in 1968 as a public corporation and autonomous instrumentality, of the Government of Guam. GPA is fully independent from its central government as it does not receive subsidies from the Government of Guam, with revenues derived solely from rates. GPA is a publicly-owned retail electric utility that provides electric generation and transmission and distribution services throughout Guam and is the sole provider of such services.

GPA has been serving Guam for 57 years and has evolved from an entity with basically no assets to one which now owns all generation, transmission and distribution assets outside of Guam's US military bases. GPA generates all energy for the entire Guam community including the US military.

The Authority is governed by the Consolidated Commission on Utilities (CCU), an elected five-member board and is subject to regulations of the Guam Public Utilities Commission (GPUC).

Vision

GPA will be the best utility providing outstanding energy solutions to our island community.

Mission

GPA shall provide reliable, efficient, effective, environmentally sound, affordable, accountable, leading energy solutions.

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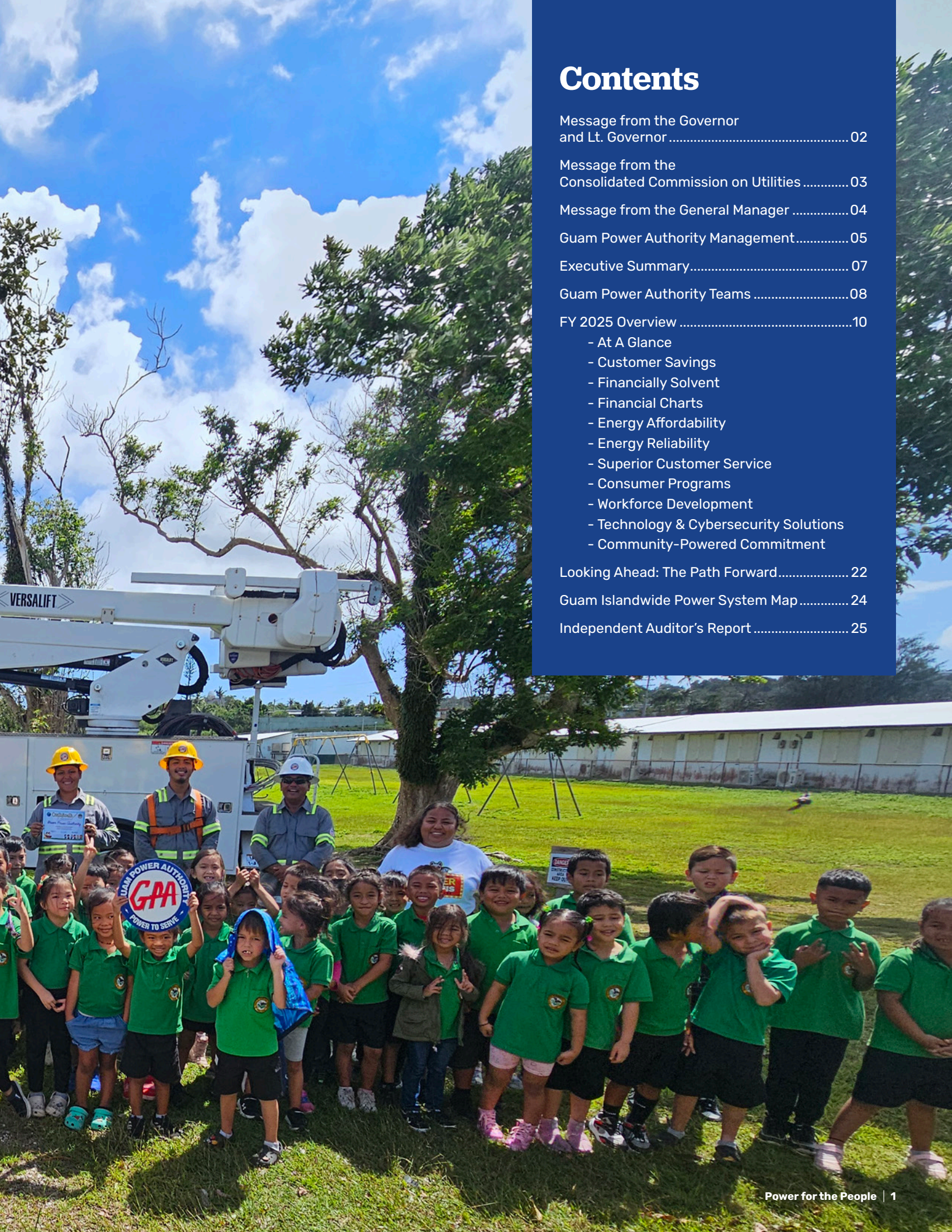


Message from the Governor and Lieutenant Governor

> *Planning today for a more reliable, affordable and sustainable energy future for Guam means making thoughtful investments that will serve our people for generations to come.*

Buenas yan Håfa Adai.

Planning today for a more reliable, affordable and sustainable energy future for Guam means making thoughtful investments that will serve our people for generations to come. Throughout Fiscal Year 2025, the Guam Power Authority advanced major initiatives to strengthen our island's energy infrastructure, diversify our energy resources and better serve the people of Guam.

A central part of this work is the 198-megawatt Ukudu Power Plant, a combined-cycle facility that represents years of planning toward a more modern and efficient generation system for our island. Ukudu will play an important role in strengthening generation capacity, reducing reliance on older and more fuel-intensive units, and supporting greater stability across the Island-Wide Power System.

GPA also continued to expand Guam's renewable energy portfolio and introduce more efficient technologies into its operations. Phase IV of Guam's renewable energy program will add up to about 330 megawatts of solar photovoltaic generation paired with battery energy storage. This will help reduce dependence on imported Ultra Low Sulfur Diesel, diversify Guam's generation portfolio and move our island toward exceeding 50 percent renewable energy ahead of the 2035 legislative mandate. GPA also added hybrid bucket trucks that reduce fuel consumption, eliminate unnecessary engine idling and lower emissions while crews are at work. These investments support cleaner operations, greater energy security and less exposure to changes in global fuel prices.

Long-term progress also depends on strong partnerships and the responsible use of public resources. GPA's technical expertise and infrastructure capabilities make it an important partner in supporting broader Government of Guam priorities and the critical public services our people depend on. When agencies share expertise and resources, they are better able to address infrastructure needs and serve the community.

To date, GPA secured approximately $13 million in federal grant funding to support technology, cybersecurity and other critical infrastructure initiatives. We are an advocate in Washington, D.C., to support GPA's effort in advancing Guam's utilities and pursuing increased federal support for energy infrastructure. These investments help strengthen the resiliency and security of Guam's energy system while allowing GPA to advance important projects with less reliance on local ratepayer funding.

Planning for the future must also include helping families who need assistance today. Through the Low Income Home Energy Assistance Program, GPA applied more than $553,000 in utility debt relief to approximately 545 eligible customers during FY2025. LIHEAP is one example of how federal resources and local agencies can work together to provide direct support to our people.

These investments are part of the work required to reduce Guam's exposure to fuel volatility, strengthen the reliability of the Island-Wide Power System and give families and businesses greater confidence in the services they depend on. Just as important, they help position Guam to meet future demand with a more efficient and diversified energy portfolio.

I commend the leadership and employees of the Guam Power Authority for their continued service to our community. Their work is helping lay the foundation for a more reliable, affordable and sustainable energy future for Guam.

Si Yu'os Ma'åse',

Lourdes A. Leon Guerrero
Maga'hågan Guåhan
Governor of Guam

Joshua F. Tenorio
Sigundo Maga'låhen Guåhan
Lieutenant Governor of Guam

Message from the Consolidated Commission on Utilities

In 2025, Guam Power Authority (GPA) made strides in delivering resilient, reliable, sustainable, and affordable energy for our island community. The challenges faced over the past 2 years have been answered with proactive solutions, modern services, and projects designed to address energy shortfall while the new and efficient 198-megawatt (MW) Ukudu Power Plant nears full commissioning. From bolstering immediate grid stability and expanding generation capacity to aggressively advancing toward a 50% renewable energy threshold ahead of schedule, GPA is actively reshaping Guam's power infrastructure as a critical-entity for our island.

Throughout its history, GPA has shown resilience in recovering from natural disasters that impact Guam's power grid. The devastation caused by Typhoon Mawar reinforced the importance of building a stronger and more hardened system. Since then, GPA has implemented targeted improvements to harden critical infrastructure and improve response capabilities to support a faster recovery following future storms.

GPA's commitment to enhancing power output has been solidified by the integration of the nearly completed Ukudu Power Plant. The approval of repair and rehabilitation services for the Harmon substation T-501 transformer established a vital connection point, linking Ukudu directly into the Islandwide Power System (IWPS) and the northern portion of Guam, where the island's power demand is more heavily concentrated. Without this initiative, the plant's testing schedule would have been further delayed. At full commissioning, the Ukudu Power Plant will provide cleaner, more efficient, and more affordable power to the community.

Additionally, following the successful testing of up to 145MW of gross power at Ukudu, the Guam Public Utilities Commission (PUC) approved the request for additional energy services from Guam Ukudu Power (GUP). This agreement phases in 135MW of combined-cycle capacity avoiding load shedding and mitigating the higher costs associated with older, fuel-intensive plants.

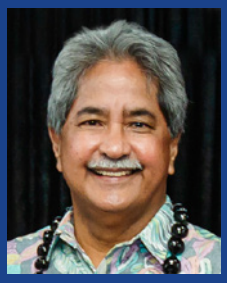
Other efforts to stabilize the IWPS include a term extension with Tristar Terminals Guam, INC., which plays a critical role by ensuring uninterrupted supply of fuel to Cabras 1 & 2. These units will remain active until they are retired following the full commissioning of the Ukudu Power Plant. Another key initiative was the refurbishment of Tank 1934, which will store the Ultra-Low Sulfur Diesel (ULSD) for Piti 7 and Ukudu. The approved extension of the Performance Management Contract for the combustion power plants – Dededo CT 1 & 2, Macheche CT, Yigo CT, and Piti 7 CT – reinforces the maintenance and operations of these power plants that will help prevent any unnecessary outages.

In tandem with strengthening grid reliability, renewable energy remains a cornerstone of GPA's energy diversity. The approval of its Phase IV renewable energy projects (Solar Farms) and Energy Storage System (ESS) Phase II project (Centralized Battery project) represents a major step toward expanding its green infrastructure, reducing oil imports, and establishing reserves to offset costlier generation. The Phase IV Renewable Energy bid resulted in more than 330 MW, which includes the 132MW KES, 60MW Core Tech, and 18.4MW PRU solar facilities. In May 2025, the CCU and PUC approved ESS Phase II (Centralized Battery project), allowing GPA to procure Energy-Shifting and Grid services of up to 90 MW at any time of the day. This storage capacity will maintain grid stability through consistent voltage and frequency regulation that will mitigate sudden disturbances and alleviate peak demand.

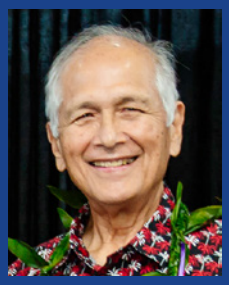
As a result, GPA is on track to achieve 50% renewable energy threshold by 2029, successfully outpacing its Clean Energy Master Plan (CEMP) goals and the Legislative Renewable Portfolio Standard (RPS) mandate. By implementing these initiatives, GPA is securing the immediate reliability of the IWPS while paving the way for a sustainable energy future.

Aside from providing reliable energy, cost-saving methods are also at the forefront of GPA's goal for providing affordable energy. The CCU and PUC approved GPA's petition to reduce the Fuel Recovery Charge (Levelized Energy Adjustment Clause – LEAC) twice in 2025. On February 1, 2025, the LEAC decreased to $0.208802 per kilowatt-hour from the initial $0.261995 per kilowatt-hour. A second reduction dropped the rate even further on August 1, 2025, down to $0.155495 per kilowatt-hour through December 31, 2025, delivering substantial financial relief to ratepayers. A proposal for an additional reduction in the LEAC rate to take effect January 2026 is up for discussion. The CCU thanks the PUC for their leadership, partnership, and support of the utilities for their shared commitment to setting fair, affordable rates that balance the needs of our community with the necessary costs of service.

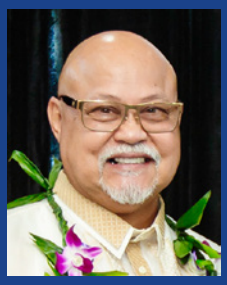
GUAM CCU



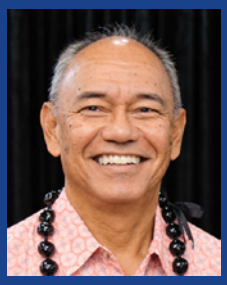
Francis E. Santos
Chairman



Pedro Roy Martinez
Vice Chairman



Melvin F. Duenas
Secretary



Simon A. Sanchez II
Commissioner

Michael Limtiaco
Commissioner

GPA's successes stem from the cultivating talent of its workforce. With a new cycle ready to step in, the 7th cycle of Apprentices are now underway. GPA continues to build a bright future for their workforce by providing internship opportunities across several departments, such as Customer Service, Engineering, Executive, Finance, Information Technology, Procurement, and Warehouse. Additionally, GPA employees participated in professional training to elevate their workforce development and skill proficiency.

On behalf of the Consolidated Commission on Utilities, I commend GPA's leadership team and the 447 employee-strong workforce for their hard work and dedication to paving a resilient, reliable, sustainable, and more affordable energy future.

Biba GPA! Biba Guam!

Francis E. Santos
Chairman, Consolidated Commission on Utilities

Message from the General Manager

"Together we will achieve safe, clean, reliable and affordable energy on a sustained basis for all of our customers."

FY 2025 (October 1, 2024 to September 30, 2025)

The Guam Power Authority (GPA) reflects on its progress in Fiscal Year 2025, while continuing to address challenges such as generation shortfall, price volatility, high energy costs, supply chain uncertainty, and the economic impacts of inflation.

GPA continued to make progress in addressing the island's generation capacity shortfall. GPA implemented mid-term solutions—including the deployment of temporary emergency generators and accelerated maintenance programs—which have allowed much-needed preventive maintenance checks to resume. GPA has been actively improving and investing in its Power Infrastructure- a $43M investment to rehabilitate units in Generation: Combustion Turbines, Diesels, Ukudu Power Plant & Fuel. These proactive steps have significantly improved reliability.

GPA also shifted up to 16 megawatt-hour (MWh) of Battery Energy Storage System (BESS) and added capacity with the support of our U.S. Navy partners, large businesses, and government of Guam agencies. GPA requested for power conservation during peak demand hours that was met with positive responses from the community. Together, these efforts strengthened GPA's ability to maintain stability until the new 198 megawatt (MW) baseload Ukudu Power Plant is placed online.

Guam's energy future is now. The paradigm shift in energy security through diversified energy generation and fuel sources will continue further as GPA pursues renewables beyond 50%.

With the up-and-coming Ukudu Power Plant, its advancement of generation and renewable resource technologies (such as the awarding of the Phase IV renewable project up to 330 MW of additional solar PV system) and investments in reserve capacity, GPA continues its commitment to clean, reliable, affordable energy on a sustained basis.

GPA's MAJOR CAPITAL INITIATIVES

- The 198-MW Ukudu Combined Cycle Power Plant
- Grid Resiliency – Transmission & Distribution underground systems
- Renewable Energy Expansion

Strengthening Grid and Systems Reliability

The Ukudu Power Plant is more than a capital improvement and construction milestone. The upcoming combined cycle power plant is a catalyst for transforming how Guam generates and pays for electricity. The state-of-the-art Ukudu plant's role in reducing fuel costs is pivotal, it is projected to decrease fuel oil imports by 1.1 million barrels per year and will enable the retirement of older, less efficient generators like Cabras 1 and 2. This means greater efficiency, fewer outages and lower fuel costs. By December 2024, the new Ukudu Power Plant was 92% complete, heading to the final stages of construction. Key achievements include the first successful fuel transfer from the Piti Bulk Storage Farm to the Ukudu plant. Recent work includes lube oil flushing for gas turbines, pipe fit-up for the Heat Recovery Steam Generator, and ongoing cable installations for critical systems like the Battery Energy Storage System and treated water storage tanks.

In February 2025, testing of the new Ukudu Power Plant commenced, with the initial pre-commissioning of the new power plant reaching a major milestone as the first of three combustion turbine (CT) units was successfully fired during the testing stage. This marks the beginning of Ukudu's transition from construction to operation, with the plant's ability to actively supply power to Guam's electrical grid.

Ukudu CT Unit 1 underwent extensive initial testing, successfully integrating 5 MW of energy production into the Islandwide Power System (IWPS), including emergency stop procedures, protection relay checks, and overspeed trip tests at full speed.

During the August 2025 testing phase, the Ukudu Power Plant contributed over 100 MW into the IWPS. This important step marked progress toward the full commissioning of the 198 MW Ukudu Power Plant in December 2025. Alongside Phase IV renewables, which will shift 50% of generated solar energy into the evening hours, these initiatives are designed to secure reliable energy for Guam's future. All power generators now operate on clean Ultra Low Sulfur Diesel (ULSD) fuel, with sulfur Dioxide Emissions reduced by 99.9%.

GPA's Phase IV renewable energy bid resulted in up to 330 MW in combined proposal. As of CY 2025, approximately 150.4 MW of additional solar PV capacity with ESS has been awarded. Benefits of the Phase IV renewable project include reducing fuel oil imports, allowing stored solar energy to be dispatched at night, reducing power plant use, reducing Guam's energy costs & carbon footprint, and providing reserve capacity to meet peak loads and future load growth. About 30% of Guam's energy needs will come from renewable energy sources once one of the approved projects, KES Yona 132 MW solar facility, is online at the end of CY2027.

Other investments in reserve capacity for system reliability include the ongoing installation of about 103 standby generators for water/wastewater facilities, and the Combustion Turbine (CT) performance management contract procurement currently ongoing to rehabilitate other critical generating units. Together, these actions are expected to reduce fuel imports by over 900,000 barrels, moving GPA closer to a cleaner, more reliable, and sustainable future.

Continue Fiscal Responsibility & Discipline
In 2025, GPA was able to provide meaningful savings to customers by reducing the Levelized Energy Adjustment Clause (LEAC) rate from about 26 cents per kilowatt-hour to about 20 cents per kilowatt-hour effective February 1, 2025 through July 31, 2025, followed by a further reduction to about 15 cents per kilowatt-hour effective August 1, 2025 through December 31, 2025.

GPA's assurance to fiscal responsibility and discipline is evident through its prudent, conservative budget, base rate case, and commitment to lowering the LEAC.

- GPA budget projections for FY2026 will be reduced by $10M+ to mitigate base rate increase.
- Unmodified opinion (clean audit), indicating the highest level of assurance.
- GPA maintained strong investment-grade ratings with a stable outlook.
- At the end of 2025, PUC approved the increased base rate effective January 1, 2026, allowing GPA to meet the monthly Ukudu financial obligation and comply with bond covenants.
- Prior to the January 1st base rate increase, GPA's base rate has not increased in over 10 years.
- At the end of 2025, the PUC approved reducing the Fuel Recovery Charge (aka LEAC) to 13.584 cents per kilowatt-hour effective January 1, 2026.

Continuous Improvements & Growth
Investing in Growth – GPA's commitment to investing in Growth is investments in the Islandwide power grid system, as well as continuous process improvements and smart partnerships.

GPA continues to finance Capital Improvement Projects (CIPs) through annual revenues while also exploring federal partnerships to fund infrastructure projects that are mutually beneficial. Additionally, GPA will seek bond funding (up to $375M in $100M borrowing tranches) to upgrade and invest in critical infrastructure projects.

Working smarter – GPA continues to advance in technologies that improve the utility's systems and security.

Grants – GPA has been awarded multiple grants, which contribute to improving the current and future grid while reducing the financial impact on ratepayers.

Investing in People - GPA's commitment to investing in people is through expanding workforce partnerships, workforce development, and succession planning.

- Succession planning begins with the earnest investment in applicants' and employees' professional development. Expanding partnerships through professional programs and training.
- Apprenticeship program: GPA invested and successfully completed its 6th apprenticeship cycle, and the 7th cycle is now underway, advancing workforce development in the T&D and SCADA trades. Anticipating GPA's 8th cycle to begin sometime in late 2026.

GPA Management

Jennifer G. Sablan, P.E.
Assistant General Manager, Operations

Beatrice P. Limtiaco
Assistant General Manager, Administration

John J. Cruz, Jr., PE
Assistant General Manager, Engineering and Technical Services

John J.E. Kim, CPA
Chief Financial Officer

Joyce N. Sayama
Communications Manager

Marianne Woloschuk
Legal Counsel

- Generation training program: GPA's internal training program continues to support in meeting generation capacity, providing trainees hands-on instruction in the electrical components of plant operator and maintenance work.
- Investing in workforce internship with UOG and GCC, where interns support daily operations and contribute to key projects.
- Summer Youth Internship program: GPA participates as a sponsor agency in the Governor's Summer Youth Employment Program (SYEP), hosting youth interns for a six-week session.
- GPA supports leadership development, building supervisory skills and provide training for non-supervisory employees to broaden organizational readiness.
- GPA invests in professional designations, supports employee recognition and employee engagement programs.

Message from the General Manager

Investing in the Community - GPA's commitment to investing in the community by continuous improvements in customer engagement and energy sense programs, and community outreach.

Achievements and National Recognition
GPA was recognized by the American Public Power Association (APPA) for leadership and outstanding work in the community, along with excellence in safety practices and public communications.

In June 2025, GPA won the APPA Sue Kelly Community Service Award presented to community-owned utilities for their "good neighbor" activities that demonstrate commitment to the community, and GPA's Assistant General Manager – Administration (AGMA) Beatrice "Tricee" Limtiaco, won the prestigious Alan H. Richardson Statesmanship Award, which recognizes public power leaders who work to achieve consensus on national issues important to public power utilities.

GPA also earned the APPA Safety Award of Excellence in 2024 & 2025. GPA was honored with the highest accolade for safety, earning the Diamond Award of Excellence for safe operating practices for the qualifying year 2025.

For the fourth year in a row, GPA won two APPA Excellence in Public Power Communications awards for its exceptional work. GPA garnered the Award of Excellence for Video, for its Lineworkers Read Aloud video. This category recognizes excellence in video production for creative, engaging, and memorable work. GPA also garnered the Award of Merit in Web and Social Media for its Community Powered Web and Social Media campaign that recognizes GPA employees' hard work in the community.

Looking ahead, our focus remains on ensuring grid stability, affordability, and long-term reliability. Over the next few years, GPA will:

- Install additional battery systems to help balance the grid.
- Implement advanced smart control systems to optimize power distribution.
- Deploy specialized technologies to maintain grid stability.
- Develop programs that encourage energy efficiency and reduce peak demand.
- Upgrade power lines and related infrastructure to enhance reliability with its Grid Resiliency Plan

GPA's Grid Resiliency Plan
Resilience of the GPA Grid requires Investments in Underground Transmission & Distribution lines

- Hardening Critical Transmission Infrastructure - Pursuing federal grants
  - Navy currently has projects to underground transmission lines serving Naval Base Guam from the Piti Substation and Piti Power Plants.
  - The Navy project includes underground transmission lines to Apra Substation, which will service the Hågat and Santa Rita communities.

- GPA priority transmission projects proposed for grant funding include:
  - Hardening the northern transmission loop specifically between Harmon Substation and Dededo Power Plant.
  - Establishing an underground tie in between the north and the south by providing an underground transmission line from GIAA to Barrigada to Hagåtña to Anigua and into Piti.
  - Completely looping the southern system to the northern system to improve operational flexibility and resilience through underground transmission lines between Apra, Talo'fo'fo, Pulantat, and Barrigada.
- GPA pursuing underground distribution lines by issuing up to $375M in bonds
  - Undergrounding distribution lines to critical infrastructures such as water and wastewater systems, communication, medical facilities and high density areas will result in faster restoration of critical services and restore many customers as quickly as possible in a shorter period.

GPA Energy Production Expansion Plan through 2030
For Conventional Capacity beginning CY 2026 THRU 2027:

- 390 MW in Conventional Capacity Projected for 2026
  - Cabras 1 & 2 slated to officially retire on May 31, 2026
  - Aggreko Temporary power contract projected to end in September 2026
  - 433 MW of conventional capacity projected by December 2027 after rehabilitation of reserve units
  - LNG fuel source for Ukudu Power Plant is under consideration

Renewables Capacity – In Progress
- 50% Renewables by 2030
  - 85 MW in existing Solar PV capacity
  - 65 MW in existing ESS (1 hour)
  - Anticipate the awarding of the remaining Phase IV renewable energy projects
  - Anticipate 90 MW ESS (4 hour) project to go out on bid by 4th quarter of FY'2026

The combination of efficient conventional energy and energy-shifting renewable energy capacity provides reliability and resiliency for Guam ratepayers. With the full Commissioning of the Ukudu Power Plant and bringing additional renewable energy projects online, we eagerly anticipate Guam's energy future and are confident that together we will achieve safe, clean, reliable, and affordable energy on a sustained basis for all of our customers.

John M. Benavente, P.E.
General Manager
Guam Power Authority

Executive Summary
FY 2025

Fiscal Year 2025 was a year of transition and continued progress for the Guam Power Authority. While the planned commissioning of the 198-megawatt combined cycle Ukudu Power Plant was not completed by the end of the fiscal year, GPA continued to strengthen the Island-Wide Power System through interim generation, maintenance and rehabilitation of existing units, battery energy storage and partnerships that provided additional capacity. As Ukudu moved through testing, additional energy services from Guam Ukudu Power also began supporting the grid before full commissioning, reducing reliance on older, more fuel-intensive generation.

At the same time, GPA continued advancing the longer-term transformation of Guam's energy portfolio. Phase IV renewable energy projects, expanded battery storage and investments in grid resiliency are intended to reduce dependence on imported fuel, strengthen reliability and support Guam's transition toward more than 50 percent renewable energy. These initiatives, together with the more efficient generation expected from Ukudu, represent an important shift in how Guam produces, stores and delivers electricity.

Affordability remained an important focus throughout the year. GPA reduced the Levelized Energy Adjustment Clause twice during FY2025 as fuel costs declined, while continuing to pursue efficiencies and lower-cost generation. The utility also maintained strong investment-grade credit ratings and a clean audit while advancing federal grants, technology and cybersecurity initiatives designed to strengthen critical energy infrastructure and reduce the financial impact of major investments on ratepayers.

GPA continued to invest in the people and programs that support its public power mission. Workforce training, apprenticeships and internships helped build the skills needed for a changing energy system, while customer assistance, energy-efficiency programs and community outreach provided direct benefits to the people GPA serves.

Together, these efforts illustrate GPA's ability to navigate its near-term challenges while continuing to build a more reliable, affordable, resilient and sustainable power system for Guam.

Building a More Reliable, Efficient, Affordable, and Resilient Power System on a Sustained Basis.

GPA Teams

EXECUTIVE DIVISION
Manages the Authority's resources; directs and leads its employees and carries out board policy mandates through sound business practices and economic sense with the highest degree of ethics; enhances customer services to meet customer needs and expectations; maintains an efficient and safe Island Wide Power System (IWPS); maintains a safe working environment; Increases generation availability and efficiency; meets GPA's Renewable Portfolio Standards (RPS) goals, adding 50% renewable energy by 2030 and 100% by 2040; monitors revenue collections and encourages reduction in costs; effectively manages all fuel related issues; commits to product affordability and best value; achieves superior customer service; achieves high system reliability; strives to become financially sound and stable; commits to workforce development and outstanding leadership; commits to effective use of technology.

HUMAN RESOURCES DIVISION
Provides a broad range of human resources services to service and develop employees, to working with its partners to achieve customer satisfaction and be compliant with legal and regulatory mandates; strives to be a recognized leader in human resources services and commits to the growth, enrichment and success of GPA employees by implementing best practices in human resources management.

FINANCE DIVISION
Provides timely and accurate financial data to internal & external users in support of an optimized decision making process to ensure the financial stability of the Authority. The division is comprised of the following seven (7) sections: Financial Management, Revenue Accounting, Accounts Payable, Plant Accounting, Payroll, Budget and Cash Management.

CUSTOMER SERVICE DIVISION
Provides comprehensive care and engagement with all GPA customers concerning energy services. The division addresses customer requests at three (3) customer lobbies, and through its online and telephone services.

PLANNING & REGULATORY DIVISION
Maintains full compliance with applicable environmental laws and regulations at the least cost.

PROCUREMENT DIVISION
Properly acquires goods and services in the most economical manner as possible, while providing the necessary safeguards to the same and ensuring availability and controls are in place in support of the Guam Power Authority's Mission

INFORMATION TECHNOLOGY (IT) DIVISION
Provides quality and exceptional support to all divisions while achieving the highest degree of secured services, responsiveness and professionalism through the use of innovative technologies.

INTERNAL AUDIT DIVISION
Advances accountable governance through accurate, independent, and objective audits that seek to improve the economy, efficiency, and effectiveness of the Authority.

COMMUNICATIONS DIVISION
Reviews, plans, formulates, evaluates and implements GPA's comprehensive public information and relations programs to maximize the enhancement, promotion and reinforcement of a positive public image; participates in the development, implementation and coordination of various GPA customer engagement and energy sense projects, outreach programs and activities; oversees the development of GPA's annual Citizen Centric Report (CCR) and the Annual Report mandates; serves as the communication link between GPA and the public to assist in creating a better understanding of the agency's mission, vision, and goals and objectives.

ENGINEERING DIVISION
Provides professional and technical engineering expertise in planning, designing and managing projects required for the upgrade and maintenance of transmission and distribution lines, substations and generation facilities. The division is comprised of the following six (6) sections: Customer Service, Substation & Transmission, Distribution, Project Management, Real Estate, and System Planning.

TRANSPORTATION DIVISION
Provides quality fleet maintenance support to all GPA Divisions to ensure vehicles and heavy equipment are safe and reliable to support the day-to-day operations of GPA; upkeeps and maintains all transportation/construction vehicles; schedules performance of routine preventive maintenance procedures and other duties of similar nature as assigned.

SAFETY DIVISION
Proactively and collaboratively promotes a sustainable, effective safety and security culture within the Authority; fosters and supports empowered, fully-engaged safety and security-minded partners.

FACILITIES DIVISION
Maintains and manages GPA building structures, equipment and groundskeeping to provide a clean, safe, and functional environment for GPA employees and customers.

GENERATION DIVISION
Provides safe, reliable and efficient power production for the island-wide power system: manages and oversees the operation and maintenance of GPA power plants and wind turbine.

TRANSMISSION AND DISTRIBUTION (T&D) DIVISION
Constructs, maintains and operates the transmission and distribution facilities owned by the Authority. These facilities encompass all equipment and systems from the generating station switchyards to the customer service meters. This division is also responsible for prompt resolution of routine and emergency trouble calls; the routing and special reading of electric meters; and the connection/disconnection and reconnection of electric power service. T&D consists of six (6) sections: Administration, Overhead, Underground, Equipment Operator, Meter/Relay, and Substation.

STRATEGIC PLANNING AND OPERATIONS RESEARCH (SPORD) DIVISION
Completes studies that aid sound decision making and implements projects providing significant value to our customers, the Authority and stakeholders.

POWER SYSTEMS CONTROL CENTER (PSCC) DIVISION
Efficiently and actively monitors, controls and reports on the island-wide power system.

SUPPLY WAREHOUSE DIVISION
Provides the most efficient warehousing and storage facilities, quality customer service, and accurate stock control of GPA resources.

SPORD

FINANCE

PROCUREMENT

TRANSPORTATION

GPA FY 2025 Overview

AT A GLANCE

313 Megawatts
GENERATION CAPACITY

1,854 Miles
COMBINED TRANSMISSION AND DISTRIBUTION LINES

29
NUMBER OF SUBSTATIONS

53,696
NUMBER OF CUSTOMERS

85%
RESIDENTIAL CUSTOMER COUNT

$509 Million
TOTAL REVENUE IN FY 2025

266 MW
FY 2025 PEAK DEMAND

455 MW
OIL-FIRED GENERATION CAPACITY

85.3 MW
RENEWABLE GENERATION CAPACITY

GPA IS PUBLIC POWER

The Guam Power Authority was established as a public corporation and autonomous instrumentality of the government of Guam in 1968, charged with the generation, transmission, distribution, and sale of electric power on Guam. GPA continues to be the sole provider of electric services throughout Guam, including U.S. military bases.

The Guam Power Authority is a member of the American Public Power Association (APPA), a Washington D.C. based service organization representing approximately 2,000 community-owned electric utilities in 49 states and 5 U.S. territories. Collectively, these public power utilities service more than 55 million Americans.

(See www.PublicPower.org/Public-Power/Stats-and-Facts)

APPA Awards of Excellence:

1. Earned the Safety Award of Excellence, also known as the Diamond Award of Excellence, for GPA's ongoing commitment to safety and operational excellence.
2. Earned the APPA Excellence in Public Power Communications Merit Award for GPA's Lineworker Read Aloud video, recognizing excellence in video production.
3. Earned the APPA Excellence in Public Power Communications Merit Award for GPA's Community Powered Web and Social Media campaign that recognizes GPA employee's hard work in the community. This category recognizes visually engaging and innovative websites and social media campaigns that are customer-friendly and accessible, to name a few.
4. Earned the Sue Kelly Community Service Award, which is presented to community-owned utilities for their "good neighbor" service, that demonstrate the commitment of the utility and its employees to the community.
5. GPA Assistant General Manager – Administration, Beatrice "Tricee" Limtiaco earned the Alan H. Richardson Statesmanship Award, which recognizes public power leaders who work to achieve consensus on national issues important to public power utilities.

AMERICAN PUBLIC POWER ASSOCIATION

2,000 COMMUNITY-OWNED ELECTRIC UTILITIES IN **49** STATES AND **5** U.S. TERRITORIES

GUAM POWER AUTHORITY GPA POWER TO SERVE

Ranked 44TH
TOP 100 PUBLIC POWER UTILITIES BY GENERATION
(Net generation in megawatt-hours)

Ranked 93RD
TOP 100 PUBLIC POWER UTILITIES BY MEGAWATT-HOUR SALES

Ranked 66TH
TOP 100 PUBLIC POWER UTILITIES BY ELECTRIC CUSTOMERS SERVED

Ranked 30TH
TOP 100 PUBLIC POWER UTILITIES BY ELECTRIC REVENUES

ENERGY sense
Bringing energy solutions to you!

GUAM POWER AUTHORITY GPA POWER TO SERVE

TAKE THE STEPS

Be Efficient. Save Energy. Save Money.

Here are the steps to follow:

1

Step 1. KNOW YOUR USAGE

Use GPA's free tool, **My Energy Guam**, to monitor and track your daily, weekly, and monthly energy use.

2

Step 2. ASSESS YOUR HOME

Use GPA's free **My Energy Xpert (MEX)** service for a professional-grade home energy assessment and discover ways to save.

3

Step 3. START YOUR SAVING

Get immediate savings from rebates and incentives through GPA's **Energy Sense Rebate Programs (ESRP)** as well as long-term savings when purchasing qualifying energy-efficient appliances.

4

Step 4. MANAGE YOUR ACCOUNT ONLINE WITH PAYGPA.COM

Log into PayGPA.com or download the PayGPWA mobile app to manage your accounts. Intuitive features allow you to view your statement, check your balance and payment history, update your contact information, check your energy consumption or sign up for paperless billing.

POWER TO SERVE

For more Energy Sense saving ideas, visit GuamPowerAuthority.com

Need assistance or have additional inquiries?

Email us at customersfirst@gpagwa.com or energysense@gpagwa.com. DM us on Facebook.

Financially Solvent

87 Days
CASH ON HAND

1.5x
DEBT SERVICE COVERAGE

Credit Rating
S&P-BBB: STABLE
MOODY'S-Baa2: STABLE
FITCH-BBB: STABLE

BY THE NUMBERS

$850 Million
TOTAL ASSETS AS OF SEPTEMBER 30, 2025

$709 Million
TOTAL LIABILITIES INCLUDING PENSION AND OTHER POST EMPLOYMENT LIABILITY AS OF SEPTEMBER 30, 2025

$494 Million
ANNUAL REVENUE FROM APPROX. 54,000 CUSTOMERS AS OF SEPTEMBER 30, 2025

All financial activities of GPA are in line with the mission, vision and goals established by the Authority. GPA's financial statements for fiscal year 2025 received a clean audit opinion from Ernst & Young, LLP. GPA's comprehensive financial statements may be viewed online at www.guampowerauthority.com.

GPA continued to build on a strong financial foundation while positioning the utility to meet Guam's growing energy and infrastructure needs. Sound financial management, improved revenues, and strategic investments have strengthened GPA's ability to fulfill its obligations while advancing critical projects for the island.

During the fiscal year, GPA received an unmodified opinion on its financial audit, commonly known as a "clean audit," representing the highest level of assurance. GPA also maintained strong investment-grade credit ratings with stable outlooks, demonstrating continued confidence in the utility's financial position.

GPA seeks the Public Utilities Commission's (PUC) approval of GPA's increase request to its Base Rate, effective January 1, 2026, which is an important step in ensuring the utility could meet its monthly financial obligations associated with the Ukudu Power Plant and remain in compliance with its bond covenants.

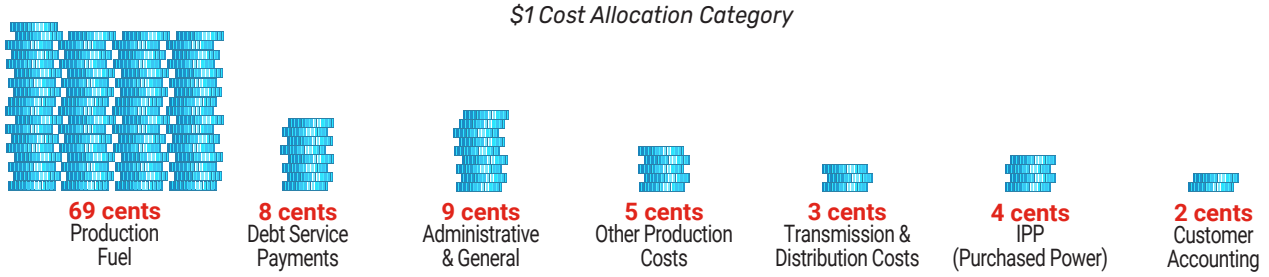
At the same time, GPA continued to focus on reducing costs for customers. As global fuel prices declined, GPA reduced the LEAC rate twice during the fiscal year. The rate decreased from $0.261995 per kWh to $0.208802 per kWh and later to $0.155495 per kWh bringing the residential power bill to about $253 based on 1,000 kWh residential consumption. A proposal for an additional reduction in the LEAC rate to take effect January 2026 is up for discussion, delivering substantial financial relief to ratepayers. Despite continued volatility in global fuel markets, GPA prudently managed the LEAC through efficient fuel usage and the continued integration of renewable energy.

Looking ahead, GPA is taking a strategic approach in 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. Capital improvement projects will continue to be supported through annual revenues, while GPA pursues federal partnerships and grant opportunities for major energy infrastructure investments. The utility is also preparing to seek up to $375 million in bond funding for capital improvements to the Island-Wide Power System.

GPA's financial stability also supports its long-standing relationship with the U.S. Department of Defense, which has been a GPA customer for more than 30 years. This partnership underscores GPA's role in providing dependable power to critical facilities and supporting Guam's economic and strategic priorities.

Together, these efforts demonstrate GPA's commitment to responsible financial stewardship—balancing affordability for customers today with the investments necessary to strengthen Guam's energy future.

FY 2025 ELECTRICITY RATE BREAKDOWN
$1 Cost Allocation Category

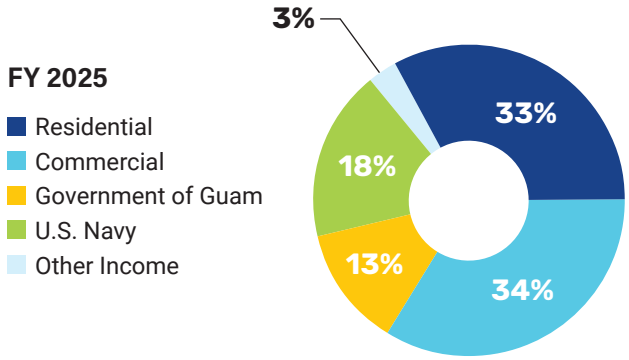


Cost	Explanation	Amt.
Production Fuel	Cost of fuel used to run the generation units	69%
Debt Service Payments	Payment to long term loans such as bonds and capital leases	8%
Administrative & General	Costs related to the general administration of the utility's operation	9%
Other Production Costs	Operating and maintenance cost to run the plants	5%
Transmission & Distribution Costs	Cost to transmit and distribute electricity to ratepayers	3%
IPP (Purchased Power)	Costs paid to an entity for converting fuel into electricity and maintaining continuity of power supply to ratepayers	4%
Customer Accounting	Costs related to the general direction and supervision of customer accounting and collection	2%
	Total:	**100%**

FY 25 REVENUES

Type *(in $000)*	FY 25	FY 24	% Change
Residential	$ 168,020	$ 187,362	-10.3%
Commercial	$ 172,290	$ 189,397	-9.0%
Government of Guam	$ 63,978	$ 70,437	-9.2%
U.S. Navy	$ 90,000	$ 95,581	-5.8%
Other Income	$ 15,248	$ 11,063	37.8%
Total	**$ 509,535**	**$ 553,841**	-8.0%

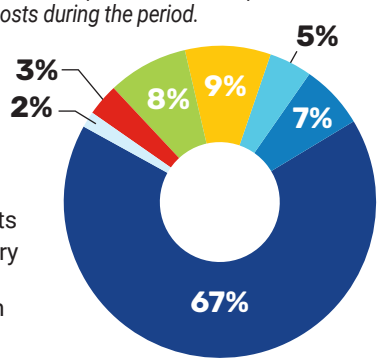
The Authority's operating revenue decreased by approximately $49 million, primarily as a result of declining fuel prices. This decrease was partially offset by a $4.2 million increase in Other Income, driven mainly by higher miscellaneous revenues and increased interest earnings.



FY 25 EXPENSES

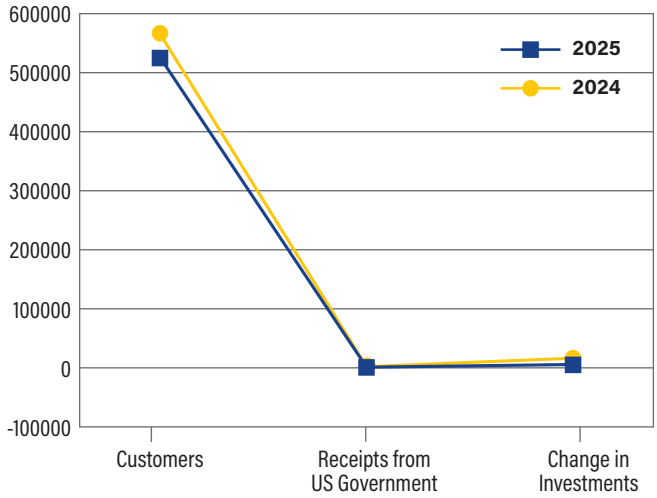
Type *(in $000)*	FY 25	FY 24	% Change
Customer Accounting	$ 9,743	$ 8,307	17.3%
Transmission & Distribution	$ 16,280	$ 13,791	18.0%
Administrative & General	$ 41,082	$ 47,360	-13.3%
IPP & Other Production Costs	$ 45,155	$ 36,701	23.0%
Interest & Other Extraordinary Expenses	$ 22,812	$ 29,441	-22.5%
Depreciation & Amortization	$ 33,183	$ 35,021	-5.2%
Production Fuel	$ 335,028	$ 385,762	-13.2%
Total	**$ 503,284**	**$ 556,384**	-9.5%

The Authority's operating and maintenance expenses increased by approximately $12 million, primarily due to costs associated with the lease of 20 MW diesel generators to meet load demand, as well as higher pension, insurance, retiree healthcare, employee benefits, and material costs.These increases were more than offset by a decrease of over $50 million in production fuel expenses, which was largely attributable to lower fuel costs during the period.



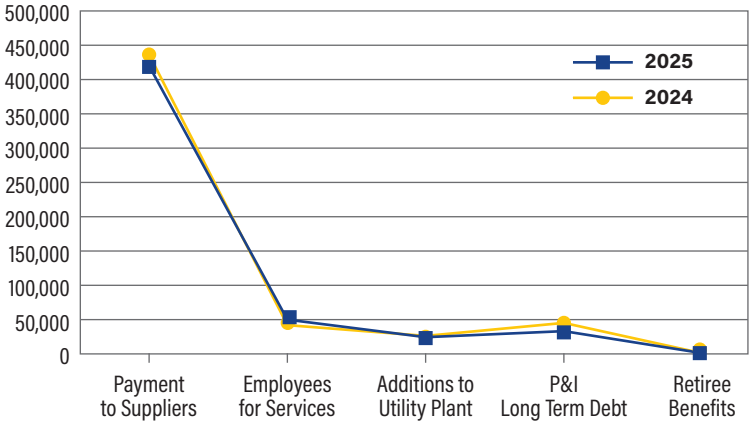
SOURCES OF FUNDS

Type *(in $000)*	FY 25	FY 24
Customers	$ 515,123	$ 554,168
Receipts from US Government	$ 586	$ 1,355
Change in Investments	$ 5,005	$ 15,583
Total	**$ 520,713**	**$ 571,105**



USES OF FUNDS

Type *(in $000)*	FY 25	FY 24
Payment to Suppliers	$ 420,139	$ 436,483
Employees for Services	$ 53,059	$ 45,118
Additions to Utility Plant	$ 27,654	$ 29,494
P&I - Long Term Debt	$ 36,398	$ 48,318
Retiree Benefits	$ 4,572	$ 4,397
Total	**$ 541,821**	**$ 563,810**



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Energy Affordability

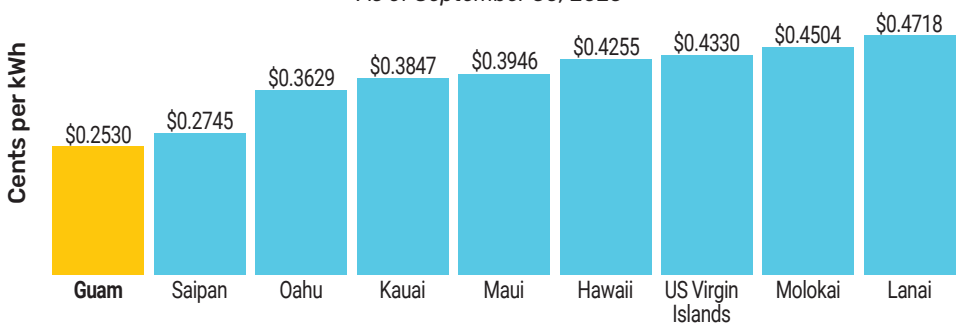
In fiscal year 2025, GPA upheld its commitment to maintain energy affordability. For the 12th consecutive year, GPA's base rate, one of two components of GPA's energy cost, remained unchanged at $0.102 per kWh, even as the authority implemented major projects to strengthen and modernize the Island-Wide Power System (IWPS).

Reducing dependence on imported Ultra Low Sulfur Diesel (ULSD) was a key strategy in improving energy affordability and long-term sustainability. Energy storage systems provided reserve capacity to meet peak demand and future load growth, provide grid stability and reliability and lower costs. The approved Phase IV Renewable Energy Project, consisting of up to 330 MW of solar photovoltaic (PV) generation paired with battery energy storage systems, will enable approximately 50% of generated energy and allow stored energy to be dispatched at night, reducing power plant use. By 2028, this project will reduce ULSD imports by approximately one million barrels, bringing total reductions to 1,688,000 barrels. This drops annual requirements to only 1,312,000 barrels, a 56% reduction in imports. Additionally, the new Ukudu Power Plant is expected to further reduce ULSD imports by an additional one million barrels per year. GPA will continue to explore the feasibility to expand renewable energy beyond 50%.

Fuel costs directly affect the Fuel Recovery Charge, also known as the Levelized Energy Adjustment Clause (LEAC) and the other component of GPA's energy cost. As global fuel prices declined, GPA reduced the LEAC rate twice during the fiscal year. The rate decreased from $0.261995 per kWh to $0.208802 per kWh and later to $0.155495 per kWh bringing the residential power bill to about $253 based on 1,000 kWh residential consumption. A proposal for an additional reduction in the LEAC rate to take effect January 2026 is up for discussion, delivering substantial financial relief to ratepayers. Despite continued volatility in global fuel markets, GPA prudently managed the LEAC through efficient fuel usage and the continued integration of renewable energy.

In 2025, GPA had a steady workforce of 447 full-time employees to manage all of GPA's major capital improvement projects and ongoing programs. This year was filled with significant workforce development and skill enhancement across several departments of the utility. The commitment and dedication of GPA employees continue to drive operational excellence through the adoption of new technologies, customer engagement programs, and the implementation of cost-saving measures.

REGIONAL RATE COMPARISON
As of September 30, 2025



All rates were based on 1000 kWh consumption

Utility and Location	Rate
GPA, Guam	**$0.2530**
CUC-Saipan, Saipan	$0.2745
HECO, Oahu	$0.3629
KIUC, Kauai	$0.3847
MECO, Maui	$0.3946
HELCO, Hawaii	$0.4255
Water and Power Utilities, US Virgin Islands	$0.4330
MECO, Molokai	$0.4504
MECO, Lanai	$0.4718

ENERGY sense

ENERGY-SAVING TIPS TO REDUCE YOUR POWER BILL

Scan the QR code for more **Energy-Saving Tips!**

LAUNDRY
Wash full loads of clothes in cold water.

COOLING
Schedule unit maintenance every 6 months.

WATER HEATING
Take short showers instead of baths. A five-minute shower uses half the water as a 25-gallon bath.

REBATES AVAILABLE
FOR COMMERCIAL & GOVERNMENT CUSTOMERS

GET UP TO $350 PER TON FOR UNITS UNDER 5 TONS*

GET UP TO $320 PER TON FOR UNITS 5 TONS & OVER*

**Effective April 25, 2022*

See our GPA Approved Model Listing for qualified makes and models: guampowerauthority.com/energysense

Energy Reliability

GPA continues to prioritize high system reliability through comprehensive planning and infrastructure initiatives. A $43 million investment has been allocated to rehabilitate generation units, including combustion turbines, diesel units, the Ukudu Power Plant, and fuel. Regular maintenance and upgrades to these assets are essential to mitigating generation capacity shortfalls and ensuring a reliable power supply.

Investments in hardening and upgrading critical infrastructure is also a key priority. GPA continues to pursue federally funded underground distribution projects to improve system resiliency and accelerate post-typhoon restoration efforts. The Department of Defense's underground transmission line project from Piti to Apra Heights is ongoing. Once complete the Navy will transfer the project for GPA to operate, which will serve several water wells.

To further strengthen operations, GPA acquired three new hybrid bucket trucks that improves operational efficiency while reducing noise and fuel consumption. GPA is also upgrading its network communications to ensure reliable system communications during emergencies and support uninterrupted utility operations.

Vegetation trimming is part of GPA's year-round preventative maintenance as Guam's tropical climate and frequent rainfall accelerates vegetation growth near power lines in certain areas that increase the risk of outages and infrastructure damage. Routine vegetation trimming helps prevent service interruptions and protects critical infrastructure.

GPA remains proactive by performing routine system improvements and conducting preventative maintenance to reduce the likelihood of future power outages and strengthen the resilience of the Island Wide Power System (IWPS).

As of September 2025, construction of the Ukudu Power Plant was approximately 98.57% complete. Ongoing work includes manufacturer assessments for Gas Turbine #1 and #2, natural gas pipeline pigging and nitrogen preservation, repair of Gas Turbine #3 rotor, and re-treatment of impure fuel in the Ultra-Low Sulfur Diesel (ULSD) Storage Tank A. Once completed, the 198 MW Ukudu Power Plant will help address generation capacity shortfalls and mitigate load shedding. While these repairs and assessments are underway, the CCU approved a request for additional generation support from Guam Ukudu Power (GUP), phasing in approximately 135 MW of combined-cycle capacity to mitigate load shedding and reduce reliance on older, fuel-intensive generating units.

Phase IV Renewable Energy projects consist up to 330 MW of solar photovoltaic (PV) capacity paired with centralized battery energy storage systems that will shift 50% of energy produced to nighttime hours. The CCU and PUC approved the 132MW KES, 60MW Core tech, and 18.4MW PRU solar facilities, totaling 210 MW of the 330 MW.

Upon completion of all Phase IV projects, GPA's renewable energy portfolio is expected to exceed 50% by 2029, well ahead of the legislative mandate of 2035. Collectively, these initiatives will strengthen the reliability and resilience of the IWPS for the community.

Superior Customer Service

GPA has continued to enhance E-Customer Services to further improve customer convenience and savings. The authority communicates with our island community through various customer engagement efforts such as monthly newsletters, e-newsletters, social media and SMS to meet customer convenience and preference. This ensures that all ratepayers receive regular communication regarding utility updates, rate changes, scheduled outages, customer tools available, and energy saving tips to name a few.

Through these efforts, GPA has earned national recognition with the American Public Power Association's (APPA) Excellence in Public Power Communications Awards in both the Web & Social Media and Video categories. These awards exemplify GPA's commitment to customers by fostering transparent and effective communication, ultimately enhancing the customer experience. GPA has won these awards of excellence consistently four years in a row.

Expanded Services for Customer Focused-Convenience
GPA has made tremendous strides in expanding e-customer services for greater convenience. Online e-services such as PayGPA.com and the GPWA Mobile App allow customers to pay their utility bills 24/7 at their convenience. Customers may also conveniently view and download current and past billing statements, review payment history and energy usage. Additionally, initiating account changes or services is as easy as sending an email to customersfirst@gpagwa.com.

GPA has also continued to promote their free online tools so customers can apply for cash rebates on energy efficient appliances, track their current and projected usage, and paying their utility bill online. My Energy Guam.com allows customers to do this including tracking their daily kilowatt hours (kWh), and setting alerts to stay within their budget.

Power Alerts is another tool which allow customers to receive real-time text notifications regarding power outages and service restoration for their home and businesses.

This fiscal year, GPA migrated to a single, automated phone payment system. With the new toll-free number, customers can conveniently pay both their power and water bills through one system, enhancing their overall customer experience.

Promoting Transparency Through Public Communications
During this fiscal year, GPA significantly expanded its public communications efforts through a substantial increase in advisories and media communications. More than 100 scheduled outage announcements and 63 media releases were issued to keep customers and stakeholders informed of utility operations and activities.

These communications included public advisories regarding road closures associated with vegetation maintenance and system improvement projects, the use of drones for infrastructure inspections and system enhancements, night time survey activities, and storm preparedness and readiness information. Through these proactive communications, GPA strengthened public awareness, enhanced transparency, and supported community safety and preparedness.

Guam Energy Expo Collaboration with Guam Energy Office and Federal Partners
GPA, in collaboration with key partners, co-hosts the Guam Energy Expo each year. This event plays a pivotal role in assisting customers in managing their power bills while providing comprehensive outreach on GPA's energy efficiency programs and online tools. These programs and tools include the Energy Sense Online Rebates Program, the Weatherization Assistance Program (WAP), MyEnergyGuam, and the My Energy Xpert (MEX) tool for residential customers. Through community engagement efforts, GPA ensures that customers are well-informed of the various tools and programs available to them, resulting in more sustainable energy choices. This fiscal year, the USGS biologist were present to discuss their collaboration with GPA on the Brown Treesnake research project and shared information on how brown treesnakes cause outages and ways to mitigate the impacts on critical infrastructure.

Energy Sense Program
GPA's Energy Sense Program encourages conservation and reduced energy consumption for the benefit of all GPA customers. The program provides customers with practical energy-saving tips and promotes energy-efficient habits, such as washing full loads of laundry in cold water. It also offers home improvement recommendations to enhance energy efficiency, such as applying a reflective coating to the roof.

The program also gives ratepayers an incentive to upgrade to a GPA program-qualified appliance by offering rebates that customers can apply for online. Rebates range from $100 - $800 depending on system size and efficiency.

Energy Sense also continues to promote their new online home audit assessment, My Energy Xpert (MEX). The MEX tool provides residential customers with a free, fast and easy way to perform an energy efficiency evaluation, complete with customized recommendations to help save on energy costs.

Consumer Programs

In line with our commitment to providing clean, reliable, affordable energy on a sustained basis, GPA remains dedicated to empowering its customers with resources to alleviate financial burdens, increase energy-efficiency, and easily accessible energy solutions.

Energy Sense Rebate Program
Energy Sense is a program made to encourage conservation and lower energy consumptions. GPA offers rebates to ratepayers when they upgrade a GPA program-qualified air conditioner, washer, or dryer. Rebates range from $100 to $800 depending on system size and efficiency. By doing this, customers become more energy efficient, which results in more savings. For Fiscal Year 2025, GPA received 5,974 applications, and paid out $1,687,005.00 in Energy Sense Rebates to eligible customers.

Emergency Rental Assistance (ERA) Program
This program was created to assist households affected by the COVID-19 pandemic and were unable to pay rent and utilities. For fiscal year 2025, GPA has applied a total of $504,539.57 in utility assistants to eligible customers through the Department of Administration's Emergency Rental Assistance Program, totaling $7,859,739.86 since the program's inception.

Low Income Home Energy Assistance Program (LIHEAP)
The Guam LIHEAP program is designed to provide one-time payment up to $1,000 in power utility debt relief to qualified households in arrears and facing disconnection. For Fiscal Year 2025, GPA has applied $553,532.29 in utility debt relief to approximately 545 eligible customers under LIHEAP.

Workforce Development

At GPA, investing in our people is an investment in Guam's future. Throughout this past fiscal year, GPA continued to strengthen its workforce through training, apprenticeships, internships, professional development, and employee recognition programs designed to build the knowledge, skills, and leadership needed to support a reliable and resilient power system.

GPA's in-house training program provided hands-on instruction in plant operations and maintenance, helping address the technical demands of generation capacity. The Apprenticeship Program also continued to grow, with the completion of its sixth cycle and the launch of its seventh cycle. GPA is preparing to begin its eighth cycle in late 2026, expanding workforce development opportunities in transmission and distribution (T&D) and SCADA.

Developing talent early remains another important part of GPA's workforce strategy. During the summer, 21 interns were welcomed across a wide range of departments, gaining practical experience in areas including engineering, information technology, human resources, accounting, customer service, procurement, communications, and utility operations. GPA also hosted 15 participants through the Governor's Summer Youth Employment Program, providing six weeks of workplace experience and exposure to careers in public service and the utility industry.

GPA continued to support professional growth through its partnership with the Guam chapter of the National Society of Professional Engineers (NSPE-GU), which supports an Engineer-in-Training (EIT) licensure preparation program. By creating pathways for employees and emerging professionals to advance their skills and credentials, GPA is helping build the technical expertise needed for the future.

Employee recognition and engagement remained an important part of GPA's culture. The Employee Service Awards honored 62 employees for their dedicated service, while the weekly ***EmPOWERing You*** newsletter continued to keep employees informed and connected.

GPA's people-centered approach also earned recognition beyond Guam. The utility received the APPA Diamond Safety Award, and AGMA Tricee Limtiaco received the Alan H. Richardson Statesmanship Award - honors that reflect the dedication, professionalism, and leadership of GPA's workforce.

From developing apprentices and interns to recognizing long-serving employees and emerging leaders, GPA continues to build a workforce equipped to meet the challenges of today and power Guam's tomorrow.

Technology & Cybersecurity Solutions

Hybrid Bucket Trucks
At the start of this fiscal year, GPA launched a media first event, showcasing three of their new hybrid buckets, two of which were acquired through the US Environmental Protection Agency DERA Grant program. The main feature of these bucket trucks is the elimination of idle time, allowing the crews to turn off their diesel engines while at work. With this feature alone, it is estimated to save an average of 1,890 gallons of fuel per year. Eliminating idle time also lowers emissions by producing fewer exhaust fumes, resulting in a cleaner island environment.

Advancing Technology and Cybersecurity for Guam's Energy Infrastructure
GPA has been awarded multiple grants throughout the fiscal year to enhance their technology and cybersecurity for Guam's Energy Infrastructure while reducing the financial impact on customers.

GPA has been awarded a $995,335.84 grant under a subaward agreement facilitated by the American Public Power Association (APPA) in partnership with the U.S. Department of Energy (DOE). This grant funding will enable GPA to implement a Software-Defined Networking (SDN) solution from Schweitzer Engineering Laboratories.

In addition, GPA also received a $500,000 Broadband Technical Assistance grant from the U.S. Department of Agriculture (USDA) Rural Development Office. This funding will support a feasibility study aimed at increasing the resiliency of GPA's power network by enhancing its SMART grid infrastructure and exploring the potential to expand broadband access islandwide using GPA's existing fiber optic network.

SURGE Table Top Exercise
GPA is planning its first Securing Utilities and Readying GPA Employees (SURGE) Table Top Exercise (TTX) scheduled for October 2025 at the Guam Community College. This TTX brought together key partners and stakeholders, including representatives and personnel from Guam Waterworks Authority (GWA), Joint Task Force - Micronesia, Lawrence Livermore National Laboratory (LLNL)/ U.S. Department of Energy (DOE), and GPA's energy partners and Independent Power Producers (Marianas Energy Co., Guam Ukudu Power and Clean Capital) to engage and respond to various natural disasters and potential cyber/physical security attack scenarios.

Through this exercise, GPA employees together with their partners and stakeholders engaged in a series of scenarios regarding potential cyber physical security related incidents with GPA's infrastructure. Different groups shared the responses to different questions and proper ways to navigate them.

Training and Professional Development with Federal Partners:
GPA personnel from IT, PSCC, and SPORD participated in the Department of Energy's (DOE) Liberty Eclipse Full-Scale Cyber Exercise in New York State on September 2025. This annual cybersecurity exercise brought together federal partners, operational technology (OT) specialist, engineers and cybersecurity professionals from the energy sector to validate cyber defense systems, plans, policies, and procedures in a scaled test environment. The exercise provided participants with exposure to coordinated threat response scenarios, cross-sector collaboration, and discussions on emerging risks to national critical infrastructure.

GPA personnel engaged with subject matter experts (SMEs) and took part in hands-on activities. The exercise allowed energy sector asset owners and operators, including GPA, to practice cybersecurity incident detection, characterization, and response, with the goal of strengthening resilience and improving protection of critical energy infrastructure systems particularly protection and control systems.

Community-Powered Commitment

GPA'S OUTREACH IN FISCAL YEAR 2025

As an integral part of the community it serves, the Guam Power Authority (GPA) remains steadfast in its mission to give back and enrich the lives of those it serves. Guided by the ethos of "power to serve" and "community powered," GPA actively sought opportunities for outreach and engagement with residents throughout Fiscal Year 2025. Here are some highlights of GPA's outreach efforts:

UOG Conference on Island Sustainability (CIS) – P.O.W.E.R. Symposium Preconference
For the third consecutive year, GPA's Promoting Optimal Ways to Energy Resilience (P.O.W.E.R.) Preconference, held in partnership with the UOG Conference on Island Sustainability (CIS), brought together more than 40 on-island and off-island speakers with expertise across a range of energy sectors.

The preconference featured discussions on clean energy transitions, transportation electrification, cybersecurity, smart-grid and operational technologies, demand response and energy efficiency, and a balanced approach to Guam's green energy and digital transformation. Throughout the program, speakers emphasized three critical priorities for Guam's energy future: Reliability - maintaining a stable and consistent power supply amid evolving challenges; Affordability - ensuring energy costs remain manageable for residents and businesses; and Resilience - strengthening Guam's energy infrastructure to withstand disruptions.

Empowering Energy Conservation with the Guam Energy Office
GPA also actively engages with the Guam Energy Office, which plays a pivotal role in promoting energy conservation, enhancing energy efficiency, and advancing renewable energy programs and practices across the island.

Through grants awarded by the U.S. Department of Energy State Energy Program (SEP) and the Weatherization Assistance Program (WAP), the Guam Energy Office supports energy efficiency initiatives. This includes providing energy-related technical assistance to consumers and businesses, facilitating cost-effective energy efficiency solutions, offering rebates for home efficiency, home electrification and plug-in electric vehicles. Furthermore, they are dedicated to reducing energy costs for eligible low-income households.

National Public Power Week
Each year, during the first week of October, GPA joins more than 2,000 U.S. community-powered, not-for-profit electric utilities that collectively provide electricity to more than 55 million people across 49 states and five U.S. territories in celebrating Public Power Week. APPA is the voice of nonprofit, community-owned utilities that power communities nationwide.

Participation in other Government or Non-Government Organization Events
GPA has participated in various events hosted by local and federal partners as guest speakers or panelist. In 2025, GPA participated in the Society of American Military Engineer's Guam Industry Forum, Maritime Resilience & Innovation Summit - Port Authority of Guam, 75th Anniversary of the Organic Act Ceremony and GovGuam Agency Roll Call, National Preparedness Month Grand Finale Event, Guam Contractor's Association Membership Luncheon Meetings and many others. This highlights GPA's commitment to the community by sharing industrial knowledge through the island.

Community Engagement and Outreach:
In addition to these strategic partnerships, GPA's commitment to community-powered initiatives extends to a variety of outreach support, engagement, and community support activities:

Education Initiatives
As part of their school outreach program, GPA visits schools regularly to share information on energy conservation/efficiency, and participate in Career Day. In fiscal year 2025, GPA conducted presentations throughout a total of 12 elementary and middle schools. Energy saving tips in the form of GPA stickers, activity books, and coloring materials were also shared with students to help build awareness. GPA line workers discussed safety practices, demonstrated tools and equipment, and highlighted their careers at GPA.

GPA donates Science, Technology, Engineering, and Mathematics (STEM) teacher kits and Energy Audit kits to support STEM education and the development of green energy curriculum and activities for middle school students. Through these hands-on educational activities, students learn practical ways to conserve energy using no-cost energy tips and save money at home. They also learn how GPA's energy-efficiency programs and cash rebates can help families save on energy-efficient appliance purchases and reduce household electricity costs. Students are encouraged to take these lessons home and share what they have learned with their parents and families. This outreach initiative demonstrates the value of collaboration among GPA, educators, students, and their families. As Guam's sole electric power utility, GPA works with school communities to promote successful learning outcomes, encourage energy conservation, and strengthen parental and family engagement in energy-efficiency practices.

Community Support
GPA partnered with local organizations, including Alee Children's Shelter, The Salvation Army, and Special Olympics Guam (SOGU), demonstrating their continued commitment to supporting our island community's most vulnerable members, especially those most in need.

Through community donation drives, GPA employees helped replenish food pantries and essential supplies. Donations of food and toys were collected and provided to The Salvation Army and Alee Children's Shelter, helping support local families and children in need.

GPA also supported Special Olympics Guam's Softball Jamboree through employee volunteerism. Employees generously contributed their time during the weekend to coach and cheer on SOGU athletes and assist with the sporting event to help ensure its success.

These partnerships reflect GPA's commitment to supporting organizations that provide valuable services to the public. Through donations, volunteerism, and teamwork, GPA employees help strengthen community programs, encourage the spirit of giving, and make a meaningful difference in the lives of those we serve.

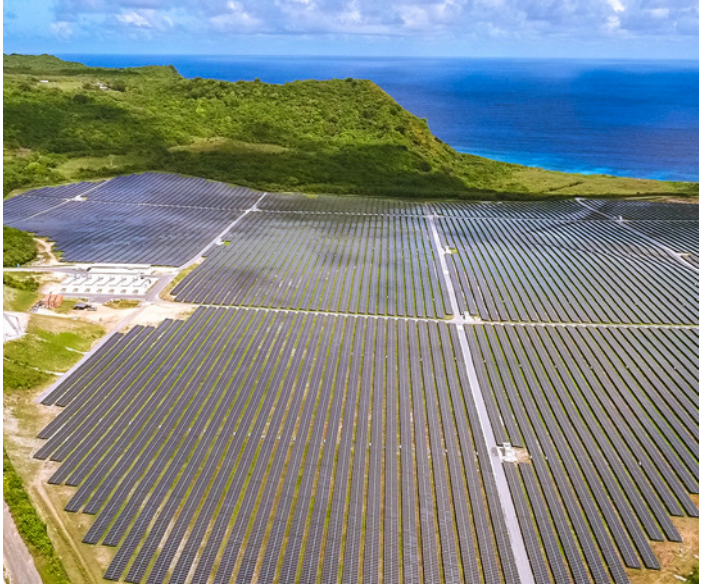
Looking Ahead

THE PATH FORWARD

The Ukudu Power Plant is a capital improvement and a catalyst for transforming how Guam generates and pays for electricity. Ukudu's role in reducing fuel cost is pivotal. The state-of-the-art power plant is expected to reduce fuel consumption by over 1 million barrels annually, create new flexibility in fuel logistics and enable the retirement of older, less efficient generators like Cabras 1 and 2. This means fewer outages, lower fuel costs, and more predictable power bills.

The new Ukudu Power Plant was 92% completed, heading to the final stages of construction. Key achievements include the first successful fuel transfer from the Piti Bulk Storage Farm to the plant. Upgrade to the Harmon Substation was also completed to support the Ukudu Power Plant.

GPA is reducing Guam's Energy Costs & Carbon Footprint. GPA is achieving overall value and affordability.



ULSD fuel oil prices will continue to rise and fluctuate because it is a global commodity. While GPA cannot control global fuel prices, efforts to reduce its fuel consumption significantly benefits GPA ratepayers.

This paradigm shift in Guam energy generation and fuel sources will continue further as GPA continues to pursue renewables beyond 50%. However, GPA is working at contracting additional renewables below Phase IV prices with the addition of centralized energy storage.

Next Three Years' Focus:

- An Integrated System of distributed Battery Energy Storage Systems (BESS) for grid services.
- An Autonomous AI-Based Grid Controller
- Synchronous Condensers
- Demand Response Programs
- Relay Upgrade Program
- Transportation Electrification
- Building Organizational Infrastructure for sustainable operations under a much different grid.

40MW Utility Scale Batteries
Dispatchable energy

→

Baseload Units Burning Cleaner Fuel + Renewables
Ultra-low sulfur fuel; Explore liquefied natural gas

→

New Efficient Baseload Units
Commissioning 2025

→

Renewables with Batteries
Increases reliability of renewable energy; 53% of energy will come from renewable energy generation by 2028

→

Compliance
USEPA Consent Decree & air quality standards

→

End Goal: LOWER BILLS and CLEANER ENVIRONMENT

Scan to learn more about GPA's Clean Energy Master Plan.

2 utility-scale renewable energy solar farms totaling 85MW are online, with more being procured.

We've reached 16% Renewable Energy.

16% Our current status

50% Renewable Energy by 2030

100% Renewable Energy by 2040

Phase IV at a Glance:

GOAL: Meet and exceed 50% Renewable Portfolio Standard ahead of the 2035 mandate

CAPACITY: Up to 330 MW of utility-scale solar PV with integrated energy storage systems (ESS)

ENERGY SHIFTING: 50% of solar energy produced during the day will be stored and dispatched at night

TIMELINE: Projects must be completed within 36 months of contract signing

FUEL REDUCTION: Will significantly contribute to the reducing imports by 900,000+ barrels per year.

CUSTOMER IMPACT: Supports long-term affordability and reduced reliance on volatile fuel markets.

GPA reinforced Guam's ongoing efforts to modernize its grid and the critical need for sustained federal investment to ensure energy security for both the island's communities and U.S. military operations in the Indo-Pacific. GPA's confidence in meeting future capacity needs for both civilian customers and Department of War growth, while also emphasizing the importance of advancing GPA's proposed $1.5 billion grid mitigation investment. Both sides reaffirmed that securing Guam's energy future will require partnership and collaboration. National Security Priority – Reliable, resilient energy supports both Guam's people and the nation's mission in the Indo-Pacific.

Centralized Battery Energy Storage System is needed, most especially by 2028-2029:

- BESS grid services will provide spinning reserve offsetting more expensive generation and optimize;
- Fuel savings would be achieved by leveling and maximizing Ukudu production resulting in fuel savings;
- GPA continues to seek funding assistance from federal and military entities for 180MW/900MWh BESS;
- BESS provides capacity which allows for retirement of aged conventional units which are over 30 years old;
- BESS provides capacity for growth and for lower cost renewables purchase agreements in the future by requiring less shifting ESS;
- BESS would alleviate need for batteries from roof top solar thereby limiting the volume of BESS on our island thereby protecting our environment.
- BESS– Critical to shift renewable power into evening peak hours and stabilize the grid.

Continuous Improvement & Growth

- Investing in Growth: GPA continues to invest in CIPs through annual revenues while also exploring federal partnerships to invest in energy infrastructure projects that are mutually beneficial. Additionally, GPA will seek bond funding up to $375M to critical infrastructure projects:
  - Revenue funded projects
  - Bond funded projects ($375M in $100M borrowing tranches)
  - Pursuit of $1.5B in federal grant partnerships
- GPA has been awarded multiple grants. These resources contribute to improving the current and future grid while reducing the financial impact on ratepayers.
- GPA continues to advance in its technologies that improve the utility's systems and securities. Improvements toward procurement approaches and external engineering/project management are underway.

Underground Transmission Line:

- $1.5 Billion – Proposed program to underground transmission and distribution lines over the next decade.

Cybersecurity Focused:

To mitigate the risk of business operations, impact and damage from cybersecurity incidents or cyber-attacks, GPA invests in cybersecurity and operational safeguards, including training and awareness programs and phishing simulations and has an in-house cybersecurity team that detects and responds to cybersecurity threats.

- GPA and GWA have jointly initiated cybersecurity policies and protocols and conducted system testing and assessments to identify necessary security improvements.
- GPA works closely with the Guam Homeland Security, Federal Cybersecurity & Infrastructure Security Agency (CISA), Department of Defense (DoD) CIS division, and the Department of Energy (DOE). This increases our awareness in the Cybersecurity sector.
- GPA also participates in the Cybersecurity Risk Information Sharing Program (CRISP) sponsored by the Energy Information Sharing and Analysis Center (EISAC) and the Department of Energy (DOE). This includes network monitoring and data analytics on the Authority's business network.
- GPA and GWA have participated in various joint Network Security and Vulnerability Assessments. We continue to strengthen our cyber security team through training and team participation in various national and local workshops and by adding more technical expertise into our workforce.
- GPA has not experienced any cyber-incidents that have had a material impact on its operations or finances.

FUTURE PLANNED KEY EVENTS:

MAR 2026 NTL	*Retire Cabras 1&2 (-40MW)*
JUL 2026	*Aggreko Temporary Power Contract Extended to September 15, 2026 (-20MW)*
2027	*Combustion Turbine & Diesel Units (45MW)*
2028	*KES Yona 132MW PV (67MW ESS) Online*
2029	*PRU & CTI 78MW PV (41 MW ESS) Online 90 MW ESS Commissioning*

WHERE NEXT: SUSTAINED CLEAN, RELIABLE, RESILIENT, AFFORDABLE ENERGY

2026 THRU 2029 GOALS

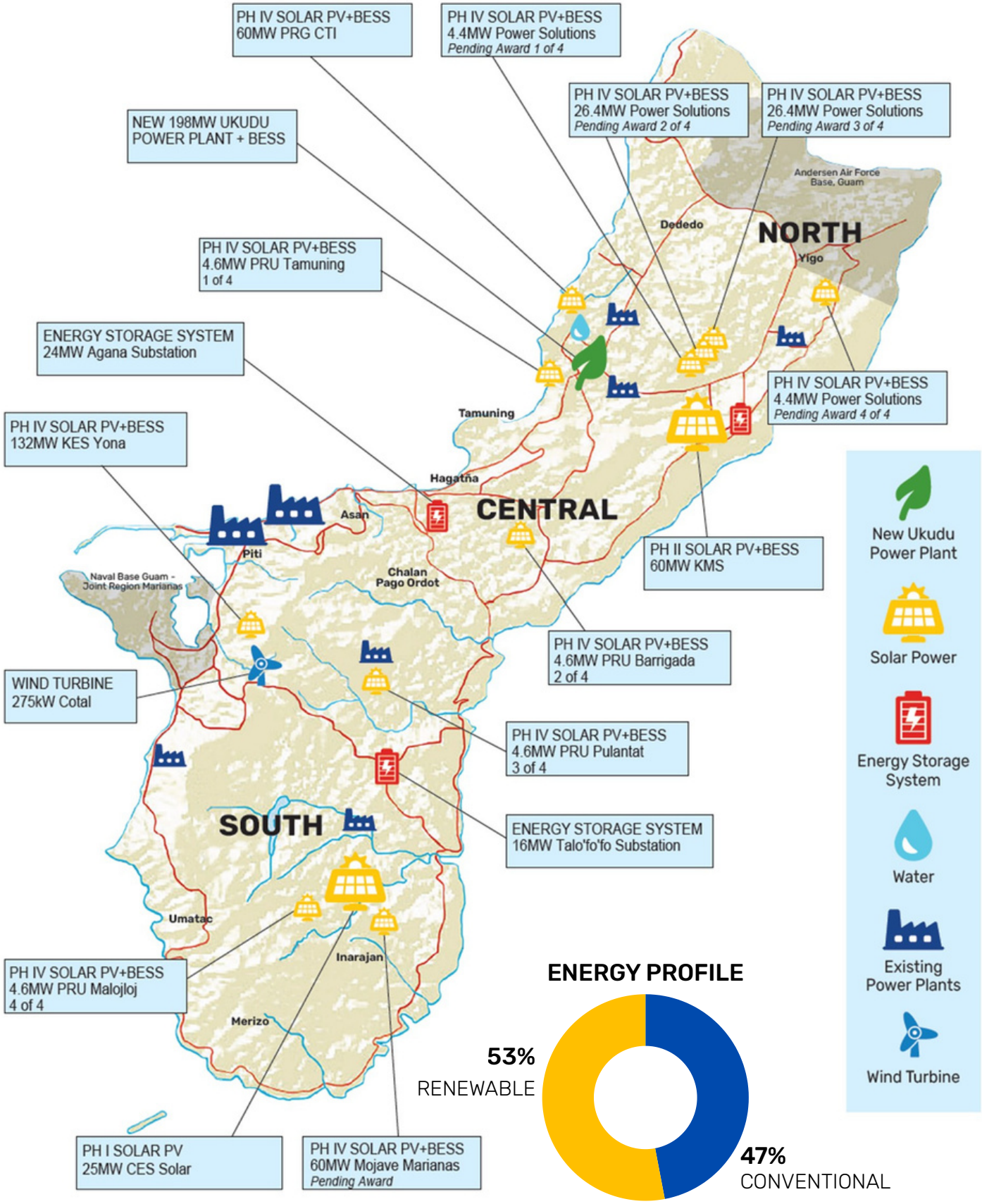
53%	**1.69M**
Minimum renewable energy generation	*barrels less imported oil**

Compliance of Consent decree:
All USEPA Air and Water Quality standards:

- *Comply with USEPA regulations and avoid hundreds of millions in penalties*
  - *Consent Decree signed and on track to achieve within 3 years*

GPA Islandwide Power System

2029 GUAM'S ENERGY FUTURE



Financial Statements, Required Supplementary Information, and Supplementary and Other Information

Guam Power Authority

(A Component Unit of the Government of Guam)

Years ended September 30, 2025 and 2024
with Report of Independent Auditors

Shape the future
with confidence

Guam Power Authority
(A Component Unit of the Government of Guam)

Financial Statements, Required Supplementary Information,
and Supplementary and Other Information

Years ended September 30, 2025 and 2024

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Report of Independent Auditors

Commissioners
Consolidated Commission on Utilities

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Guam Power Authority (GPA or the Authority), as of and for the years ended September 30, 2025 and 2024, and the fiduciary activities of the Authority as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Guam Power Authority as of September 30, 2025 and 2024, the financial position of the fiduciary activities as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contribution and the Schedule of Proportionate Share of the Total OPEB Liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Sales of Electricity, Operating and Maintenance Expenses and Salaries and Wages, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Sales of Electricity, Operating and Maintenance Expenses and Salaries and Wages are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026 on our consideration of GPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GPA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GPA's internal control over financial reporting and compliance.

Ernst + Young LLP

May 29, 2026

Guam Power Authority
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis

Years ended September 30, 2025 and 2024

This Management's Discussion and Analysis should be read in conjunction with the Guam Power Authority's September 30, 2025, audited financial statements and accompanying notes.

OVERVIEW

Established in 1968 as an autonomous public corporation under the Government of Guam, the Guam Power Authority (GPA or the Authority) is responsible for managing and expanding the island's electrical grid. Today, the agency oversees an infrastructure network that includes over 400 megawatts (MW) of generation capacity, 29 substations, 204 miles of transmission lines, and 1,650 miles of distribution lines. GPA holds $793 million in assets and generates $501 million in annual revenue. It provides power to nearly 54,000 customers, with the U.S. Navy serving as its largest consumer and contributing approximately 18% of total revenue.

In 2002, the Consolidated Commission on Utilities (CCU) was formed as the board of directors for both the Guam Power Authority and the Guam Waterworks Authority. Composed of five elected members, the CCU retains contracting authority and establishes policies and controls over selecting the Authority's executive management. GPA maintains its existence as a public corporation.

The Authority operates under the regulatory oversight of the Guam Public Utilities Commission (PUC), a rate-setting body composed of governor-appointed commissioners. Operating similarly to utility commissions throughout the United States, the PUC wields broad regulatory power over the GPA, which includes the approval of any contracts that could impact consumer electricity rates.

GPA'S STRATEGY

The Guam Power Authority is dedicated to delivering exceptional energy solutions to the island community through a steadfast commitment to capital discipline and operational excellence. This mission is driven by four core strategic objectives:

- Achieve Superior Customer Service – GPA continuously reaches for ways to better serve our customers through accountability, efficiency, and reliability.
- Optimize Energy Production Cost – Focus on reducing costs and improving productivity.
- Achieve Energy Diversification – Execution of its Integrated Resource Plan (IRP), which includes renewable energy resources like solar and wind power, generating 85.3 megawatts.
- Become Financially Sound and Stable – Improve credit rating and debt service coverage. GPA has maintained its investment-grade credit rating for over thirteen consecutive years.

Promoting Energy Innovation

For over a decade, GPA has successfully operated a comprehensive smart grid featuring universal smart meters, substation automation, advanced metering infrastructure (AMI), and high-speed broadband communication. This technology empowers customers to take control of their energy costs by tracking their consumption online and identifying habits that impact their monthly bills.

Complementing the smart grid, GPA utilizes Oracle's Customer Care and Billing system to streamline invoicing, elevate customer service, and optimize credit management. This system seamlessly integrates with online portals, iOS and Android mobile apps, and a 24/7 pay-by-phone service, ensuring that account balances and payment postings are updated in real time.

Together, these advanced systems have facilitated the launch of prepay electricity and e-billing services. The prepay option allows consumers to proactively manage their energy budgets, while e-billing via paygpa.com provides convenient, paperless access to statements.

Furthermore, through myenergyguam.com, customers can review their current and historical energy usage. This visibility allows them to adjust their consumption before the billing cycle ends and make informed decisions when purchasing energy-efficient appliances.

Finally, the GPA energy statement serves as a resource for energy management. It features a visual history of energy consumption, practical efficiency tips, rebate program updates, and timely reminders, providing consumers with the tools they need to manage their energy usage.

New Generation

In 2016, GPA submitted its updated IRP to the CCU and the PUC. This strategic plan outlined the installation of 180 megawatts (MW) of dual-fired combined-cycle generation units, the retirement of the Cabras 1 and 2 plants, the expansion of GPA's renewable energy portfolio, and the implementation of energy storage systems. The PUC approved the generation plan in October 2016, and the procurement process was successfully completed in 2019.

The new generation project was awarded to the Korea Electric Power Corporation (KEPCO) under a build-operate-transfer contract. Following damage sustained during Typhoon Mawar in May 2023, the plant's commissioning was initially rescheduled for September 2025. Unfortunately, the project has faced additional delays due to unexpected damage to the steam turbine and generator during the testing phase.

Despite these setbacks, the plant successfully demonstrated its capacity to operate at full load on December 26, 2025. The transition to combined-cycle generation offers significant long-term benefits for GPA. These include enhanced fuel efficiency, increased fuel diversity, and lower capital costs compared to retrofitting existing, aging plants with emission control systems. Furthermore, the new facility ensures strict compliance with United States Environmental Protection Agency (USEPA) standards.

United States Environmental Protection Agency (USEPA)

The United States, on behalf of the USEPA, filed its complaint under the Clean Air Act. The United States' complaint sought injunctive relief and civil penalties for the alleged violations of the emission limits and performance testing requirements in the National Emission Standard for Hazardous Air Pollutants (NESHAP) regulations that govern the operation of stationary reciprocating internal combustion engines and electric utility steam generating units at GPA's Cabras and Piti power plants.

In early 2020, GPA, USEPA, and the Justice Department finalized a settlement to resolve the alleged violations. The parties subsequently lodged a consent decree with the United States District Court in Guam, which the Consent Decree was approved in April 2020.

Under the terms of the settlement, GPA will build and operate a new power plant burning ultra-low sulfur diesel (USLD) and capable of burning liquified natural gas (LNG), convert the fuel delivery system from residual fuel oil to ULSD, build 100MW of solar power, install and operate a new energy storage system, and pay a civil penalty of $400,000 to resolve the United States' allegations.

In January 2022, the District Court approved a revised consent decree extending the construction deadline for the new 198 MW power plant to April 2024. However, due to damage from Typhoon Mawar in May 2023, the project was delayed. Further delay occurred when the steam turbine and generator were damaged during testing in 2025. Despite the setback, the plant achieved full production capacity on December 26, 2025.

FINANCIAL HIGHLIGHTS

The table below highlights the financial comparison for fiscal years 2025, 2024, and 2023.

(in '000)	2025	2024	2023
Assets			
Current assets	$ 304.9	$ 322.8	$ 326.2
Lease assets, net	1.2	6.9	11.9
Non-current investments	18.8	17.5	28.2
Other non-current assets	11.7	14.6	22.5
Utility plant	456.4	461.9	467.6
	793.0	823.7	856.4
Deferred outflows of resources	56.5	62.7	68.2
	$ 849.5	$ 886.4	$ 924.6
Liabilities			
Current liabilities	$ 68.5	$ 83.5	$ 100.2
Non-current liabilities	640.9	701.7	710.7
	709.4	785.2	810.9
Deferred inflows of resources	106.1	73.5	83.4
Net Position			
Net investment in capital assets	44.1	17.3	23.5
Restricted	28.2	29.4	38.1
Unrestricted	(38.3)	(19.0)	(31.3)
	34.0	27.7	30.3
	$ 849.5	$ 886.4	$ 924.6

FINANCIAL HIGHLIGHTS, continued

The decrease in current assets in 2025 compared to 2024 is mainly driven by lower fuel costs, which reduced outstanding receivables. In addition, capital projects spending and the settlement of outstanding payables contributed to the decline in cash.

The decrease in current assets in 2024 compared to 2023 is due to lower receivables and fuel inventory. In 2023, Typhoon Mawar impacted the island, and it was struggling to recover.

The decrease in current liabilities in 2025 compared to 2024 was primarily driven by lower accounts payable. Although fuel payables declined by $5 million, regular accounts payable decreased by a larger amount ($7.2 million). A reduction in lease liabilities also contributed to the overall decrease.

The decrease in current liabilities in 2024 compared to 2023 is due to the refunding of 2024 revenue bonds, which reduced the bond payment requirement. Additionally, a drop in fuel prices during 2024 led to a corresponding decrease in outstanding accounts payable.

Financial results summary:

- 2025 has a net income of $6.3 million compared to a net loss of $2.5 million in 2024.
- 2024 has a net loss of $2.5 million compared to a net income of $7.1 million in 2023.

The table below details certain items from GPA's Statements of Revenue, Expenses, and Changes in Net Position for 2025, 2024, and 2023.

(in '000)	2025	2024	2023
Sales of Electricity, net	$ 494,287	$ 542,778	$ 548,681
Other	7,112	3,551	5,332
Total operating revenues	501,399	546,329	554,013
Production Fuel	335,028	385,762	399,920
Operating and maintenance	110,965	104,914	79,468
Depreciation	33,183	35,021	35,216
Total operating expenses	479,176	525,697	514,604
Operating Income	22,223	20,632	39,409
Interest income	5,804	5,114	4,007
Interest expense	(20,887)	(22,951)	(23,374)
Allowance for funds used during construction	-	-	14
Other expense, net	(888)	(5,338)	(12,930)
Income	$ 6,252	$ (2,543)	$ 7,126

FINANCIAL HIGHLIGHTS, continued

Operating Revenues – Sales of Electricity, net

Driven by a steady decline in global fuel prices across 2023, 2024, and 2025, net sales of electricity experienced consecutive year-over-year decreases. In 2024, net electricity sales fell slightly by $5.9 million, or 1.1%, compared to 2023. This downward trend accelerated in 2025, with net sales decreasing by $48.5 million, or 8.9%, compared to 2024.

Electric Sales Information	2021	2022	2023	2024	2025
Peak Demand (MW)	257	260	257	264	266
Total Electric Sales (MWh)	1,554,962	1,540,160	1,447,602	1,556,351	1,585,508
Sales Growth (%)	2.1	(1.0)	(6.0)	7	1.9
Total Customers	52,825	52,873	52,642	53,777	53,696

Following the severe impacts of Typhoon Mawar in 2023, energy sales rebounded strongly, increasing by 7% in 2024 as the island recovered. This growth trajectory continued into 2025, with sales rising an additional 2% compared to 2024. While the initial surge was driven by storm recovery, the most recent growth in 2025 was largely attributed to expanded energy usage by the U.S. Navy.

Operating and Maintenance

Operating and maintenance expenses increased consecutively in the years 2024 and 2025 compared to 2023. The initial rise in 2024 was primarily driven by the execution of a new lease agreement for 20MW Aggreko diesel generators, which were necessary to support the island's load demand. The subsequent increase in 2025 reflects the full-year financial impact of this ongoing lease obligation, compared to the partial-year expense recognized during the lease's initiation in 2024.

GPA's total headcount increased from 408 in 2023 to 443 in 2024, reflecting a targeted effort to backfill vacancies left by retirements and to support departments requiring additional manpower. A key component of this 2024 growth was the successful onboarding of graduates from the GPA apprenticeship program. Following this period of active recruitment, staffing levels stabilized in 2025, ending the year with a headcount of 447 and no significant workforce changes.

Station use in 2025 of 66,681 MWh increased compared to 2024 station use of 65,549 MWh.

Station use in 2024 of 65,549 MWh increased compared to 2023 station use of 55,840 MWh.

Transmission and distribution (T&D) line loss increased to 100,457 MWh in 2025 compared to 95,758 MWh in 2024.

FINANCIAL HIGHLIGHTS, continued

Operating and Maintenance, continued

T&D line loss increased to 95,758 MWh in 2024 compared to 91,502 MWh in 2023.

Depreciation and Amortization

Depreciation and amortization expenses decreased slightly in 2025 compared to 2024 and 2023, primarily due to asset maturation.

Utility Cost Recovery Activities

Production Fuel

GPA's cost of electricity includes the costs of fuel used in its generation facilities, the cost of fuel handling, and the cost of power purchased from third parties.

To advance the renewable energy goals outlined in its Integrated Resource Plan (IRP), GPA secured a Power Purchase Agreement for a 25MW utility-scale solar farm in southern Guam, which was integrated into the grid in August 2015. Building on this foundation, GPA launched its Phase II renewable energy initiative by signing contracts in 2018 for two 60MW utility-scale solar farms. These Phase II projects incorporated battery energy storage to mitigate production fluctuations caused by changing electrical or atmospheric conditions, such as sudden rain. Ultimately, the 60MW KEPCO solar facility successfully achieved commercial operation in June 2022, while the second 60MW project was cancelled.

Diversifying its renewable energy portfolio beyond solar, GPA commissioned a 275kW wind turbine in March 2016. Funded by a $2 million grant from the U.S. Department of the Interior (USDOI), this installation serves as a critical pilot project. It provides the agency with localized operational experience and empirical data to evaluate the future viability of large-scale wind energy integration.

GPA's Phase III renewable energy initiative initially sought to develop a 35MW solar photovoltaic (PV) facility on a 30-year lease of U.S. Navy property. Although GPA successfully defended the project's procurement against a bid protest before the Office of Public Accountability (OPA) and the courts, the project was ultimately cancelled. Due to shifting global geopolitical conditions, the U.S. Navy reclaimed the leased land for military operations.

FINANCIAL HIGHLIGHTS, continued

Utility Cost Recovery Activities, continued

Production Fuel, continued

In advancing its Phase IV renewable energy procurement, GPA issued a bid targeting 180 MW of new capacity, which generated a strong market response of 332 MW in proposals. To date, the Authority has successfully executed three major Power Purchase Agreements (PPAs) totaling 210.4 MW, exceeding the initial procurement target. In February 2025, GPA contracted with KES Yona Solar, LLC for a 132 MW solar photovoltaic (PV) facility. In August 2025, GPA contracted with PRU for an 18.4 MW solar PV facility. Subsequently, in February 2026, GPA executed a contract with Core Tech Solar Energy LLC for an additional 60 MW. Crucially for long-term grid reliability, all three utility-scale projects include 50% capacity Battery Energy Storage Systems (BESS) with 4-hour duration. Commercial operation of these facilities is anticipated by 2028. GPA continues active negotiations with remaining project proponents to further expand the Authority's renewable energy portfolio and meet the objectives outlined in the Integrated Resource Plan (IRP).

Interest Income, Interest Expense, and Other Income and Expenses

Interest income increased in 2025 compared to 2024 due to an increase in interest rate.

Interest income increased in 2024 compared to 2023 due to an increase in interest rate.

Interest expense decreased in 2025 compared to 2024 due to lower outstanding bonds due to refunding of 2022 and 2024 revenue bonds.

Interest expense decreased in 2024 compared to 2023 due to lower outstanding bonds due to refunding of 2022 and 2024 revenue bonds.

Operating Activities

GPA's cash flows from operating activities primarily consist of receipts from customers less payments of operating expenses.

GPA's cash flows from operating activities for 2025, 2024, and 2023 are as follows:

(in millions)	2025	2024	2023
Cash received from customers	$515.1	$ 554.2	$ 566.8
Cash payments to suppliers	(420.1)	(436.5)	(429.6)
Cash payments to employees for services	(53.0)	(45.1)	(39.4)
Cash payments to retiree benefits	(4.6)	(4.4)	(3.4)
Net cash provided by operating activities	$ 37.4	$ 68.2	$ 94.4

FINANCIAL HIGHLIGHTS, continued

Capital Activities

GPA's capital activities primarily consist of new construction and replacing facilities necessary to deliver safe and reliable power to its customers.

The largest capital costs incurred in 2025 were the water system generator replacements ($3.8M), IT data center upgrades ($2.0M), bucket trucks and fleet replacements ($1.5M) and combustion turbine and diesel generators overhaul ($2.1M).

The largest capital costs incurred in 2024 were the fuel pipeline and tank 1935 overhaul ($12.5M), peaking unit overhaul ($2.1M), and substation and transmission improvements ($6M).

Cash used in capital activities includes proceeds from bonds and revenue funds. Please refer to Note 12 to the financial statements for details of GPA's capital activities.

Investing Activities

GPA's cash flows from investing activities for 2025, 2024, and 2023 are as follows (in millions):

	2025	2024	2023
Net cash provided (used in) by investing activities	$5.0	$15.6	$(11.2)

Borrowing Activities

No new borrowing was made in 2025, 2024, and 2023; however, Revenue Bonds 2014 was refunded in July 2024. Please refer to Note 6 to the financial statements for details of GPA's borrowing activities.

GPA's cash flows from the capital and non-capital financing activities for 2025, 2024, and 2023 are as follows (in millions):

	2025	2024	2023
Net cash used in capital and related financing activities	$(63.5)	$(76.5)	$(52.2)

GPA has no cash flows for non–capital financing activities for 2025, 2024, and 2023.

FINANCIAL HIGHLIGHTS, continued

Credit Ratings

GPA's credit rating relates to the Authority's cost of funds and liquidity. In particular, GPA's ability to access and engage in certain activities cost-effectively depends on maintaining a strong credit rating.

GPA's long-term senior debt ratings are as follows:

Long-Term Senior Debt	Rating	Long-Term Outlook
Standard & Poor's	BBB	Stable
Moody's Rating	Baa2	Stable
Fitch Rating	BBB	Stable

Future Capital Activities

The Authority remains committed to advancing its renewable energy portfolio and reducing greenhouse gas emissions in alignment with long-term strategic mandates. Foundational investments include a 25 MW utility-scale solar farm operational since 2015 and a 60 MW Phase II solar facility commissioned in June 2022. While the Phase III renewable project was ultimately terminated due to extended procurement delays and the U.S. Navy repurposing the leased land for military operations, the Authority has aggressively pivoted to its Phase IV procurement.

Targeting 180 MW of new renewable capacity, the Phase IV solicitation yielded 330 MW in proposals reflecting strong market interest. To date, the Authority has executed three major Power Purchase Agreements (PPAs) totaling 210.4 MW, surpassing the original procurement target. In February 2025, GPA contracted with KES Yona Solar, LLC for a 132 MW solar photovoltaic (PV) facility. In August 2025, GPA entered into an agreement with PRU for an 18.4 MW solar PV facility. Subsequently, in February 2026, GPA executed a contract with Core Tech Solar Energy LLC for an additional 60 MW. All three utility-scale projects include 50% capacity Battery Energy Storage Systems (BESS) with a 4-hour duration, enhancing long-term grid reliability. Commercial operations are anticipated by 2028. GPA continues to negotiate with the remaining project proponents to further expand its renewable energy portfolio.

The integration of utility-scale solar farms and the expansion of Net Energy Metering (NEM) have fundamentally altered the Authority's grid topology and operational profile. Under current contractual obligations, energy generated by the Dandan Solar Farm and NEM customers is classified as 'must-take,' requiring immediate absorption by the grid regardless of demand. As a result, the Power System Control Center must monitor and respond to rapid fluctuations in system frequency throughout the day. These fluctuations, known as ramping events, were historically driven by changes in customer load. However, they are now increasingly caused by variable generation output from non-GPA renewable sources.

FINANCIAL HIGHLIGHTS, continued

GPA is required to absorb all the power fluctuation emitted by Dandan Solar Farm and NEM customers. 16MW of the 40 MW ESS system, operational in 2021, is allocated to level the power fluctuation and reduce intermittency trips. The remaining 24MW ESS is used to eliminate over 70% of short-duration outages due to generators.

The 198MW Ukudu dual-fire combined cycle combustion turbine achieved full load capacity on December 26, 2025. Although the Consolidated Commission on Utilities (CCU) originally approved the project in 2016, the commissioning timeline was extended due to force majeure events specifically the COVID-19 pandemic and Typhoon Mawar (2023) as well as technical remediation required for machinery damaged during the testing phase. The new combined cycle is 37% more efficient than Cabras 1 & 2 and 22% more efficient than Piti 8 & 9. The new plant is projected to reduce burning 900,000 barrels or 37 million gallons of fuel annually.

Future Borrowing

To accommodate the accelerating integration of intermittent renewable energy, the Authority recognizes that traditional baseload generation must be increasingly supported by advanced grid stabilization technologies. GPA anticipates that further strategic investments in Battery Energy Storage Systems (BESS) and synchronous condensers will be necessary to regulate system voltage, manage frequency response, and ensure long-term grid reliability.

Furthermore, while the newly commissioned 198 MW Ukudu power plant currently operates on ultra-low sulfur diesel (ULSD), the facility was specifically engineered with dual-fuel capabilities to accommodate Liquefied Natural Gas (LNG). The Authority is presently conducting a comprehensive economic and engineering feasibility study to evaluate the viability of a transition to LNG. The conclusions of this study will inform the agency's future strategic decisions regarding long-term fuel cost optimization and additional greenhouse gas emission reductions.

In October 2025, the CCU approved the issuance of $300 million in revenue bonds. The proposed legislation has been submitted to the Legislature and is expected to be considered during the summer of 2026.

Contacting GPA's Financial Management

The Management Discussion and Analysis report is intended to provide information concerning known facts and conditions affecting GPA's operations. This financial report is designed to provide a general overview of GPA's finances and to demonstrate GPA's accountability for the funds it receives and expends.

Contacting GPA's Financial Management, continued

Management's Discussion and Analysis for the years ended September 30, 2024, is set forth in GPA's report on the audit of the financial statement, which is dated May 28, 2025. For the year ended September 20, 2023, it is set forth in GPA's report on the audit of financial statements dated May 16, 2024. That Discussion and Analysis explain in more detail the major factors impacting the 2024 and 2023 financial statements. A copy of that report can be obtained by contacting the CFO office at (671) 648-3162 or from GPA's website at the addresses noted below.

For additional information about this report, please contact Mr. John J.E. Kim, Chief Financial Officer, Guam Power Authority, P.O. Box 2977, Hagåtña, Guam 96932-2977 or visit the website at www.guampowerauthority.com.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statements of Net Position

	September 30, 2025	September 30, 2024
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents – restricted	$ 92,137,795	$116,779,935
Cash and cash equivalents – unrestricted	64,708,359	61,701,693
Total cash and cash equivalents	156,846,154	178,481,628
Investments – restricted	18,556,791	18,561,431
Accounts receivable, net	38,355,181	48,701,947
Materials and supplies inventory, net	14,601,877	14,082,576
Fuel inventory	73,277,545	60,464,172
Prepaid expenses and other current assets	3,273,255	2,548,197
Total current assets	304,910,803	322,839,951
Utility plant, at cost		
Depreciable utility plant, net of accumulated depreciation	420,642,230	427,103,614
Non-depreciable utility plant	35,789,934	34,837,318
Total utility plant	456,432,164	461,940,932
Lease asset	1,160,456	6,883,411
Other non-current assets:		
Cash and cash equivalents – restricted	2,777,492	2,249,393
Investments – restricted	16,003,125	15,199,227
Unamortized debt insurance costs	---	3,899
Total other non-current assets	18,780,617	17,452,519
Regulatory assets:		
Uncovered fuel costs	11,667,761	14,558,943
Total regulatory assets	11,667,761	14,558,943
Total assets	792,951,801	823,675,756
Deferred outflows of resources:		
Unamortized loss on debt refunding	8,721,822	9,780,478
Pension	14,100,801	20,135,066
Other post-employment benefits	33,698,529	32,832,154
Total deferred outflows of resources	56,521,152	62,747,698
	$849,472,953	$886,423,454

See accompanying notes.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statements of Net Position, continued

	September 30, 2025	September 30, 2024
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Current maturities of long-term debt	$ 16,525,000	$ 15,855,000
Accounts payable:		
Operations	18,595,366	25,816,881
Fuel	4,022,833	9,040,015
Accrued payroll and employees' benefit	1,339,904	1,058,475
Current portion of employees' annual leave	2,408,940	2,312,065
Current portion of lease liability	1,005,258	4,802,469
Interest payable	13,927,908	13,382,348
Customer deposits	10,716,783	11,234,910
Total current liabilities	68,541,992	83,502,163
Long-term debt, net of current maturities	439,431,630	457,395,893
DCRS sick leave liability	1,790,894	2,296,579
Lease liability	155,198	1,981,011
Net pension liability	69,496,946	82,928,842
Other post-employment benefits liability	127,503,295	154,610,401
Employees' annual leave, net of current portion	1,723,317	1,723,317
Customer advances for construction	746,401	721,114
Total liabilities	709,389,673	785,159,320
Deferred inflows of resources:		
Provision for self-insurance	19,331,659	15,816,693
Pension	9,794,100	7,826,304
Other post-employment benefits	76,955,394	49,870,545
Total deferred inflows of resources	106,081,153	73,513,542
Commitments and contingencies		
Net position:		
Net investment in capital assets	44,084,681	17,314,364
Restricted	28,177,640	29,392,631
Unrestricted	(38,260,194)	(18,956,403)
Total net position	34,002,127	27,750,592
	$849,472,953	$886,423,454

See accompanying notes.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statements of Revenues, Expenses and Changes in Net Position

	Year ended September 30, 2025	2024
Revenues:		
Sales of electricity	$494,287,284	$542,777,760
Miscellaneous	7,111,620	3,551,248
Net operating revenues	501,398,904	546,329,008
Operating and maintenance expenses:		
Production fuel	335,028,003	385,761,787
Other production	24,669,478	22,856,995
	359,697,481	408,618,782
Administrative and general	41,082,256	47,360,409
Depreciation and amortization	33,183,386	35,021,336
Energy conversion costs	20,485,569	13,843,588
Transmission and distribution	16,279,812	13,791,473
Customer accounting	8,447,665	7,061,383
Total operating and maintenance expenses	479,176,169	525,696,971
Operating income	22,222,735	20,632,037
Non-operating revenues (expense):		
Interest income	5,803,870	5,114,054
Operating grants from the United States Government	1,037,285	1,152,300
Interest expense	(20,886,914)	(22,951,049)
Other expense, net	(1,925,441)	(6,489,979)
Total non-operating expense, net	(15,971,200)	(23,174,674)
Change in net position	6,251,535	(2,542,637)
Net position at beginning of year	27,750,592	30,293,229
Net position at end of year	$ 34,002,127	$ 27,750,592

See accompanying notes.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statement of Fiduciary Net Position

September 30, 2024

Asset	
Current asset:	
Cash and cash equivalents	$19,765
	$19,765
Liability and net position	
Current liability:	
Accounts payable - operations	$19,765
	19,765
Commitments and contingencies	
Net position	---
	$19,765

See accompanying notes.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statement of Revenues, Expenses and Changes in Fiduciary Net Position

Year ended September 30, 2024

Revenues	$63,118,900
Miscellaneous	63,118,900
Change in net position	---
Net position at beginning of year	---
Net position at end of year	$ ---

See accompanying notes.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statements of Cash Flows

	Year ended September 30, 2025	2024
Cash flows from operating activities:		
Cash received from customers	$515,122,638	$554,167,679
Cash payments to suppliers for goods and services	(420,138,657)	(436,482,727)
Cash payments to employees for services	(53,058,587)	(45,118,175)
Cash payments for retiree benefits	(4,572,075)	(4,397,432)
Net cash provided by operating activities	37,353,319	68,169,345
Cash flows from investing activities:		
(Increase) decrease in investments	(799,258)	10,468,799
Interest on investments and bank accounts	5,803,870	5,114,054
Net cash provided by investing activities	5,004,612	15,582,853
Cash flows from capital and related financing activities:		
Receipts from the U.S. Government capital grant	586,099	1,354,567
Principal paid on long-term debt	(15,855,000)	(28,800,000)
Interest paid on long-term debt	(20,542,688)	(19,517,815)
Additions to utility plant	(27,653,717)	(29,494,281)
Net cash used in capital and related financing activities	(63,465,306)	(76,457,529)
Net change in cash and cash equivalents	(21,107,375)	7,294,669
Cash and cash equivalents at beginning of year	180,731,021	173,436,352
Cash and cash equivalents at end of year	$159,623,646	$180,731,021
Consisting of:		
Restricted	$ 94,915,287	$119,029,328
Unrestricted	64,708,359	61,701,693
	$159,623,646	$180,731,021

See accompanying notes.

Guam Power Authority
(A Component Unit of the Government of Guam)

Statements of Cash Flows, continued

	Year ended September 30, 2025	2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$22,222,735	$20,632,037
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	33,183,386	35,021,336
Bad debts expense	1,295,004	1,245,504
Other pension (expense) income	(5,429,835)	1,212,541
Other post-employment benefit costs	(888,632)	2,776,134
(Increase) decrease in assets:		
Accounts receivable	9,502,948	2,762,563
Materials and supplies inventory	(519,301)	(3,501,652)
Fuel inventory	(12,813,373)	5,780,065
Prepaid expenses and other current assets	(725,058)	4,103,776
Unrecovered fuel costs	2,891,182	7,923,056
Increase (decrease) in liabilities:		
Accounts payable	(14,164,138)	(15,308,581)
Customer deposits	(614,471)	663,712
Customer advances for construction	25,287	46,990
Provision for self-insurance	3,514,966	3,119,902
Accrued payroll and employees' benefits	281,429	631,425
Employees' annual and DCRS sick leave	(408,810)	1,060,537
Net cash provided by operating activities	$37,353,319	$68,169,345

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Organization

Guam Power Authority (GPA) is a component unit of the Government of Guam (GovGuam). GPA provides electrical services on Guam to residential, commercial and GovGuam customers, and to the United States (U.S.) Navy under a Utility Services Contract (USC). GPA is governed by the Consolidated Commission on Utilities (CCU), an elected five-member board. GPA is subject to the regulations of the Public Utilities Commission of Guam (PUC) and has adopted the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission. Because of the rate-making process, certain differences arise in the application of accounting principles generally accepted in the United States of America (US GAAP) between regulated and non-regulated businesses. Such differences mainly concern the time at which various items enter into the determination of net earnings in order to follow the principle of matching costs and revenues.

Primary Government Financial Statements

The primary government financial statements consist of the statement of net position, statement of revenues, expenses, and changes in net position and statement of cashflows. Fiduciary activities are not included in the government-wide financial statements.

Fiduciary Fund Financial Statements

Separate financial statements are provided for fiduciary funds. Fiduciary financial statements include assets, liabilities and activities of the Energy Credit Program (the "ECP"), for which GPA has been legally designated to control but GPA itself is not a beneficiary. The ECP was enacted by Public Law No. 36-106 in July 2022 for the Government of Guam to provide each of the GPA residential, master-metered and commercial customers with a $500 credit towards their accounts, to be disbursed $100 per month for the months of July to November 2022. The sum of $26,381,000 of this public law was appropriated from the Government of Guam General Fund for this purpose.

In December 2022, Public Law No. 36-123 was enacted to extend the ECP for the months of December 2022 to April 2023. In May 2023, Public Law No. 37-16 was enacted to further extend the ECP for the months of May to September 2023. The sum of $52,762,000 for each of the enacted public laws were appropriated from the Government of Guam General Fund for this purpose.

In November 2023, Public Law No. 37-49 was enacted to extend the ECP for the months of October to December 2023 with $100 credit for each month. In February 2024, Public Law No. 37-66 was enacted to extend the ECP for the months of January 2024 to March 2024 with $100 credit for each month. Public Law No. 37-104 was enacted in June 2024 to further extend the ECP for the months of April 2024 to September 2024 with $100 credit for each month. The sum of approximately $63,119,000 for each of the enacted public laws were appropriated from the Government of Guam General Fund for this purpose.

1. Organization and Summary of Significant Accounting Policies, continued

Fiduciary Fund Financial Statements, continued

For the year ended September 30, 2025, there are no public laws appropriating funds from the Government of Guam General Fund.

Basis of Accounting

The accounting policies of the primary government financial statements and fiduciary fund financial statements conform to US GAAP, as applicable to governmental entities, specifically proprietary funds. GPA utilizes the flow of economic resources measurement focus. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Accounting Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes

As an instrumentality of GovGuam, GPA and all property acquired by or for GPA, and all revenues and income therefrom are exempt from taxation by GovGuam or by any political subdivision or public corporation thereof and from all taxes imposed under the authority of the Guam Legislature, or with respect to which the Guam Legislature is authorized to grant exemption.

Cash, Cash Equivalents and Investments

Cash and cash equivalents classified as current assets include cash on hand, cash in banks, money market accounts, certificates of deposit, and U.S. treasury bills with original maturities of three months or less in the interest and principal funds for debt repayment, the bond indenture funds, the bond reserve fund, the energy sense fund and the self-insurance fund.

Cash and cash equivalents restricted for the acquisition or construction of capital assets are classified as noncurrent assets.

Investments in short-term, highly liquid debt instruments, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations are recorded at amortized cost. Investment in a guaranteed investment certificate is measured at cost.

All other investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the date as of which the fair value of an asset or liability is determined.

1. Organization and Summary of Significant Accounting Policies, continued

Cash, Cash Equivalents and Investments, continued

The deposit and investment policies of GPA are governed by 5 GCA 21, *Investments and Deposits,* in conjunction with applicable bond indentures. Authorized investments include obligations issued or guaranteed by the U.S. government or agencies of the U.S. government; bonds, notes or other indebtedness rated in the highest rating by Moody's Investors Service (Moody's) or Standard & Poor's Corporation (S&P); obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities of not more than three years; any bonds or other obligations of any state of the U.S. or any agency, instrumentality or local government unit of such state which are rated in the highest rating category of either Moody's or S&P; demand and time deposits in certificates of deposit or bankers acceptances with U.S. domestic banks which have a rating of their short term certificates of deposit of A-1 or better by S&P and P-1 by Moody's and mature no more than 360 days after purchase; commercial paper which has a rating in the highest classification by S&P and Moody's; and money market funds rated AAA or better by S&P.

Allowance for Doubtful Receivables

The allowance for doubtful receivables is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience. The allowance is established through bad debts expense recorded against operating revenues. Uncollectible accounts are written off against the allowance or are charged against operating revenues in the period GPA deems the accounts to be uncollectible but with prior approval of the CCU.

Inventory Valuation

Materials and supplies inventories and fuel inventories are stated at cost (using the weighted average and the first-in, first-out method, respectively).

Allowance for inventory obsolescence is provided for inventory items with no movement for a period of five years and over and for parts and supplies for equipment no longer in use. Allowance for inventory obsolescence was $2,697,398 and $1,026,094 as of September 30, 2025, and 2024, respectively, and is included as a component of fuel inventory in the accompanying statements of net position.

Utility Plant

Utility plant purchased or constructed is stated at cost. Cost includes an allowance on certain projects for funds used during construction of specific power generation plants based on the net cost of borrowed funds used for construction purposes. Donated utility is recorded at fair market value at the date of donation or at the donating entity's basis in the asset if donated by GovGuam or a GovGuam agency. Current policy is to capitalize utility plant with a cost of $1,000 or more.

1. Organization and Summary of Significant Accounting Policies, continued

Depreciation

Depreciation is computed under the straight-line method over the estimated useful lives of the respective assets.

Compensated Absences

Vesting annual leave is accrued and reported as an expense and a liability in the period earned. No liability is accrued for non-vesting sick leave benefits. Annual leave expected to be paid out within the next fiscal year is accrued and is included in current liabilities. The maximum accumulation of annual leave convertible to pay upon termination of employment is limited to 320 hours. Pursuant to Public Law 27-106, employees who have accumulated annual leave in excess of three hundred twenty (320) hours as of February 28, 2003, may carry over their excess and shall use the excess amount of leave prior to retirement or termination from service. Any unused leave over 320 hours shall be lost upon retirement. The full unused balance is considered a liability under GASB 101 as employees have earned the right to payment.

Public Law 26-86 allows members of the Defined Contribution Retirement System (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. A liability is accrued for estimated sick leave to be paid out to DCRS members upon retirement. For Defined Benefit (DB) plan participants, sick leave is not paid at retirement; instead, it is converted to service credit therefore no liability for compensated absences was computed.

Pensions

Pensions are required to be recognized and disclosed using the accrual basis of accounting. GPA recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents GPA's proportional share of excess total pension liability over the pension plan assets – actuarially calculated – of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. The total pension liability also includes GPA's proportionate share of the liability for ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments that are anticipated to be made to defined benefit plan members and for anticipated future COLA to DCRS members. Changes in the net pension liability are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

1. Organization and Summary of Significant Accounting Policies, continued

Other Post-Employment Benefits (OPEB)

OPEB is required to be recognized and disclosed using the accrual basis of accounting. OPEB offered to GPA retirees includes health and life insurance. GPA recognizes OPEB liability for the defined benefit OPEB plan in which it participates, which represents GPA's proportional share of total OPEB liability - actuarially calculated - of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. An OPEB trust has not been established; thus, the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis.

Changes in the OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in the OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

Net Position

Net position represents the residual interest in GPA's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of four sections:

Net investment in capital assets - include capital assets, restricted and unrestricted, net of accumulated depreciation, reduced by outstanding debt net of debt service reserve.

Restricted expendable - net position whose use is subject to externally imposed stipulations that can be fulfilled by actions of GPA pursuant to those stipulations or that expire with the passage of time.

Restricted nonexpendable - net position subject to externally imposed stipulations that require GPA to maintain them permanently.

Unrestricted - net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by management or the CCU or may otherwise be limited by contractual agreements with outside parties.

All of GPA's restricted net position is expendable.

1. Organization and Summary of Significant Accounting Policies, continued

Sales of Electricity

Sales of electricity are recorded as billed to customers on a monthly cycle billing basis. At the end of each month, unbilled revenues are accrued for each cycle based on the unbilled actual usage at month end.

Operating and Non-Operating Revenue and Expenses

Operating revenues and expenses generally result directly from the operation and maintenance of systems to provide electrical services to the island of Guam. Non-operating revenues and expenses, that includes characteristics of nonexchange transactions, result from capital; financing and investing activities, costs and related recoveries from natural disasters, operating grants, and certain other non-recurring income and costs.

Deferred Outflows of Resources

Deferred outflows of resources represent consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Levelized Energy Adjustment Clause

Fuel oil costs increase or decrease billings to customers based on increases or decreases in the price of fuel oil purchased by GPA. Under or over recoveries of fuel oil costs including the fair value of outstanding commodity swap agreements (if any) are recorded as unrecovered fuel cost or unearned fuel revenue, respectively, in the accompanying statements of net position, and are recovered or deducted in future billings to customers based on the Levelized Energy Adjustment Clause (LEAC) approved by the PUC in January 1996. The LEAC results in the conversion of the monthly fuel charge to a levelized fuel charge, which is reviewed and adjusted by the PUC on a bi-annual basis. GPA is only permitted to recover its actual fuel and related costs. At September 30, 2025 and 2024, GPA has an under recovery of fuel costs of $11,667,761 and $14,558,943, respectively.

1. Organization and Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements

During the year ended September 30, 2025, GPA implemented the following pronouncements.

GASB issued Statement No. 101, *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The adoption of GASB Statement No. 101 requires retrospective application. The implementation of this Statement did not have a material effect on the accompanying financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to ascertain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The implementation of this Statement did not have a material effect on the accompanying financial statements.

1. Organization and Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and addressing certain application issues identified through pre-agenda research conducted by the GASB. This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, budgetary comparison information and financial trends information in the statistical section. GASB Statement No. 103 will be effective for fiscal year ending September 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. GASB Statement No. 104 will be effective for fiscal year ending September 30, 2026.

GPA is currently evaluating the effects the above upcoming accounting pronouncements may have on its financial statements.

2. Cash, Cash Equivalents and Investments

A. Cash and Cash Equivalents

The bond indenture agreements for the 2014, 2017, 2022 and 2024 series revenue bonds (Note 6) require the establishment of special funds to be held and administered by trustees and by GPA. In addition, proceeds from borrowings to finance generation and transmission facility construction are maintained by GPA in construction accounts. Funds in these accounts are required by loan agreement or public law to be used for generation and transmission facility construction. Also, certain other funds are restricted by rate orders of the PUC.

At September 30, 2025 and 2024, cash and cash equivalents, certificates of deposit and investments held by trustees and by GPA in these funds and accounts were as follows:

	2025					
	Cash and Cash Equivalents and Certificates of Deposit				Investments	
	Held By Trustees		Held By GPA		Held By Trustees	
	Bond Indenture Funds	PUC Restricted Funds	Unrestricted Funds	Cash Total	Bond Indenture Funds	Total
Construction funds	$ 2,777,492	$ ---	$ ---	$ 2,777,492	$ ---	$ 2,777,492
Interest and principal funds	13,625,560	---	---	13,625,560	16,003,125	29,628,685
Working capital funds	11,083,122	---	---	11,083,122	4,816,364	15,899,486
Bond reserve fund	24,844,864	---	---	24,844,864	13,740,427	38,585,291
Self-insurance fund	---	14,504,340	---	14,504,340	---	14,504,340
Revenue funds	8,106,570	---	---	8,106,570	---	8,106,570
Energy sense fund	---	4,370,293	---	4,370,293	---	4,370,293
Operating funds	---	---	64,708,359	64,708,359	---	64,708,359
Surplus funds	15,603,046	---	---	15,603,046	---	15,603,046
	$76,040,654	$18,874,633	$64,708,359	$159,623,646	$34,559,916	$194,183,562

	2024					
	Cash and Cash Equivalents and Certificates of Deposit				Investments	
	Held By Trustees		Held By GPA		Held By Trustees	
	Bond Indenture Funds	PUC Restricted Funds	Unrestricted Funds	Cash Total	Bond Indenture Funds	Total
Construction funds	$ 2,249,393	$ ---	$ ---	$ 2,249,393	$ ---	$ 2,249,393
Interest and principal funds	12,473,874	---	---	12,473,874	15,199,227	27,673,101
Working capital funds	11,083,122	---	---	11,083,122	4,821,263	15,904,385
Bond reserve fund	34,260,606	---	---	34,260,606	13,740,168	48,000,774
Self-insurance fund	---	14,481,151	---	14,481,151	---	14,481,151
Revenue funds	9,054,712	---	---	9,054,712	---	9,054,712
Energy sense fund	---	6,047,165	---	6,047,165	---	6,047,165
Operating funds	---	---	61,701,693	61,701,693	---	61,701,693
Surplus funds	29,379,305	---	---	29,379,305	---	29,379,305
	$98,501,012	$20,528,316	$61,701,693	$180,731,021	$33,760,658	$214,491,679

2. Cash, Cash Equivalents and Investments, continued

A. Cash and Cash Equivalents, continued

At September 30, 2025 and 2024, the operating funds include the remaining insurance proceeds of $55,013,188 and $52,787,147, respectively, recovered from the Cabras 3 and 4 explosion and fire insurance claims. Of the amount, $40 million has been internally restricted for payment due upon turnover and commercial operation date of the new power plant (see note 9).

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, disclosure is required of investments that have fair values that are highly sensitive to changes in interest rates. GASB Statement No. 40 also requires disclosure of formal policies related to deposit and investment risks.

Custodial credit risk is the risk that in the event of a bank failure, GPA's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. GPA does not have a deposit policy for custodial credit risk.

As of September 30, 2025 and 2024, the carrying amount of GPA's total cash and cash equivalents and certificates of deposit was $159,623,646 and $180,731,021, respectively, and the corresponding bank balances were $159,615,647 and $180,734,791, respectively. Of the bank balance amount as of September 30, 2025 and 2024, $83,512,164 and $82,155,868, respectively, were maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2025 and 2024, bank deposits in the amount of $813,505 and $628,626, respectively, were subject to FDIC insurance coverage. GPA does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. At September 30, 2025 and 2024, $82,761,488 and $81,527,342, respectively, of cash and cash equivalents and certificates of deposit were subject to custodial credit risk. GPA has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its deposits. Bank balances as of September 30, 2025 and 2024 also include $76,040,654 and $98,513,280, respectively, representing cash and cash equivalents and certificates of deposit held and administered by GPA's trustees in GPA's name in accordance with various trust agreements and bond indentures.

2. Cash, Cash Equivalents and Investments, continued

B. Investments

As of September 30, 2025, GPA's investments were as follows:

	Amount	Maturity	S&P or Moody's Rating
Current:			
Investments held by trustee – restricted:			
Bond Reserve Fund:			
Toyota Motor Corporation (commercial paper)	$13,740,427	Less than 1 year	P-1
Bond Fund:			
Federated Government Ultrashort Duration Fund (mutual fund)	4,816,364	Less than 1 year	Not rated
	$18,556,791		
Noncurrent:			
Investments held by trustee - restricted:			
Bond Fund:			
Bayerische Landesbank Guaranteed Investment Certificate (GIC)	$16,003,125	More than 10 years	A1

As of September 30, 2024, GPA's investments were as follows:

	Amount	Maturity	S&P or Moody's Rating
Current:			
Investments held by trustee – restricted:			
Bond Reserve Fund:			
Societe Generale (commercial paper)	$13,740,168	Less than 1 year	P-1
Bond Fund:			
Federated Government Ultrashort Duration Fund (mutual fund)	4,821,263	Less than 1 year	Not rated
	$18,561,431		
Noncurrent:			
Investments held by trustee - restricted:			
Bond Fund:			
Bayerische Landesbank Guaranteed Investment Certificate (GIC)	$ 15,199,227	More than 10 years	Aa3

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, GPA will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. GPA's investments are held and administered by trustees in accordance with various trust agreements and bond indentures.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

2. Cash, Cash Equivalents and Investments, continued

B. Investments, continued

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amount of investment in any one issuer that represents five percent (5%) or more of total investments. As of September 30, 2025 and 2024, each of GPA's investments exceeded 5% of total investments.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt instruments. Maturities of investments in certain funds are limited to five years to limit interest rate risk. Maturities of investments in all funds may not be later than the dates that such moneys are expected to be required by the trustees.

GPA categorizes its fair value measurements within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of September 30, 2025 and 2024, investments in Federated Government Ultrashort Duration Fund (mutual fund) are valued using Level 1 inputs.

3. Accounts Receivables, net

Accounts receivable, net at September 30, 2025 and 2024 were summarized as follows:

	2025	2024
Customers:		
Private	$27,129,167	$31,065,176
Government	5,550,155	13,963,330
	32,679,322	45,028,506
U.S. Government – Navy (Note 8)	4,711,704	3,870,937
U.S. Government – grants	1,311,021	859,835
Others	7,722,389	6,834,577
	46,424,436	56,593,855
Allowance for doubtful receivables	(8,069,255)	(7,891,908)
	$38,355,181	$48,701,947

Unbilled accounts receivable included in the accounts receivable – private customers amounted to $8,281,733 and $11,985,627 as at September 30, 2025 and 2024, respectively.

Substantially all of GPA's customer accounts receivable are from individuals, companies and government agencies based in Guam. Concentrations largely result from accounts receivable from GovGuam agencies and the U.S. Navy. Management assesses the risk of loss and provides for an allowance for doubtful accounts to compensate for known and estimated credit risks.

4. Pensions

GPA is statutorily responsible for providing pension benefits for GPA employees through the GovGuam Retirement Fund (GGRF).

A. General Information About the Pension Plans

Plan Description: GGRF administers the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan, and the Defined Contribution Retirement System (DCRS) Plan. The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Article 1 of 4 GCA 8, Section 8105, requires that all employees of GovGuam, regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of public corporations of GovGuam, which include GPA, have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, and prior to January 1, 2018, are required to participate in the DCRS Plan. Hence, the DB Plan became a closed group.

Members of the DB Plan who retired prior to October 1, 1995, or their survivors, are eligible to receive annual supplemental annuity payments. In addition, retirees under the DB Plan and DCRS Plan who retired prior to September 30, 2020 are eligible to receive an annual ad hoc cost of living allowance (COLA).

A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website.

Benefits Provided: The DB Plan provides pension benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or $6,000, whichever is greater. Members who joined the DB Plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age. Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

4. Pensions, continued

A. General Information About the Pension Plans, continued

Members who joined the DB Plan after August 22, 1984 and prior to October 1, 1995 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age. Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon attainment of the age of 60 years. In the event of disability during employment, members under the age of 65 with six or more years of credited service who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Supplemental annuity benefit payments are provided to DB retirees in the amount of $4,238 per year, but not to exceed $40,000 per year when combined with their regular annual retirement annuity. Annual COLA payments are provided to DB and DCRS retirees in a lump sum amount of $2,300. Both supplemental annuity benefit payments and COLA payments are made at the discretion of the Guam Legislature, but are funded on a "pay-as-you-go" basis so there is no plan trust. It is anticipated that ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

On September 20, 2016, the Guam Legislature enacted Public Law 33-186, which created two new government retirement plans; the DB 1.75 Plan and the Guam Retirement Security Plan (GRSP).

On February 4, 2020, the Guam Legislature terminated the GRSP. Commencing April 1, 2017, eligible employees elected, during the "election window", to participate in the DB 1.75 Plan with an effective date of January 1, 2018.

The DB 1.75 Plan is open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DC Plan and who make election on a voluntary basis to participate in the DB 1.75 Plan by December 31, 2017. Employee contributions are made by mandatory pre-tax payroll deduction at the rate of 9.5% of the employee's base salary while employer contributions are actuarially determined. Members of the DB 1.75 Plan automatically participate in the GovGuam deferred compensation plan, pursuant to which employees are required to contribute 1% of base salary as a pre-tax mandatory contribution. Benefits are fully vested upon attaining 5 years of credited service.

4. Pensions, continued

A. General Information About the Pension Plans, continued

Members of the DB 1.75 Plan may retire at age 62 with 5 years of credited service, or at age 60 with 5 years of credited service without survivor benefits, or at age 55 with 25 years of credited service but the retirement annuity shall be reduced by ½ of 1% for each month that the age of the member is less than 62 years (6% per year). Credited service is earned for each year of actual employment by the member as an employee. Upon retirement, a retired member is entitled to a basic retirement annuity equal to an annual payment of 1.75% of average annual salary multiplied by years of credited service. Average annual salary means the average of annual base salary for the three years of service that produce the highest average.

Contributions and Funding Policy: Plan members of the DB Plan are required to contribute a certain percentage of their annual covered salary. The contribution requirements of the plan members and GPA are established and may be amended by the GGRF.

The Authority's statutory contribution rates were 30.77% and 29.43% for the years ended September 30, 2025 and 2024, respectively. Employees are required to contribute 9.5% of their annual pay for the years ended September 30, 2025 and 2024.

GPA's contributions to the DB Plan for the years ended September 30, 2025 and 2024 were $6,817,563 and $5,540,278, respectively, which were equal to the statutorily required contributions for the respective years then ended.

GPA's contributions to the supplemental annuity benefit payments and the COLA payments for the years ended September 30, 2025 and 2024 were $1,435,013 and $1,421,213, respectively, which were equal to the statutorily required contributions for the respective years then ended.

Members of the DCRS plan, who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

Contributions into the DCRS plan by members are based on an automatic deduction of 6.2% of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS.

Statutory employer contributions for the DCRS plan for the years ended September 30, 2025 and 2024 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 6.2% of the member's regular pay is deposited into the DCRS. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

4. Pensions, continued

A. General Information About the Pension Plans, continued

GPA's contributions to the DCRS Plan for the years ended September 30, 2025 and 2024 were $3,431,635 and $2,873,580, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts $2,739,119 and $2,267,278 were or will be contributed toward the unfunded liability of the DB Plan for the years ended September 30, 2025 and 2024, respectively.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability: At September 30, 2025 and 2024, GPA reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2025 and 2024, respectively, which is comprised of the following:

	2025	2024
Defined Benefit Plan	$49,412,837	$64,653,895
Ad Hoc COLA/supplemental annuity Plan for DB retirees	16,844,927	14,686,538
Ad Hoc COLA Plan for DCRS retirees	3,239,182	3,588,409
	$69,496,946	$82,928,842

GPA's proportion of the GovGuam net pension liabilities was based on GPA's expected plan contributions relative to the total expected contributions received by the respective pension plans for GovGuam and GovGuam's component units. At September 30, 2025 and 2024, GPA's proportionate shares of the GovGuam net pension liabilities were as follows:

	2025	2024
Defined Benefit Plan	4.69%	4.63%
Ad Hoc COLA/supplemental annuity Plan for DB retirees	5.53%	5.46%
Ad Hoc COLA Plan for DCRS retirees	4.54%	4.58%

Pension Expense (Benefit): For the years ended September 30, 2025 and 2024, GPA recognized pension expense (benefit) for its proportionate share of plan pension expense from the above pension plans as follows:

	2025	2024
Defined Benefit Plan	$ 4,384,061	$8,136,630
Ad Hoc COLA/supplemental annuity Plan for DB retirees	1,613,150	1,734,114
Ad Hoc COLA Plan for DCRS retirees	(344,119)	643,262
	$ 5,653,092	$10,514,006

4. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

Deferred Outflows and Inflows of Resources: At September 30, 2025 and 2024, GPA reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	September 30, 2025					
	Supplemental Annuity Defined Benefit Plan		Ad Hoc COLA Plan for DB Retirees		Ad Hoc COLA/ Plan for DCRS Retirees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 66,264	$ 368,448	$ 814,975	$ 285,283	$ 339,073	$ 37,448
Net difference between projected and actual earnings on pension plan investments	---	6,269,086	---	---	---	---
Changes of assumptions	---	197,673	370,332	---	681,224	528,101
Contributions subsequent to the measurement date	9,556,683	---	1,280,913	---	154,100	---
Changes in proportion and difference between GPA contributions and proportionate share of contributions	473,792	1,603,889	287,426	---	76,019	504,172
	$10,096,739	$8,439,096	$2,753,646	$ 285,283	$1,250,416	$1,069,721

	September 30, 2024					
	Supplemental Annuity Defined Benefit Plan		Ad Hoc COLA Plan for DB Retirees		Ad Hoc COLA/ Plan for DCRS Retirees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 663,865	$ 727,256	$ ---	$ 594,812	$ 351,570	$ 46,164
Net difference between projected and actual earnings on pension plan investments	8,414,611	---	---	---	---	---
Changes of assumptions	---	390,175	224,998	748,253	694,718	635,270
Contributions subsequent to the measurement date	7,807,555	---	1,267,113	---	154,100	---
Changes in proportion and difference between GPA contributions and proportionate share of contributions	---	4,108,662	468,074	---	88,462	575,712
	$16,886,031	$5,226,093	$1,960,185	$1,343,065	$1,288,850	$1,257,146

4. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2025 will be recognized in pension (expense) income as follows:

Year ending September 30,	Defined Benefit Plan	Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees	Ad Hoc COLA Plan for DCR Retirees	Total
2026	$(2,037,594)	$ 627,925	$27,043	$(1,382,626)
2027	926,968	559,525	27,047	1,513,540
2028	(3,765,398)	---	30,631	(3,734,767)
2029	(3,023,016)	---	26,252	(2,996,764)
2030	---	---	(26,775)	(26,775)
Thereafter	---	---	(57,603)	(57,603)
	$(7,899,040)	$1,187,450	$26,595	$(6,684,995)

Actuarial Assumptions: The actuarial assumptions used are based upon recommendations from the actuarial experience study for the period October 1, 2015 through September 30, 2020.

A summary of actuarial assumptions applied to all periods included in the measurement is shown below.

Defined Benefit Plan:

Inflation:	2.50% per year
Investment rate of return:	7.0%
Payroll growth:	4.00% for Fiscal Year 2023; 2.50% per year thereafter
Salary increases:	6.0% per year in the first 5 years, 4.5% for years 6-10, 3.0% for service after 10 years
Retirement age:	40% of employees assumed to retire when first eligible for unreduced retirement, 20% per year thereafter until age 75, at which time all remaining employees are assumed to retire.

4. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

Mortality:	Based on the PUB-2010 General Employees Amount-Weighted and PUB-2010 General Healthy Retiree Amount-Weighted mortality table, set forward by 4 years for males and 2 years for females, respectively then increased by 30% for ages less than 80.

Expected Rate of Return and Asset Allocation: The Fund has a target asset allocation based on the investment policy adopted by the GGRF Board of Trustees. The target allocation and best estimates of the expected nominal return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Nominal Return	Component Return
U.S. Equities (large cap)	26.0%	7.83%	2.03%
U.S. Equities (small cap)	4.0%	9.32%	0.37%
Non-U.S. Equities	17.0%	10.12%	1.72%
Non-U.S. Equities (emerging markets)	3.0%	11.79%	0.35%
U.S. Fixed Income (aggregate)	22.0%	4.86%	1.07%
Risk Parity	8.0%	6.53%	0.52%
High Yield Bonds	8.0%	6.54%	0.52%
Global Real Estate (REITs)	2.5%	9.34%	0.23%
Global Equity	7.5%	8.59%	0.64%
Global Infrastructure	2.0%	8.42%	0.17%
Expected arithmetic mean (1 year)			7.64%
Expected geometric mean (30 years)			6.91%

4. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan was 7.0%, which is equal to the expected investment rate of return. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except supplemental annuity payments to DB retirees and ad hoc COLA to both DB and DCRS retirees. The discount rate used to measure the total pension liability for the supplemental annuity and ad hoc COLA payments was 3.81% (4.09% as of September 30, 2024), which is equal to the rate of return of a high quality bond index.

Discount Rate Sensitivity Analysis: The following presents the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to GPA's proportionate share of the net pension liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Defined Benefit Plan:

	1% Decrease in Discount Rate 6.0%	Current Discount Rate 7.0%	1% Increase in Discount Rate 8.0%
Net Pension Liability	$64,735,040	$49,412,837	$36,221,513

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

	1% Decrease in Discount Rate 2.81%	Current Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
Net Pension Liability	$18,382,134	$16,844,927	$15,506,306

Ad Hoc COLA Plan for DCRS Retirees:

	1% Decrease in Discount Rate 2.81%	Current Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
Net Pension Liability	$3,634,965	$3,239,182	$2,903,673

C. Payables to the Pension Plans

As of September 30, 2025 and 2024, GPA has outstanding payables to GGRF relating to unremitted statutorily required contributions amounting to $3,049 and $0, respectively, included in the Accounts payable - Operations in the accompanying statements of net position.

5. Other Post-Employment Benefits (OPEB)

GPA participates in the retiree health care benefits program. GovGuam's Department of Administration is responsible for administering the GovGuam Group Health Insurance Program, which provides medical, dental, and life insurance benefits to retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The program covers retirees and is considered an OPEB plan.

A. General Information About the OPEB Plan

Plan Description: The OPEB plan is a single-employer defined benefit plan that provides healthcare benefits to eligible employees and retirees who are members of the GovGuam Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Governor's recommended budget and the annual General Appropriations Act enacted by the Guam Legislature provide for a premium level necessary for funding the program each year on a "pay-as-you-go" basis. GovGuam issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to the Government of Guam Department of Administration, Suite 224, 2nd Floor, ITC Building, 590 South Marine Corps Drive, or by visiting the Guam Department of Administration website – https://da.doa.guam.gov/reports/guam-other-post-employment-benefits-opeb-reports/.

Benefits: GovGuam provides postemployment medical, dental and life insurance benefits to retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only.

Contributions: No employer contributions are assumed to be made since an OPEB trust has not been established. Instead, the OPEB Plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

For the years ended September 30, 2025 and 2024, GPA reimbursed GovGuam $4,391,775 and $3,807,487, respectively, for its share of the costs of the above mentioned Plan, which were equal to the statutorily required contributions.

B. Total OPEB Liability

Total OPEB liability at the fiscal years presented for the OPEB Plan was measured on and was determined by actuarial valuations as of the following dates:

Reporting date:	September 30, 2025	September 30, 2024
Measurement date:	September 30, 2024	September 30, 2023
Valuation date:	September 30, 2024	September 30, 2022

Total OPEB liability as of September 30, 2025 and 2024 is $127,503,295 and $154,610,401, respectively.

5. Other Post-Employment Benefits (OPEB), continued

B. Total OPEB Liability, continued

Actuarial Assumptions: A summary of actuarial assumptions applied to all periods included in the measurement is shown below:

Inflation:	2.6% per year, based on current economic data, analyses from economists and other experts, and professional judgement. Previously, 2.5%.
Amortization rate:	Level dollar amount over 30 years on an open amortization period for pay-as-you-go funding.
Salary increases:	6.0% per year for the first 5 years of service, 4.5% for 6-10 years, 3% for over 10 years.
Healthcare cost trend rate:	For both non-Medicare and Medicare claims, 7% for FY2025, decreasing 0.5% per year to 4.5% in FY2030 and an ultimate rate of 4.1% for FY2031 and later years. For both Medicare and non-Medicare retiree contributions, 0% for all years.
Dental trend rates:	For claims, 4.25% per year. For retiree contributions, 0% per year. These trend rates are based on a blend of historical retiree premium rate increases as well as observed U.S. national trends. The 0% retiree contribution increases reflect recent Guam plan experience.

5. Other Post-Employment Benefits (OPEB), continued

B. Total OPEB Liability, continued

Mortality rates:	Active employees: PUB-2010 General employees Headcount-Weighted Mortality Table, set forward 4 years and 2 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. Healthy retirees: PUB-2010 General Healthy Retiree Headcount-Weighted Mortality Table, set forward 4 years and 2 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. Disabled retirees: PUB-2010 General Disabled Retiree Headcount-Weighted Mortality Table. Set forward 4 years and 2 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. Survivors: PUB-2010 General Contingent Survivor Headcount-Weighted Mortality Table, set forward 3 years and 4 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. The actuarial valuation is performed using a mortality table used by Milliman, the current pension actuary, based on an actuarial experience study of the experience from 2016 to 2020 which justified the use of the current morality tables. The morality tables used by Milliman are weighted by amount (salary for active employees and benefit amount for those in payment status). For this retiree medical valuation, the headcount-weighted mortality tables are used, which are more appropriate for the measurement of obligations with benefit structures uncorrelated with income.

5. Other Post-Employment Benefits (OPEB), continued

B. Total OPEB Liability, continued

Discount Rate: The discount rate used to measure the total OPEB liability was 3.81% and 4.09% as of September 30, 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from GovGuam will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, tax-exempt, high quality municipal bond rate at each year was applied respectively to all periods to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position: An OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.

C. Changes in the Total OPEB Liability

Discount Rate Sensitivity Analysis: The following schedule shows the impact on the OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.81%) in measuring the OPEB liability.

	1% Decrease in Discount Rate 2.81%	Current Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
OPEB Liability	$148,113,956	$127,503,295	$110,812,048

Healthcare Cost Trend Rate Sensitivity Analysis: The following schedule presents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The sensitivity analysis shows the impact on the OPEB liability if the healthcare cost trend rate used was 1% less than and 1% greater than the current healthcare cost trend rate used in measuring the OPEB liability.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
OPEB Liability	$108,791,060	$127,503,295	$151,419,098

5. Other Post-Employment Benefits (OPEB), continued

D. OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended September 30, 2025 and 2024, GPA recognized OPEB expense of $4,736,880 and $6,611,256, respectively, for its proportionate share of the GovGuam total OPEB expense. At September 30, 2025 and 2024, GPA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 7,180,085	$21,286,257	$5,224,425	$29,624,964
Difference between expected and actual experience	17,793,748	44,980,582	23,656,719	6,529,583
Contributions subsequent to the measurement date	4,391,775	---	3,807,487	---
Changes in proportion and difference between GPA contributions and proportionate share of contributions	4,332,921	10,688,555	143,523	13,715,998
	$33,698,529	$76,955,394	$32,832,154	$49,870,545

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the OPEB liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	
2026	$(10,325,624)
2027	(9,566,514)
2028	(10,360,043)
2029	(10,360,045)
2030	(2,452,842)
Thereafter	(4,583,572)
	$(47,648,640)

6. Noncurrent Liabilities

A. Long-term Debt

Long-term debt as at September 30, 2025 and 2024 are as follows:

	2025	2024
2024 Series Revenue Refunding Bonds, initial face value of $54,830,000 interest at 5.0% per annum payable semi-annually in October and April, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of $1,810,000 on October 1, 2025, increasing to a final payment of $3,460,000 on October 1, 2044.	$ 54,830,000	$ 54,830,000
2022 Series Revenue Refunding Bonds, initial face value of $257,570,000 interest at varying rates from 4.0% to 5.0% per annum payable semi-annually in October and April, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of $5,740,000 on October 1, 2022, increasing to a final payment of $21,940,000 on October 1, 2044.	223,190,000	232,955,000
2017 Series Revenue Refunding Bonds, initial face value of $148,670,000, interest at varying rates from 4.0% to 5.0% per annum payable semi-annually in October and April, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of $135,000 on October 1, 2018, increasing to a final payment of $16,800,000 on October 1, 2040.	139,745,000	143,990,000
2014 Series Senior Revenue Bonds, initial face value of $76,470,000, interest at varying rates from 4.0% to 5.0% per annum payable semi-annually in October and April, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of $1,310,000 on October 1, 2017, increasing to a final payment of $1,080,000 on October 1, 2045.	5,000,000	6,845,000
Total long-term debt	422,765,000	438,620,000
Less current maturities	(16,525,000)	(15,855,000)
	406,240,000	422,765,000
Add premium on bonds	33,191,630	34,630,893
Total long-term debt, net of current maturities	$439,431,630	$457,395,893

6. Noncurrent Liabilities, continued

A. Long-term Debt, continued

Proceeds of the 2014 Series Revenue Bonds were used to finance a variety of generation, transmission and distribution improvements and systems and information technology upgrades, make a deposit to the Senior Bond Reserve Fund, provide capitalized interest through September 30, 2017, and pay costs of issuance.

Proceeds of the 2017 Series Revenue Refunding Bonds were used to refund GPA's 2010 Series Senior Revenue Bonds and to pay costs of issuance. The 2010 Series Senior Revenue Bonds were used to finance capital projects, generally consisting of a new administration building and various generation, transmission and distribution facilities, make a deposit to the Bond Reserve Fund, provide capitalized interest, and pay costs of issuance.

Proceeds of the 2022 Series Revenue Refunding Bonds were used to refund GPA's 2012 Series Senior Revenue Bonds and to pay costs of issuance. The 2012 Series Senior Revenue Bonds were used to refund GPA's 1993 and 1999 Senior Bonds.

Proceeds of the 2024 Series Revenue Refunding Bonds were used to refund portion of GPA's 2014 Series Senior Revenue Bonds and to pay costs of issuance of the 2024 Senior Bonds and the refunding of 2014 Senior Bonds.

All gross revenues have been pledged to repay the bonds principal and interest. For the years ended September 30, 2025 and 2024, the debt service for the series bonds were $37,613,250 and $25,889,282, respectively, or approximately 7.5% and 4.7% of pledged gross revenues, respectively.

Premium associated with the bonds as at September 30, 2025 and 2024 are being amortized on the effective interest method over the life of the applicable debt.

As of September 30, 2025, future maturities of long-term debt are as follows:

Year ending September 30,	Principal	Interest	Total Debt Service
2026	$ 16,525,000	$ 20,675,125	$ 37,200,125
2027	17,350,000	19,828,250	37,178,250
2028	18,220,000	18,939,000	37,159,000
2029	19,130,000	18,005,250	37,135,250
2030	20,085,000	17,024,875	37,109,875
2031 through 2035	116,535,000	68,614,875	185,149,875
2036 through 2040	94,460,000	42,133,000	136,593,000
2041 through 2045	120,460,000	15,489,150	135,949,150
	$422,765,000	$220,709,525	$643,474,525

6. Noncurrent Liabilities, continued

A. Long-term Debt, continued

Debt Refunding

In October 2012, GPA refunded its 1993 and 1999 Series bonds through the issuance of the 2012 Series bonds. At the time of refunding, the 1993 and 1999 Series bonds had principal balances outstanding of $56,370,000 and $299,680,000, respectively. The proceeds for the refunding were transferred to an escrow agent who used the proceeds to purchase non-callable and non-prepayable obligations of the United States of America or held as cash and are to be held in an irrevocable trust to be used for the payment of the principal of and interest on the 1993 and 1999 Series bonds. The advance refunding met the requirements of an in-substance defeasance and the 1993 and 1999 bonds were removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance totaling $17,283,801 representing the difference between the reacquisition price and the carrying amount of the 1993 and 1999 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GPA in effect reduced its aggregate debt service payments by $16,506,398 over the next twenty years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of $27,940,966.

In December 2017, GPA refunded its 2010 Series bonds through the issuance of the 2017 Series bonds. At the time of refunding, the 2010 Series bonds had a principal balance outstanding of $150,440,000. The proceeds for the refunding were transferred to an escrow agent who used the proceeds to purchase non-callable and non-prepayable obligations of the United States of America or held uninvested as cash and are to be held in an irrevocable trust to be used for the payment of the principal of and interest on the 2010 Series bonds. The advance refunding met the requirements of an in-substance defeasance and the 2010 bonds were removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance totaling $18,390,430 representing the difference between the reacquisition price and the carrying amount of the 2010 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GPA in effect reduced its aggregate debt service payments by $11,528,439 over the next twenty-two years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of $7,773,490.

6. Noncurrent Liabilities, continued

A. Long-term Debt, continued

Debt Refunding, continued

In July 2022, GPA refunded its 2012 Series bonds through the issuance of the 2022 Series bonds. At the time of refunding, the 2012 Series bonds had a principal balance outstanding of $285,795,000. The proceeds for the refunding were transferred to an escrow agent who used the proceeds to purchase non-callable and non-prepayable obligations of the United States of America or held uninvested as cash and are to be held in an irrevocable trust to be used for the payment of the principal of and interest on the 2012 Series bonds. The advance refunding met the requirements of an in-substance defeasance and the 2012 bonds were removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance totaling $2,224,524 representing the difference between the reacquisition price and the carrying amount of the 2012 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GPA in effect reduced its aggregate debt service payments by $43,135,796 over the next twenty-three years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of $5,772,263.

In July 2024, GPA refunded portion of its 2014 Series bonds through the issuance of the 2024 Series bonds. At the time of refunding, the 2014 Series bonds had a principal balance outstanding of $58,950,000. The proceeds for the refunding were transferred to an escrow agent who used the proceeds to purchase non-callable and non-prepayable obligations of the United States of America or held uninvested as cash and are to be held in an irrevocable trust to be used for the payment of the principal of and interest on the 2014 Series bonds. The advance refunding met the requirements of an in-substance defeasance and the portions of the 2014 bonds were removed from GPA's financial statements. The advance refunding resulted in a gain on defeasance totaling $2,583,926 representing the difference between the reacquisition price and the carrying amount of the 2014 bonds. The advance refunding resulted an economic gain (difference between the present values of the old debt and the new debt service payments) of $4,619,292.

The loss on refunding of the bonds is amortized using the effective interest method over the average remaining life of the old bonds which approximated the average life of the new bonds. As of September 30, 2025 and 2024, the net unamortized balance of the loss on refunding amounted to $8,721,822 and $9,780,478, respectively.

At September 30, 2025 and 2024, bonds outstanding amounting to $554,720,000 and $594,765,000, respectively, were considered defeased.

All of GPA’s outstanding bonds are public offerings sold through competitive sale. GPA has no direct borrowings.

6. Noncurrent Liabilities, continued

A. Long-term Debt, continued

Debt Refunding, continued

Changes in GPA's long-term debt for the years ended September 30, 2025 and 2024 are as follows:

	Outstanding October 1, 2024	Increases	Decreases	Outstanding September 30, 2025	Current
Long-term debt:					
2014 Series Senior bonds	$ 6,845,000	$ ---	$(1,845,000)	$ 5,000,000	$ ---
2017 Series Senior bonds	143,990,000	---	(4,245,000)	139,745,000	4,460,000
2022 Series Senior bonds	232,955,000	---	(9,765,000)	223,190,000	10,255,000
2024 Series Senior bonds	54,830,000	---	---	54,830,000	1,810,000
Unamortized premium on bonds	34,630,893	---	(1,439,263)	33,191,630	---
	$473,250,893	$ ---	$(17,294,263)	$455,956,630	$16,525,000

	Outstanding October 1, 2023	Increases	Decreases	Outstanding September 30, 2024	Current
Long-term debt:					
2014 Series Senior bonds	$ 67,550,000	$ ---	$ (60,705,000)	$ 6,845,000	$ 1,845,000
2017 Series Senior bonds	148,040,000	---	(4,050,000)	143,990,000	4,245,000
2022 Series Senior bonds	251,830,000	---	(18,875,000)	232,955,000	9,765,000
2024 Series Senior bonds	---	54,830,000	---	54,830,000	---
Unamortized premium on bonds	34,876,271	---	(245,378)	34,630,893	---
	$502,296,271	$ 54,830,000	$ (83,875,378)	$473,250,893	$15,855,000

Bond Covenants

The Indenture, dated December 1, 1992, as subsequently amended and supplemented by Supplemental Indentures, sets forth the establishment of accounts, the application of revenues, and certain other covenants to ensure payment of debt service. Management believes GPA was in compliance with all bond covenants as of and for the years ended September 30, 2025 and 2024.

The primary requirements of the Indenture are summarized below:

Rate Covenant - GPA has covenanted to at all times to establish, fix, prescribe and collect rates and charges for the sale or use of electric energy produced, transmitted, distributed or furnished from the system so as to yield, with respect to the then immediately following twelve months, net revenues equal to at least 1.30 times of the annual debt service. Net revenues are defined as all revenues received during the period less maintenance and operation expenses incurred during such period.

6. Noncurrent Liabilities, continued

A. Long-term Debt, continued

Bond Covenants, continued

Revenue Fund – The Indenture requires GPA to deposit all revenues upon receipt in the revenue fund. Amounts in the revenue fund are to be used to pay budgeted maintenance and operation expenses and transfer the remaining moneys to different fund accounts.

Working Capital Requirement – Working capital refers to the amount of cash GPA maintains at any given time to pay for its operations. GPA must maintain a balance in such account equal to one-twelfth of the budgeted maintenance and operation expenses for the then current fiscal year.

Bond Fund - the Indenture created the Bond Fund solely for the purposes of: (1) paying interest on the Senior Bonds when due and payable; (2) paying principal of the Serial Senior Bonds when due and payable; and (3) purchasing and redeeming or paying at maturity the Term Senior Bonds.

Bond Reserve Fund - the Indenture created a Bond Reserve Fund available for the purpose of paying debt service on Bonds in the event of a deficiency in the Bond Fund. GPA is required to maintain an amount within the Bond Reserve Fund equal to the maximum annual debt service for the then current or future fiscal year on all outstanding bonds.

Events of default with finance related consequences - the Indenture specifies a number of Events of Default and related remedies. In the event that the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee shall transfer such amount as is necessary to satisfy such deficiency. If an event of default continues, the Trustee is entitled, and if requested to do so by the Bondholders, to declare the principal and accrued interest to be due and payable immediately upon notice in writing to GPA.

Acceleration - the remedies granted to the Trustee and the Bondholders under the Indenture do not include any right to accelerate the payment of the outstanding bonds. The Trustee is authorized to take certain actions upon the occurrence of an event of default, including proceedings to enforce the rights of Bondholders as outlined in the Indenture.

6. Noncurrent Liabilities, continued

B. Other Long-term Liabilities

Changes in other long-term liabilities in fiscal years 2025 and 2024 were as follows:

	Outstanding October 1, 2024	Increases	Decreases	Outstanding September 30, 2025	Current
Others:					
Lease liabilities	$6,783,480	$ ---	$(5,623,024)	$ 1,160,456	$1,005,258
Net pension liability	82,928,842	---	(13,431,896)	69,496,946	---
OPEB liability	154,610,401	---	(27,107,107)	127,503,294	---
Customer advances for construction	721,114	25,287	---	746,401	---
	$245,043,837	$ 25,287	(46,162,027)	$198,907,097	$1,005,258

	Outstanding October 1, 2023	Increases	Decreases	September 30, 2024	Current
Others:					
Lease liabilities	$11,705,683	$ ---	$(4,922,203)	$ 6,783,480	$4,802,469
Net pension liability	91,535,179	---	(8,606,337)	82,928,842	---
OPEB liability	130,691,710	23,918,691	---	154,610,401	---
Customer advances for construction	674,124	46,990	---	721,114	---
	$234,606,696	$ 23,965,681	$(13,528,540)	$245,043,837	$ 4,802,469

DCRS sick leave liability decreased by $505,685 in 2025 and increased by $601,061 in 2024. Employees' annual leave increased in 2025 and 2024 by $96,875 and $459,476, respectively.

7. Leases

Leased assets at September 30, 2025 consists of the following:

Lease Description	Classification	Gross Balance	Accumulated Amortization	Net Balance
Fuel Storage	Fuel Storage	$19,870,827	$18,933,722	$ 937,105
Ground lease	Land	563,486	375,657	187,829
Copier equipment	Equipment	401,779	401,779	---
Office building	Building	279,104	243,582	35,522
		$21,115,196	$19,954,740	$ 1,160,456

Leased assets at September 30, 2024 consists of the following:

Lease Description	Classification	Gross Balance	Accumulated Amortization	Net Balance
Fuel Storage	Fuel Storage	$19,870,827	$13,365,577	$ 6,505,250
Ground lease	Land	563,486	281,743	281,743
Copier equipment	Equipment	401,779	401,779	---
Office building	Building	279,104	182,686	96,418
		$21,115,196	$14,231,785	$ 6,883,411

7. Leases, continued

The following represent significant leases included in the fuel storage category:

- A lease agreement for fuel storage tanks effective September 1, 2013. The contract includes fixed annual fees escalating 4% every year until August 31, 2022. In July 2022, the lease was extended until August 2025. In August 2025, GPA entered into a new agreement to lease the fuel storage tanks for 12 months expiring on August 2026.

- A lease agreement for the use of pipelines effective September 1, 2013. The contract includes fixed annual fees escalating at a certain percentage every year until August 31, 2022. In July 2022, the lease was extended until August 2025. In August 2025, GPA entered into a new agreement for the use of pipelines for 12 months expiring on August 2026.

- A lease agreement for additional fuel storage tank effective January 1, 2018. The contract includes fixed annual fees every year until December 31, 2022. In December 2022, the lease was then extended until May 2024. In May 2024, GPA exercised the option to extend the lease term until June 2026.

- A lease agreement for additional fuel storage tank effective July 1, 2022. The contract includes fixed annual fees every year until June 30, 2023. In December 2022, the lease was extended until June 2024. In May 2024, GPA exercised the option to extend the lease term until June 2026.

The future lease payments for the aforementioned agreements are as follows:

Year ending September 30,	Principal	Interest	Total
2026	$ 1,005,258	$ 15,942	$ 1,021,200
2027	100,248	1,992	102,240
	$ 1,105,506	$ 17,934	$ 1,123,440

8. Agreements with the U.S. Navy

On September 15, 1996, a lease agreement was entered into between GPA and the U.S. Navy (Navy) to transfer to GPA the operations, maintenance, and custody of certain Navy-owned electrical transmission and distribution lines, electric power generation facilities, related structures and equipment, together with the associated land interest. The facilities are leased to GPA at no cost for a period of 50 years.

8. Agreements with the U.S. Navy, continued

On August 1, 2012, GPA and the Navy entered into a Utility Services Contract (USC) for a period of ten years, unless terminated early at the option of the Navy, with no option for extension. Key features of the USC include transfer of certain Navy facilities to GPA at no charge, calculation of power rates charged to the Navy in accordance with the methodology approved by the PUC, GPA's continued use of the Navy's assets and associated real estate assets at no charge, compensation by GPA to the Navy for energy supplied to GPA's customers from Navy dedicated facilities, weekly fuel payments by the Navy, supply of water to Guam Waterworks Authority (GWA) by the Navy for power generation facilities, maintenance of a minimum contract demand with no maximum demand provision, and payment within fifteen days of electric billing by the Navy, subject to late payment charges. During the years ended September 30, 2025 and 2024, GPA billed the Navy $90,000,304 and $95,580,987, respectively, for sales of electricity under the USC. Receivables from the Navy were $4,711,704 and $3,870,937 as at September 30, 2025 and 2024, respectively.

On August 31, 2015, GPA and the Navy entered into a Basic Ordering Agreement (BOA) which enumerates task items that are to be contracted to identify, develop and/or implement work on Navy facilities and utility systems. The tasks are generally related to energy services including renewable energy and energy efficiency. The period during which the orders may be placed against the BOA may not exceed five years. On August 26, 2020, GPA and the Navy executed their first task under the BOA. However, no costs have been incurred as of September 30, 2025.

9. Commitments and Contingencies

Fuel Purchase Contracts

In November 2019, GPA entered into diesel fuel supply contracts with IP&E Guam, Inc. and Mobil Oil Guam, Inc. The agreements are for two years beginning January 1, 2020 with an option to extend for three years, renewable annually. GPA extended the contracts until December 31, 2024. Subsequently, GPA re-entered into diesel fuel supply contracts with IP&E Guam, Inc. and Mobil Oil Guam, Inc. The agreements are for three years beginning January 1, 2025 with an option to extend for two years, renewable annually.

In September 2020, GPA entered into residual fuel oil (RFO) supply contract with Hyundai Corporation. The agreement is for three years commencing on or about September 1, 2020 until August 31, 2023 with the options to extend for two (2) additional one (1) year terms, upon mutual agreement of both parties. In March 2024, both parties amended the second one-year term extension, extending the contract for two years, with the Fuel Purchase Contract expiring on August 31, 2026. The minimum purchase under the contract is 1,000,000 barrels per year of Ultra-Low Sulfur Fuel Oil.

9. Commitments and Contingencies, continued

Fuel Purchase Contracts, continued

In February 2024, GPA entered into a bulk supply contract for diesel fuel with Hyundai Corporation. The agreement is for three years commencing on or about February 6, 2024 and continuing until February 5, 2027 with options to extend for two (2) additional one (1) year terms, upon mutual agreement of both parties.

Performance Management Contracts

GPA entered into a Performance Management Contract (PMC) for the operation and maintenance of the Cabras 1 and 2 generators, effective on October 1, 2010, for a period of five years with an option to extend for another five-year term, which expired on September 2020. Fees under the PMC are subject to certain incentives and penalties, as agreed by both parties. On July 30, 2020, the Guam PUC approved GPA's petition to award the bid to Taiwan Electrical and Mechanical Engineering Services, Inc. (TEMES) for the base period total cost of $9,969,188 for three years with an option to extend up to two additional one-year terms. The second one-year term extension was exercised, extending the contract until September 30, 2025. The minimum payment for the year ended September 30, 2025 was $2,773,220. On July 25, 2025, GPA was authorized to extend the TEMES PMC contract to January 31, 2026 for Fixed Management Fees and Reimbursable O&M expenses totaling $1,426,091. However, due to additional delay in commercial operation date of Ukudu Power Plant, CCU authorized GPA to petition for the approval of extension from February 1, 2026 until May 31, 2026.

GPA entered into a PMC for the Dededo, Macheche and Yigo combustion turbine power plants for a period of five years commencing on March 1, 2016 with options to extend for one additional three-year term and one additional two-year term. The fees are subject to certain incentives and penalties, as agreed by both parties. The first three-year term extension was exercised and the PMC is expiring on February 28, 2026, and further extended to July 31, 2026. As of September 30, 2025, the remaining commitment for 2026 is $363,003.

Fuel Bulk Storage Facility Contract

In September 2023, GPA entered into an agreement for the management and operation of its fuel bulk storage facility. The agreement is for three years, to take effect October 1, 2023 until September 30, 2026, with an option to extend the contract for two additional one-year terms.

9. Commitments and Contingencies, continued

Renewable Energy Contracts

GPA entered into two renewable energy purchase agreements to purchase 20 MW and 5.65 MW of solar renewable energy. The commercial operation date of the two solar plants was October 30, 2015. The agreements include escalating contract prices per MW hour until 2041 and 90% minimum production which is the minimum requirement per contract year that is to be met to avoid production shortfall penalties. The total minimum renewable energy purchase commitment is 1.1 million MW hours.

In August 2018, GPA executed three renewable energy purchase agreements to purchase a total of 120 MW of solar renewable energy. The 60 MW Solar Project under KEPCO commenced operations in June 2022 until 2047. The agreement includes escalating contract prices per MW hour until 2047 and 90% minimum production which is the minimum requirement per contract year that is to be met to avoid production shortfall penalties. The total minimum renewable energy purchase commitment is 3.1 million MW hours. The other remaining 60MW project was terminated in March 2025.

At September 30, 2025, the minimum future renewable energy purchases are as follows:

Year ending September 30,	Amount
2026	$ 20,883,476
2027	20,942,081
2028	20,988,248
2029	21,054,053
2030	21,041,450
2031 through 2035	106,520,169
2036 through 2040	108,461,941
2041 through 2045	63,757,463
2046 through 2047	21,315,308
	$404,964,189

9. Commitments and Contingencies, continued

Energy Conversion Agreement

In January 2019, ownership of a power plant under an energy conversion agreement was transferred to GPA. GPA entered into an agreement with the same company to continue to manage and operate the power plant for a period of five years. In March 2023, an amendment was made to extend the management until January 2029. The operation and maintenance fees are calculated based on factors stated in the agreement and paid on a monthly basis. GPA also pays a monthly recapitalization fee of $305,265 consisting of payments for capital and performance improvement projects, operations and maintenance fees, 4% cost of money and 10% contingency. The total recapitalization fees paid during the year ended September 30, 2024 was $959,400, of which $466,972 were prepaid. $5,310,103 related to capital projects were recorded in utility plant assets for the year ended September 30, 2024.

As amended, effective January 30, 2024, the recapitalization fees clause was deleted in its entirety and the related prepaid expenses and other current assets and liabilities reversed in the accompanying 2024 statement of net position. Additionally, no recapitalizations fees are recorded for the year ended September 30, 2025.

In November 2019, GPA entered into a 25-year energy conversion agreement with Guam Ukudu Power LLC (Ukudu) under which GPA is contracted to purchase all of the capacity and output from the power plant facility to be constructed. GPA is currently assessing the accounting treatment for this agreement on its financial statements after the Commercial Operation Date (COD) of the facility. In addition, GPA paid Ukudu $40 million on December 26, 2025, which is the COD of the facility. Ukudu will transfer to GPA all ownership, custody and control of the all or relevant part of the facility at the end of the 25-year term. Following delays beyond the revised COD of the facility, GPA has levied $20.6 million in penalty charges against the operator which were collected in March and April 2026.

Capital Commitments

As of September 30, 2025, GPA has various on-going construction contracts with a total contract price of $20.2 million, of which $10.2 million is recorded in construction work in progress.

Self-Insurance

GPA self-insures its transmission and distribution (T&D) plant, because no insurance is available at reasonable rates.

As the result of a PUC Order, GPA adds an insurance charge of $0.00290 per kWh for civilian ratepayers and from $0.00035 per kWh to $0.00070 per kWh for the Navy until a self-insurance fund balance of $20 million is achieved. Insurance charge proceeds are transferred to the restricted self-insurance fund to be used to cover losses that would normally be covered by insurance. GPA is not prohibited from petitioning PUC for approval to use the self-insurance fund for additional purposes to the extent that such losses are not covered by insurance.

9. Commitments and Contingencies, continued

Self-Insurance, continued

In 2015, GPA reached the $20 million self-insurance cap and the insurance surcharge was discontinued.

In July 2021, CCU approved a $10 million drawdown from the self-insurance used for partial settlement of fuel cost, resulting in the fund balance to fall to less than $18 million, which is the threshold for surcharge reactivation. The insurance surcharge was reactivated effective August 1, 2021.

The self-insurance fund, included in restricted cash and cash equivalents held by GPA, was $14,504,340 and $14,481,151 at September 30, 2025 and 2024, respectively, and is included in the cash and cash equivalent – restricted in the accompanying statements of net position.

Litigation

GPA has several asserted and unasserted claims outstanding as of September 30, 2025. It is not possible for the management of GPA to estimate the ultimate resolution of these matters and therefore, no provision for any liability that may result from these claims has been made in the accompanying financial statements.

U.S. Environmental Protection Agency

On May 24, 1986, the administrator of the U.S. Environmental Protection Agency (EPA) granted a continuing exemption to GPA under the provisions of Section 325(b) of the Clean Air Act, as amended. The terms of the exemption require monitoring by EPA, certain commitments by GPA regarding fuel stocks, and reporting and delineation of grounds for revocation of the exemption.

In February 2011, EPA, under the Clean Air Act, established new rules under National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engine Maximum Achievable Control Technology (RICE MACT). These rules require stack emissions control and continuous monitoring system equipment to be installed on all GPA peaking and baseload diesel generators including its Cabras 3 and 4 and MEC 8 and 9 slow speed diesel units. Compliance under the diesel MACT was due May 3, 2013. Non-compliance under the diesel MACT could result in penalty fees of $37,500 per unit per day. GPA applied for and received a one-year extension for complying with the rules with respect to its small diesel peaking units. The required stack emission equipment was installed within the extension period. The Cabras 3 and 4 power plants are no longer subject to compliance due to an explosion and fire in August 2015.

EPA also established rules for Electric Generating Unit Maximum Achievable Control Technology (EGU MACT) which applies to Cabras 1 and 2 and Tanguisson steam boiler units. Compliance under the EGU MACT was required by April 2015. Non-compliance could result in penalty fees of $37,500 per unit per day. GPA obtained PUC approval to early terminate the associated energy conversion agreement of the Tanguisson unit. By deactivating the Tanguisson unit, GPA did not incur compliance costs for this unit.

9. Commitments and Contingencies, continued

U.S. Environmental Protection Agency, continued

As to compliance with the other units subjected to RICE MACT and EGU MACT, GPA and EPA entered into a consent decree allowing time for GPA to comply with the regulations and allowing potential fines and penalties for non-compliance to be used for compliance with regulations. In early February 2020, EPA and GPA signed the consent decree. The US District Court approved the consent decree on April 20, 2020 and this approval shall constitute the final judgement to GPA. Due to the COVID-19 pandemic, GPA encountered delays in completing some of the objectives set forth in the consent decree. On January 14, 2022, the US District Court approved certain modifications of the consent decree most of which pertain to the schedules for implementing the injunctive relief required by the decree. The consent decree requires monetary penalties for not accomplishing the various objectives by the required dates. Some of the objectives of the consent decree follow:

a. permanently retire Cabras 1 and 2 units by October 31, 2024.
b. bring the MEC 8 and 9 units into compliance by switching from residual fuel oil to ultra-low sulfur diesel oil and installing oxidation catalysts by July 31, 2022, which was completed.
c. construct a new power plant that will comply with the requirements of Clean Air Act to be activated by April 30, 2024.
d. pay a sum of $400,000 as a civil penalty. This penalty was settled on May 1, 2020.

Additionally, the timelines for a and c were further delayed due to Typhoon Mawar in May 2023. GPA applied to the USEPA for extensions of time to meet these milestones in the consent decree and all of the requests were approved on December 9, 2024 to allow the completion of the new power plant by September 30, 2025 and the permanent retirement of Cabras 1 and 2 units by March 31, 2026. The new power plant was placed in service in December 2025 and Cabras 1 and 2 units are scheduled to be retired by June 26, 2026.

Hazardous Waste Assessment

Guam Public Law 20-110 requires certain entities to remit payments to a hazardous substance expense fund. There are questions as to the enforceability of the law; accordingly, no provision has been made in the accompanying financial statements for payments to be made under this law. GPA is covered by its self-insurance and worker's compensation insurance in case of accidents due to hazardous substances.

9. Commitments and Contingencies, continued

Autonomous Agency Collections Fund

On March 31, 2011, GPA received an invoice from the Government of Guam Department of Administration (GovGuam DOA) of $12,250,000 representing an annual assessment of $875,000 for each of the fiscal years 1998 to 2011 pursuant to 5 GCA Chapter 22 Section 22421, Transfer of Autonomous Agency Revenues To Autonomous Agency Collections Fund. In September 2013, GPA received another invoice for $875,000 from the Chamorro Land Trust Commission referring to the same annual assessment aforementioned. There were no invoices received for the years ended September 30, 2025 and 2024. GPA obtained approval from the CCU to offer GovGuam DOA a settlement amount of $2.6 million. However, such settlement offer is conditional on the approval by the PUC of a surcharge to recover the assessment from ratepayers. The PUC has not approved the surcharge as of September 30, 2025 and therefore, no liability or other impact has been recognized in the accompanying financial statements.

Merit System

In 1991, Public Law 21-59 was enacted to establish a bonus system for employees of GovGuam, autonomous and semi-autonomous agencies, public corporations and other public instrumentalities of GovGuam who earn a superior performance grade. The bonus is calculated at 3.5% of the employee's base salary beginning 1991 but was suspended by law for the years 1996, 2002, 2003 and 2004. Between 1991 and 2008, GPA did not calculate or pay any bonuses. In 2010, the Guam Legislature authorized GPA to implement a Pay for Performance program, similar to the GovGuam unified pay systems for certified, technical and professional positions, covering the evaluation period of 2009. As of September 30, 2025 and 2024, the CCU determined that there was no liability for employees covered in the new pay system. Therefore, no liability has been recognized in the accompanying financial statements.

Integrated Resource Plan

The 2012 developed Integrated Resource Plan (IRP) of GPA was updated in 2022 (2022 IRP). The objectives of the Authority's 2022 IRP includes identifying the timing, size and technology of future power generating units and addressing issues such as fuel diversification and the renewable portfolio standards. More specifically, the 2022 IRP is focused on (1) transitioning the Authority's fuel supply from residual fuel oils to ULSD and LNG by building new facilities fueled by ULSD and/or LNG and retrofitting existing facilities to be fueled by ULSD, and (2) retiring facilities that are operating beyond their expected useful life.

In August 2015, GPA lost 78 MW of base load capacity and experienced insufficient generation reserve after the explosion and fire at the Cabras 4 Power Plant. The PUC ordered GPA to update the IRP in consideration of this event. The results of the updated IRP indicated that GPA should procure up to 180 MW of combined cycle units. In October 2016, the PUC authorized GPA to proceed with procurement and in October 2019, the PUC approved the energy conversion agreement for a 198 MW power plant build, own/operate and transfer contract. The PUC Order, however, does not include the authorization or approval for any use of LNG as a fuel source for the new plant.

9. Commitments and Contingencies, continued

Asset Retirement Obligation

GPA has power plants that were identified to be retired in the future. Upon retirement, GPA may incur costs to dismantle and clean-up the power plants. As of September 30, 2025, GPA has no legal or contractual obligation to perform these actions when they retire their assets; therefore, no provision for this potential cost has been recorded in the accompanying financial statements.

Effect of Typhoon Mawar

On May 24, 2023, the island of Guam suffered severe damages caused by super typhoon Mawar. GPA performed its damage assessment processes, and its submission of application to the Federal Emergency Agency (FEMA) for potential funding to cover eligible items is ongoing. For the year ended September 30, 2024, $5,696,000 in repair and other costs due to damages from typhoon Mawar is included as a component of other expense, net in the accompanying statements of revenues, expenses and changes in net position. In February 2026, GPA was awarded approximately $4,171,000 by FEMA for labor, equipment and material costs incurred by GPA to repair damages caused by super typhoon Mawar. In April 2026, FEMA approved a $10,807,651 federal share for GPA to repair power distribution infrastructure destroyed by Typhoon Mawar. The total eligible net project cost for this specific repair program is $12,008,502, in which GPA is responsible for the remaining non-federal local match of $1,200,851.

Aggreko Temporary Power

In April 2024, GPA commissioned Aggreko to supply GPA with 24 diesel units owned and operated by Aggreko that will provide 20 MW of additional power for two years, beginning mid-July 2024. Aggreko will supply, install, operate and maintain the temporary power services at the Yigo CT site. The CCU and PUC approved the temporary power purchase in January 2024 and February 2024, respectively. The temporary power is anticipated to address energy shortfalls when existing generators are down for maintenance or repair and to address renewable shortfalls during cloudy or rainy weather. During the years ended September 30, 2025 and 2024 approximately $10,178,000 and $3,353,000, respectively, are included in other production costs in the accompanying statements of revenue, expenses and changes in net position.

10. Related Party Transactions and Balances

During the years ended September 30, 2025 and 2024, GPA billed GovGuam agencies amounting to $63,977,740 and $70,437,252, respectively, for sales of electricity included in the accompanying statements of revenues, expenses and changes in net position. Receivables from GovGuam agencies were $5,550,155 and $13,963,330 as at September 30, 2025 and 2024, respectively (see Note 3), included in the accounts receivable, net in the accompanying statements of net position.

10. Related Party Transactions and Balances, continued

GPA provides electrical and administrative services to GWA, a component unit of the GovGuam, which is also governed by the CCU. Electricity sales to GWA for the years ended September 30, 2025 and 2024 were $19,916,753 and $21,891,776, respectively, for sales of electricity included in the accompanying statements of revenues, expenses and changes in net position. Outstanding receivables were $1,372,077 and $1,912,578 as at September 30, 2025 and 2024, respectively, which are included in the GovGuam agencies receivable mentioned above.

On June 23, 2009, GPA and GWA entered into a Memorandum of Understanding (MOU) where each agency agrees to provide administrative, operational, maintenance, repair and other specified services on behalf of the other agency and each will reimburse the other for their actual costs for providing said services. Total billings by GPA to GWA for administrative expenses and cost reimbursements were $153,338 and $272,632 for the years ended September 30, 2025 and 2024, respectively, and is included in miscellaneous revenues in the accompanying statements of revenues, expenses and changes in net position. Outstanding receivables of $150,168 and $153,172 as of September 2025 and 2024, respectively, are included in accounts receivables, net in the accompanying statements of net position.

Effective October 1, 2015, GPA and GWA implemented an agreement to share in the costs of the office building commonly occupied by them for an annual cost of $269,170 due from GWA to GPA. GWA also shares in the actual costs incurred for security, janitorial services, building insurance and other maintenance costs. Total billings by GPA to GWA for its share in the costs of the office building were $637,963 and $620,400 for the years ended September 30, 2025 and 2024, respectively, and are included in miscellaneous revenues in the accompanying statements of revenues, expenses and changes in net position. Outstanding receivables of $59,884, and $30,382 as at September 30, 2025 and 2024, respectively, are included in accounts receivables, net in the accompanying statements of net position.

GWA billed GPA for water and sewer charges totaling $641,507 and $2,914,300 for the years ended September 30, 2025 and 2024, respectively, and are included in other production expenses in the accompanying statements of revenues, expenses and changes in net position. The amount due to GWA at September 30, 2025 and 2024 of $618,464 and $2,494,554, respectively, is included in accounts payable - operations in the accompanying statements of net position.

In October 2011, U.S. Federal Emergency Management Agency (FEMA) reimbursed GPA for certain typhoon related costs incurred in 2002 of approximately $1,800,000. The reimbursement was received by GovGuam DOA which plans to offset such amount against billings to GPA related to the Autonomous Agency Collections Fund (see note 9). Due to uncertainty of receipt, GPA has not recorded the reimbursement in its accompanying financial statements.

11. Restricted Net Position

At September 30, 2025 and 2024, net position was restricted for the following purposes:

	2025	2024
Debt service	$15,700,776	$14,290,754
Budgeted maintenance and operating expenses	8,106,570	9,054,712
Demand Side Management Program and projects	4,370,294	6,047,165
	$28,177,640	$29,392,631

12. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2025 is as follows:

	Estimated Useful Lives in Years	Beginning Balance October 1, 2024	Transfers and Additions	Transfers and Deletions	Ending Balance September 30, 2025
Depreciable:					
Other production plant	25-Dec	$ 266,662,832	$ 9,352,413	$(188,118)	$ 275,827,127
Distribution plant	15-45	130,232,909	8,793,308	(1,920,252)	137,105,965
Transmission plant	30-45	233,326,825	2,384,455	(175,550)	235,535,730
Steam production plant	25-50	475,693,588	684,684	---	476,378,272
General plant	3 - 60	122,692,664	5,738,243	(1,303,911)	127,126,996
		1,228,608,818	26,953,103	(3,587,831)	1,251,974,090
Accumulated depreciation		(801,505,204)	(32,864,708)	3,038,052	(831,331,860)
		427,103,614	(5,911,605)	(549,779)	420,642,230
Non-depreciable:					
Land and land rights		12,249,830	---	---	12,249,830
Construction work in progress		22,587,487	30,029,245	(29,076,628)	23,540,104
		34,837,317	30,029,245	(29,076,628)	35,789,934
Utility Plant, net		$ 461,940,931	$ 24,117,640	$(29,626,407)	$ 456,432,164
Lease assets:					
Cost		$ 21,115,196	$ ---	$ ---	$ 21,115,196
Accumulated amortization		(14,231,785)	(5,722,955)	---	(19,954,740)
Lease assets, net		$ 6,883,411	$ (5,722,955)	$ ---	$ 1,160,456

12. Capital Assets, continued

A summary of changes in capital assets for the year ended September 30, 2024 is as follows:

	Estimated Useful Lives in Years	Beginning Balance October 1, 2023	Transfers and Additions	Transfers and Deletions	Ending Balance September 30, 2024
Depreciable:					
Steam production plant	25-50	$ 451,985,054	$ 23,708,534	$ ---	$ 475,693,588
Other production plant	25-Dec	259,478,480	8,578,904	(1,394,552)	266,662,832
Transmission plant	30-45	233,379,072	123,306	(175,553)	233,326,825
Distribution plant	15-45	130,142,846	90,063	---	130,232,909
General plant	3 - 60	118,060,951	5,029,820	(398,107)	122,692,664
		1,193,046,403	37,530,627	(1,968,212)	1,228,608,818
Accumulated depreciation		(768,276,528)	(34,826,790)	1,598,114	(801,505,204)
		424,769,875	(2,703,837)	(370,098)	427,103,614
Non-depreciable:					
Land and land rights		12,249,830	---	---	12,249,830
Construction work in progress		30,545,275	11,257,289	(19,215,076)	22,587,488
		42,795,105	11,257,289	(19,215,076)	34,837,318
Utility Plant, net		$ 467,564,980	$ 13,961,126	$(19,585,174)	$ 461,940,932
Lease assets:					
Cost		$ 21,115,196	$ ---	$ ---	$ 21,115,196
Accumulated amortization		(9,208,970)	(5,022,815)	---	(14,231,785)
Lease assets, net		$ 11,906,226	$(5,022,815)	$ ---	$ 6,883,411

GPA reassessed the estimated useful life of Cabras 1 and 2 based on the expected retirement of these plants when the new power plant becomes operational (see note 9). GPA recorded additional depreciation expense of approximately $2.43 million and $1.83 million during the years ended September 30, 2025 and 2024 due to the revised estimated useful life of these power plants.

Required Supplementary Information

Guam Power Authority
(A Component Unit of the Government of Guam)

Schedule I
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

Defined Benefit Plan
(Unaudited)

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Government of Guam net pension liability	$ 1,053,578,607	$ 1,396,762,577	$ 1,486,783,582	$ 963,578,517	$ 1,246,336,897	$ 1,214,462,675	$ 1,179,192,550	$ 1,142,249,393	$ 1,368,645,126	$ 1,436,814,230
Guam Power Authority's (GPA's) proportionate share of the net pension liability	$ 49,412,837	$ 64,653,895	$ 75,169,330	$ 51,163,877	$ 68,455,958	$ 69,262,940	$ 64,825,399	$ 58,849,896	$ 71,113,926	$ 74,504,797
GPA's proportion of the net pension liability	4.69%	4.63%	5.06%	5.31%	5.49%	5.70%	5.50%	5.15%	5.20%	5.19%
GPA's covered-employee payroll**	$ 29,726,482	$ 27,612,538	$ 28,084,220	$ 28,273,584	$ 28,706,604	$ 29,057,547	$ 28,249,473	$ 26,188,178	$ 26,308,182	$ 26,516,476
GPA's proportionate share of the net pension liability as percentage of its covered employee payroll	166.22%	234.15%	267.66%	180.96%	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%
Plan fiduciary net position as a percentage of the total pension liability	69.68%	59.17%	54.45%	70.14%	61.48%	62.25%	63.28%	60.63%	54.62%	52.32%

* This data is presented for those years for which information is available.
** Covered-employee payroll data from the actuarial valuation date with one-year lag.

Guam Power Authority
(A Component Unit of the Government of Guam)

Schedule II
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees
(Unaudited)

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Government of Guam net pension liability***	$ 304,654,393	$ 268,893,090	$ 256,501,295	$ 308,340,992	$ 321,889,969	$ 324,192,725	$ 289,875,668	$ 288,147,121	$ 229,486,687	$ 235,799,709
Guam Power Authority's (GPA's) proportionate share of the net pension liability	$ 16,844,927	$ 14,686,538	$ 15,888,333	$ 15,888,333	$ 16,611,913	$ 16,449,816	$ 14,132,063	$ 13,986,942	$ 10,942,403	$ 11,002,776
GPA's proportion of the net pension liability	5.53%	5.46%	6.19%	5.15%	5.16%	5.07%	4.88%	4.85%	4.77%	4.67%
GPA's covered-employee payroll**	$ 35,045,508	$ 32,581,720	$ 29,380,061	$ 27,436,251	$ 26,972,315	$ 25,852,347	$ 25,052,074	$ 24,673,401	$ 24,142,501	$ 23,861,140
GPA's proportionate share of the net pension liability as percentage of its covered employee payroll	48.07%	45.08%	54.08%	57.91%	61.59%	63.63%	56.41%	56.69%	45.32%	46.11%

* This data is presented for those years for which information is available.
** Covered-employee payroll data from the actuarial valuation date with one-year lag.

Guam Power Authority
(A Component Unit of the Government of Guam)

Schedule III
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

Ad Hoc COLA Plan for DCRS Retirees
(Unaudited)

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Government of Guam net pension liability***	$ 71,407,034	$ 78,375,419	$ 60,135,991	$ 70,547,850	$ 66,393,472	$ 59,884,407	$ 49,342,424	$ 62,445,490	$ 61,688,067
Guam Power Authority's (GPA's) proportionate share of the net pension liability	$ 3,239,182	$ 3,588,409	$ 2,799,193	$ 3,415,505	$ 3,363,211	$ 3,507,330	$ 2,843,640	$ 3,717,897	$ 3,818,888
GPA's proportion of the net pension liability	4.54%	4.58%	4.65%	4.84%	5.07%	5.86%	5.76%	5.95%	6.19%
GPA's covered-employee payroll**	$ 13,642,766	$ 15,944,913	$ 14,526,678	$ 13,613,013	$ 13,134,227	$ 13,793,153	$ 15,241,921	$ 22,433,189	$ 22,600,153
GPA's proportionate share of the net pension liability as percentage of its covered employee payroll	23.74%	22.51%	19.27%	25.09%	25.61%	25.43%	18.66%	16.57%	16.90%

* This data is presented for those years for which information is available.
** Covered-employee payroll data from the actuarial valuation date with one-year lag.
*** No assets accumulated in a trust to pay benefits.

Guam Power Authority
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Schedule IV
Required Supplementary Information
Schedule of the Pension Contributions
(Unaudited)

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 7,807,555	$ 6,764,525	$ 6,878,689	$ 6,700,019	$ 6,649,614	$ 6,882,846	$ 7,047,809	$ 6,458,402	$ 6,474,792	$ 6,993,365
Contributions in relation to the statutorily required contribution	7,870,289	6,847,485	6,831,435	6,682,875	6,535,155	6,932,584	7,468,311	6,454,286	6,464,756	6,974,715
Contribution (excess) deficiency	$(62,734)	$(82,960)	$ 47,254	$ 17,144	$ 114,459	$(49,738)	$(420,502)	$ 4,116	$ 10,036	$ 18,650
GPA's covered-employee payroll **	$ 29,726,482	$ 27612538	$ 28,084,220	$ 28,273,584	$ 28,273,584	$ 29,057,547	$ 29,057,547	$ 28,249,473	$ 26,188,178	$ 26,308,182
Contribution as a percentage of covered-employee payroll	26.48%	24.80%	24.32%	23.64%	23.11%	23.86%	25.70%	22.85%	24.69%	26.51%

* This data is presented for those years for which information is available.
** Covered-employee payroll data from the actuarial valuation date with one-year lag.

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Schedule V
Required Supplementary Information
Schedule of the Proportionate Share of the Total OPEB Liability
(Unaudited)

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability **	$2,190,927,585	$2,734,605,674	$2,296,447,530	$ 2,771,848,089	$ 2,518,489,145	$ 2,553,523,376	$ 1,874,970,335	$ 2,431,048,672	$ 2,532,753,040
GPA's proportionate share of the total OPEB liability	$ 127,503,295	$ 154,610,401	$ 130,691,710	$ 174,910,068	$ 160,364,667	$ 161,936,073	$ 120,278,683	$ 145,955,861	$ 154,134,007
GPA's proportion of the total OPEB liability	5.82%	5.65%	5.69%	6.31%	6.37%	7.97%	8.64%	6.00%	6.00%
GPA's covered-employee payroll	$ 35,382,543	$ 30,828,217	$ 30,828,217	$ 40,268,155	$ 31,845,149	$ 31,141,489	$ 29,507,688	$ 25,806,659	$ 25,806,659
GPA's proportionate share of the total OPEB liability as percentage of its covered-employee payroll	360.36%	501.52%	423.94%	434.36%	503.58%	520.00%	407.62%	565.57%	597.26%

* This data is presented for those years for which information is available.

** No assets accumulated in a trust to pay the benefits.

*** This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Guam Power Authority
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Note to Required Supplementary Information
(Unaudited)

Year ended September 30, 2025

Changes of Assumptions – Pension Plans

Amounts reported in the 2024 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,574,000 per year.

Amounts reported in the 2023 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,565,000 per year.

Amounts reported in the 2022 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,565,000 per year.

Amounts reported in the 2021 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,565,000 per year.

Amounts reported in the 2020 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,439,000 per year.

Amounts reported in the 2019 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,860,000 per year.

Amounts reported in the 2018 actuarial valuation reflected an assumption related to administrative expenses to increase to $7,082,000 per year.

Amounts reported in the 2017 actuarial valuation reflect a change of assumption for payroll growth to 2.75% rather than 3%. The mortality, retirement age and disability assumption were changed to more closely reflect actual experience. Assumption related to administrative expenses reflected an increase to $6,344,000 per year and a revised allocation to the various pension plans to reflect actual experience.

Amounts reported in the 2016 actuarial valuation reflect a change of assumption for administrative expenses to $6,078,000 per year rather than $5,806,000.

Amounts reported in the 2015 actuarial valuation reflect a change of assumption for payroll growth to 3% rather than 3.5% which was used to determine amounts reported prior to 2015. Amounts reported in 2014 reflect an adjustment of expectations for salary increases, disability and retirement age to more closely reflect actual experience. The amounts reported in the 2011 actuarial valuation reflect an expectation of retired life mortality based on the RP-2000 Mortality Table rather than the 1994 U.S. Uninsured Pensioners Table, which was used to determine amounts reported prior to 2011. Amounts reported in 2011 also reflect a change of assumption for valuation of assets to a 3-year phase in for gains/losses relative to interest rate assumption from market value, with fixed income investments at amortized costs which was used to determine amounts reported prior to 2011.

Other Post-employment Benefit Plan

The information presented has no assets accumulated in a trust to pay related benefits.

Supplementary and Other Information

Guam Power Authority
(A Component Unit of the Government of Guam)

Schedule of Sales of Electricity
Years ended September 30, 2025 and 2024

	2025	2024
Commercial	$172,289,605	$189,397,474
Residential	168,019,635	187,362,047
U.S. Navy	90,000,304	95,580,987
Government of Guam	63,977,740	70,437,252
	$494,287,284	$542,777,760
Annual Electric Sales in kWh		
Residential	524,752,028	537,878,244
Commercial	543,145,876	520,896,718
U.S. Navy	343,262,646	321,758,778
Government of Guam	174,347,588	175,817,236
	1,585,508,138	1,556,350,976

Guam Power Authority
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Schedule of Operating and Maintenance Expenses
Years ended September 30, 2025 and 2024

	2025	2024
Administrative and General:		
Salaries and wages:		
Regular pay	$ 8,453,204	$ 7,269,380
Overtime	424,181	258,576
Premium pay	19,431	10,189
Benefits	4,570,433	4,406,361
Pension adjustment	7,505,523	12,192,592
OPEB adjustment	(888,632)	2,776,134
Total salaries and wages	20,084,140	26,913,232
Insurance	9,662,721	9,158,423
Contract	5,834,969	5,833,637
Retiree healthcare and other benefits	4,572,075	4,397,432
Utilities	167,676	280,627
Other administrative expenses	261,133	285,166
Travel	391,066	306,236
Miscellaneous	191,663	183,632
Trustee fee	131,067	131,242
Operating supplies	107,847	99,213
Training	153,758	198,164
Office supplies	67,720	92,274
Overhead allocations	96,398	64,933
Lease expense	186,502	170,644
Completed work orders	(826,479)	(754,446)
Total administrative and general	$41,082,256	$47,360,409
Customer Accounting:		
Salaries and wages:		
Regular pay	$ 2,494,513	$ 2,185,943
Benefits	229,451	201,152
Overtime	12,251	22,400
Premium pay	119	854
Total salaries and wages	2,736,334	2,410,349
Collection fee	2,410,910	2,178,935
Demand-side management program	2,318,258	1,581,841
Contracts	489,322	444,069
Communication	311,776	308,754
Office supplies	14,967	11,402
Miscellaneous	166,098	126,033
Total customer accounting	$ 8,447,665	$ 7,061,383

Guam Power Authority
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Schedule of Operating and Maintenance Expenses, continued

	2025	2024
Fuel:		
Salaries and wages:		
Regular pay	$ 222,777	$ 161,888
Overtime	471	13,529
Premium pay	3,530	829
Benefits	976	---
Total salaries and wages	227,754	176,246
Fuel	334,800,249	385,585,541
Total production fuel costs	$335,028,003	$385,761,787
Other Production:		
Salaries and wages:		
Regular pay	$ 8,245,961	$ 7,020,298
Overtime	3,279,856	3,594,208
Premium pay	277,689	264,629
Benefits	753,880	539,519
Total salaries and wages	12,557,386	11,418,654
Contract	5,461,992	6,304,247
Operating supplies	2,111,694	2,462,884
Overhead allocations	2,825,052	2,440,240
Completed work orders	1,705,547	223,234
Office supplies	7,807	7,736
Total other production	$ 24,669,478	$ 22,856,995
Transmission and Distribution:		
Salaries and wages:		
Regular pay	$ 10,733,017	$ 8,997,518
Benefits	455,116	488,706
Overtime	82,897	326,552
Premium pay	624,726	67,554
Total salaries and wages	11,895,756	9,880,330
Overhead allocations	2,278,928	1,773,104
Completed work orders	325,486	762,293
Operating supplies	1,060,308	660,276
Contract	713,316	707,035
Office supplies	6,018	8,435
Total transmission and distribution	$ 16,279,812	$ 13,791,473

Guam Power Authority
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Schedule of Salaries and Wages
Years ended September 30, 2025 and 2024

	2025	2024
Salaries and wages:		
Regular pay	$30,149,472	$25,635,028
Overtime	4,171,876	4,215,265
Premium pay	383,665	344,055
Benefits	6,179,467	5,635,738
Pension adjustment	7,505,523	12,192,592
OPEB adjustment	(888,632)	2,776,134
Total salaries and wages	$47,501,371	$50,798,812

Leadership

The Honorable Lourdes A. Leon Guerrero	Governor of Guam
The Honorable Joshua F. Tenorio	Lieutenant Governor of Guam

Consolidated Commission on Utilities

Francis E. Santos	Chairman
Pedro Roy Martinez	Vice Chairman
Melvin F. Duenas	Secretary
Simon A. Sanchez II	Commissioner
Michael Limtiaco	Commissioner

Guam Power Authority Leadership and Management Team

John M. Benavente, P.E.	General Manager
Jennifer G. Sablan, P.E.	Assistant General Manager of Operations
John J. Cruz, Jr., P.E.	Assistant General Manager of Engineering and Technical Services
Beatrice P. Limtiaco	Assistant General Manager of Administration
Marianne Woloschuk	Staff Attorney
John J. E. Kim, CPA	Chief Financial Officer
Maripaz N. Perez	Assistant Chief Financial Officer
Lenora Sanz	Controller
Vincent J. Sablan, P.E.	Manager of Engineering
Lorraine O. Shinohara, P.E.	Manager of Strategic Planning and Operations Research
Francisco C. Santos	Manager of Power Systems Control Center
Edward R. Leon Guerrero	Manager of Generation
Anselmo M. Manibusan	Manager of Transmission & Distribution
Jesse J. Cruz	Assistant Manager of Transmission & Distribution
Kenneth J. Gutierrez , PSP	Safety and Physical Security Manager
Jerald A. Guzman	Facilities Manager
Roland T. Gutierrez Jr.	Environmental Manager
Joyce N. Sayama	Communications Manager
John R. Manibusan	Fleet Support Services Manager
Arleen M. Sahagon	Internal Auditor
Pamela R. Aguigui	Chief Budget Officer
James C. Borja	Utility Services Administrator
Richard L. Bersamin	Assistant Manager of Customer Services
Jamie L.C. Pangelinan	Supply Management Administrator
Jon-Rey P. Aguigui	Personnel Services Administrator
Melvyn C. Kwek, CISA, GICSP	Chief Information Technology Officer

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