Citizen-Centric Report

FISCAL YEAR 2025 (October 2024 – September 2025)

CONTENTS

OUR VISION

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

OUR MISSION

GPA shall provide:
Reliable
Efficient, Effective, Environmentally Sound
Affordable, Accountable
Leading Energy Solutions

ABOUT US

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 58 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).

GOVERNANCE AND LEADERSHIP

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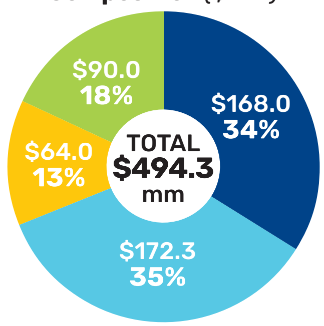
Francis E. Santos, Chairman
Pedro Roy Martinez, Vice Chairman
Melvin F. Duenas, Secretary
Simon A. Sanchez II, Commissioner
Michael Limtiaco, Commissioner

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

OUR CUSTOMERS

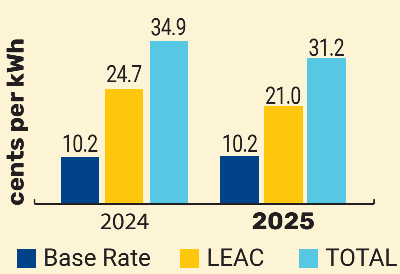
Segment Demographics	FY 2024	FY 2025
Residential	45,953	45,842
Commercial	6,028	6,038
Gov't of Guam	1,795	1,815
U.S. Navy	1	1
TOTAL	53,777	53,696

FY 2025 Electric Revenue Composition *($mm)*

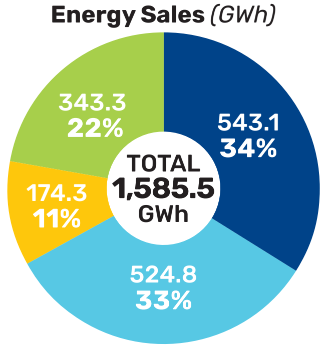


OUR RATES

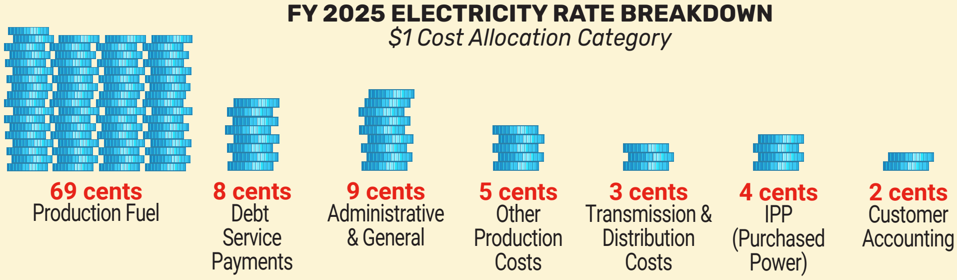
FY 2025 SYSTEMS AVERAGE RATE
As of September 30, 2025 (cents per kWh)



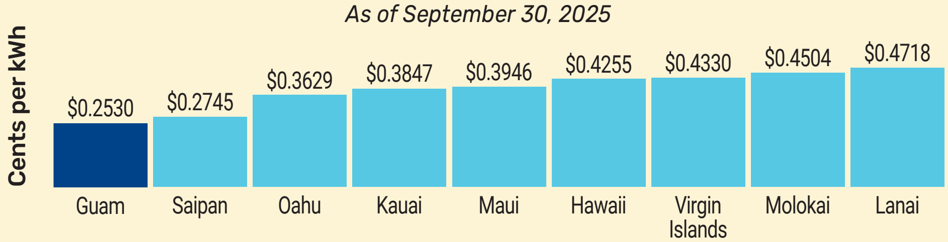
FY 2025 Customer Energy Sales *(GWh)*



FY 2025 ELECTRICITY RATE BREAKDOWN
$1 Cost Allocation Category



REGIONAL RATE COMPARISON
As of September 30, 2025



All rates were based on 1000 kWh consumption

Our Progress

CITIZEN-CENTRIC REPORT FISCAL YEAR 2025

Scan for detailed information and highlights from past years.

FY 2025 ACCOMPLISHMENTS AND KEY STRATEGIES

ENERGY AFFORDABILITY

- **Stable Base Rate:** Maintained at $0.102/kWh for 12 straight years.
- **FTE:** 447
- **Phase IV Renewables:** Phase IV (330 MW) Solar PV with energy storage batteries shifts 50% of all energy produced to night-time hours and will reduce ULSD annual imports by about one million barrels in 2028, bringing total reductions to 1,688,000 barrels and lowering annual requirements to only 1,312,000 barrels, a 56% reduction in imports. GPA will continue expanding renewable energy beyond 50%.
- **Energy Storage System (ESS):** Current energy storage systems provide reserve capacity to meet peak demand and future load growth, reducing reliance on conventional reserve units and lowering costs.
- **Ukudu Power Plant:** The new Ukudu Power Plant will reduce ULSD imports by about one million barrels per year.
- **LEAC RATE REDUCTION:** RESIDENTIAL POWER BILL, BASED ON $100/BBL FUEL, Based on 1000 kWh residential consumption:
  $359 - January 2025 - $0.261995 | $306 - February 2025 - $0.208802 | $253 - August 2025 - $0.155495 | $261 - January 2026 - $0.135840

TECHNOLOGY & CYBERSECURITY SOLUTIONS

- **Hybrid Bucket Trucks:** Acquired two (2) Hybrid Bucket trucks through the US EPA DERA Grant. Estimated to save an average of 1,890/gal of fuel per year per bucket truck.
- **Grant Funding:** GPA has been awarded multiple grants from federal agencies for current and future system improvement while reducing the financial impact on ratepayers.
- **Collaborating with Federal Partners:** Participated in off-island cyber exercise with US DOE.
- **Cyber Training & Events:** Conducted its first SURGE Table Top Exercise to share best practices when dealing with potential cyber physical security related incidences with GPA's infrastructure.
- **Working Smarter:** GPA continues to advance in its technologies that improve the utility's systems and securities.
- **Investing in Safeguards:** GPA continues to invest in training and awareness programs, phishing simulations, and has an in-house cybersecurity team that detects and responds to cybersecurity threats.

WORKFORCE DEVELOPMENT

- **In-House Training:** GPA's internal training program supports generation capacity needs by providing hands-on training in plant operations and maintenance.
- **Apprenticeships:** GPA completed its 6th Apprenticeship Cycle, launched the 7th cycle, and plans to begin the 8th in late 2026, strengthening T&D and SCADA workforce development.
- **Internships:** GPA welcomed 21 Summer Workforce Interns for AGMA, AGMET, AGMO, IT, HR, Engineering, Accounting, Customer Services, Procurement, Budget, Warehouse, and Communications Office.
- **Summer Youth Internships:** GPA continued its participation as a sponsoring agency in the Governor's Summer Youth Employment Program, hosting 15 interns for a six-week session.
- **Engineering Talent:** GPA partnered with the Guam chapter of the National Society of Professional Engineers (NSPE-GU) to support engineering development through an Engineer-in-Training (EIT) licensure preparation program.
- **Employee Engagement:** Honored 62 employees at the Employee Service Awards and continued distribution of the weekly EmPOWERing You newsletter.
- **National Recognition:** GPA received APPA awards, including the Diamond Safety Award and the Alan H. Richardson Statesmanship Award presented to AGMA Tricee Limtiaco.

SUPERIOR CUSTOMER SERVICE

- **Digital Access:** Continued roll-out of e-services for bill payment, usage monitoring, rebates, and notifications.
- **Promoting Transparency:** Released over 100 scheduled outage announcements.
- **Customer Guidance Materials:** GPA developed informative customer flyers including a Safety Guide, Contractor Requirements Guide, and Customer Service Directories.
- **National Awards:** Received prestigious APPA awards, including the Sue Kelly Community Service Award and the Excellence in Public Power Communications Award of Excellence and Award of Merit.
- **Consumer Programs**
  - **Energy Rebates Program:** GPA processed 5,974 rebate applications, totaling $1,687,005.00 in rebate payments.
  - **Emergency Rental Assistance (ERA) Program:** Provided $504,539.57 during FY25, totaling $7,859,739.86 since the program's inception.
  - **Low-Income Home Energy Assistance Program (LIHEAP):** Assisted 545 customers totaling $553,532.29.

ENERGY RELIABILITY

- **Investments in Power Infrastructure:** $43M investment to rehabilitate units in Generation: Combustion Turbines, Diesels, Ukudu Power Plant & Fuel.
- **Transmission:** Investments in Hardening, Upgrades, New Construction, Substation, Bucket Trucks, and Network Communications. DoD Underground transmission line is ongoing from Piti to Apra Heights.
- **Vegetation Trimming:** 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.
- **Preventative Maintenance (PM):** GPA remains proactive by performing routine system improvements and conducting preventative maintenance to avoid future power outages.
- **Ukudu Power Plant:** By September 2025, Ukudu Power Plant's completion is about 98.57% (accumulated total); ongoing work include: Manufacturer assessment of actions needed for GT #1 and GT#2, Natural Gas Pipeline pigging and nitrogen preservation, Repair of GT #3 rotor, Re-treatment of contaminated fuel in ULSD Storage Tank A.
- **Phase IV Renewables:** Received a total of 330 MW of Solar PV capacity with energy storage batteries to shift 50% of all energy produced to night-time hours. CCU & PUC approved 132MW KES, 60MW Core Tech, and 18.4MW PRU solar facilities, totaling 210MW of the 330MW. The award of all Phase IV bids will bring the renewable portfolio to over 50% on or before 2029 ahead of the legislative mandate of 2035.

FINANCIALLY SOLVENT

- **Financial Audit:** Unmodified opinion ("clean audit"), indicating the highest level of assurance.
- **Credit Rating:** Maintained strong investment-grade ratings with stable outlook.
- **Base Rate Filing:** The PUC approved the increased Base Rate effective January 1, 2026, allowing GPA to meet the monthly Ukudu financial obligation and comply with bond covenants.
- **Lowering LEAC:** The PUC Approved reducing the Fuel Recovery Charge (aka Levelized Energy Adjustment Clause or LEAC) to 13.584¢/kWh beginning January 1, 2026. The rate previously stood at 26.2¢/kWh before dropping to 20.1¢/kWh and then 15.6¢/kWh. GPA continues to invest in CIPs through annual revenues, explore federal partnerships to invest in energy infrastructure projects that are mutually beneficial. GPA will seek bond funding up to $300M to critical infrastructure projects | Revenue funded projects | Bond funded projects ($300M in $100M borrowing tranches) | Pursuit of $1.5B in federal grant partnerships.
- **DoD Customer of GPA for over 30 years!**

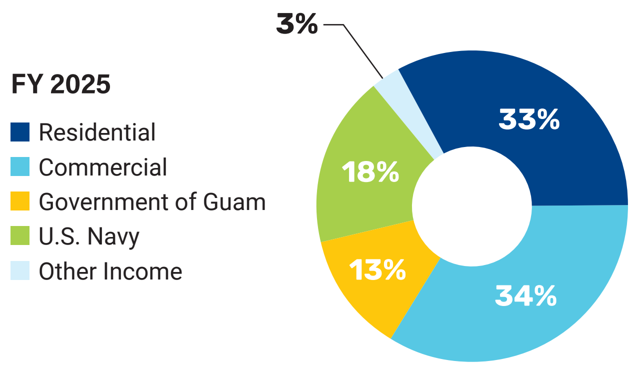
Our Finances

CITIZEN-CENTRIC REPORT FISCAL YEAR 2025

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%

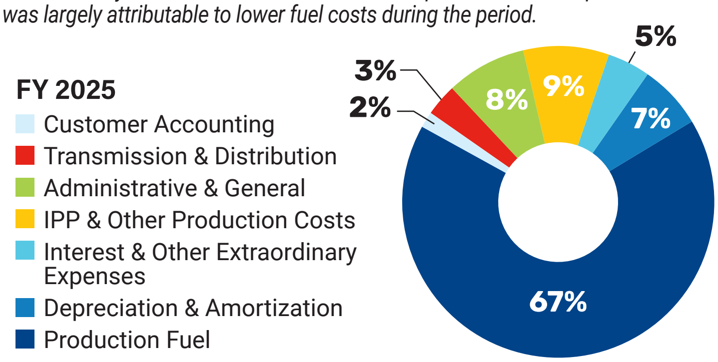
The Authority's operating revenue decreased by approximately $49 million, primarily as a result of declining fuel prices. This decrease was partially offset by a $4.2 million increase in Other Income, driven mainly by higher miscellaneous revenues and increased interest earnings.



FY 25 EXPENSES

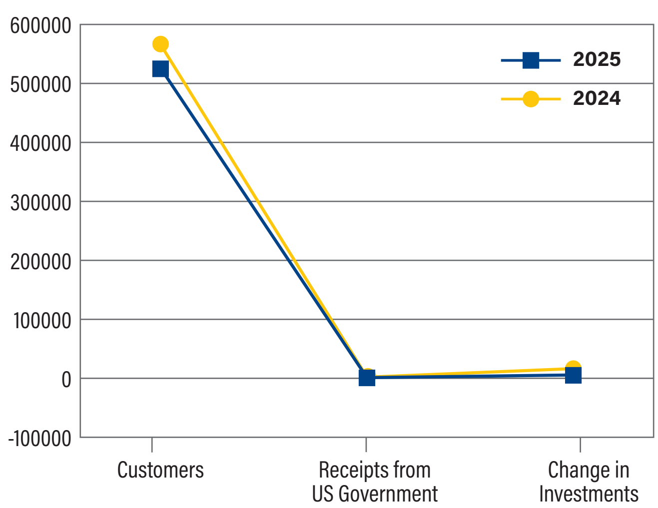
Type *(in $000)*	FY 25	FY 24	% Change
Customer Accounting	$ 9,743	$ 8,307	17.3%
Transmission & Distribution	$ 16,280	$ 13,791	18.0%
Administrative & General	$ 41,082	$ 47,360	-13.3%
IPP & Other Production Costs	$ 45,155	$ 36,701	23.0%
Interest & Other Extraordinary Expenses	$ 22,812	$ 29,441	-22.5%
Depreciation & 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.



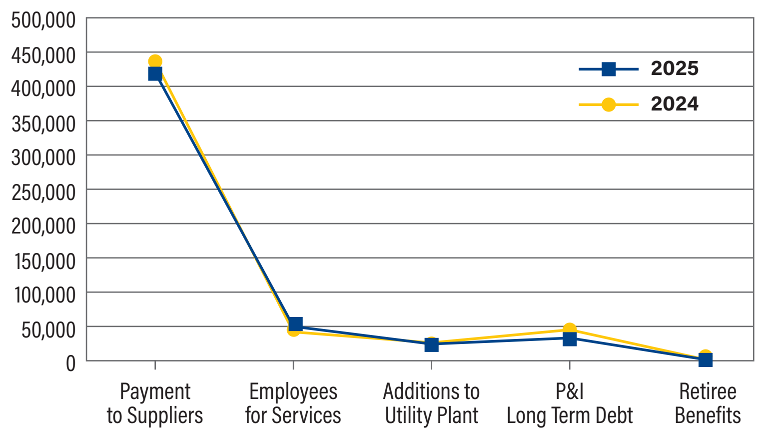
SOURCES OF FUNDS

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**



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.

Our Future Challenges

CITIZEN-CENTRIC REPORT FISCAL YEAR 2025

LOOKING AHEAD - THE PATH FORWARD

Ukudu Power Plant – A Capital Improvement and Catalyst for Guam's Electricity

- Ukudu's role in reducing fuel cost is pivotal. The state-of-the-art power plant is expected to reduce fuel consumption by nearly 1 million barrels annually, create new flexibility in fuel logistics and enable the retirement of older, less efficient generators. 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.

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.
- 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.

Phase IV at a Glance:

- 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.
  - 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 about one million barrels per year.
  - Customer Impact: Supports long-term affordability and reduced reliance on volatile fuel markets.

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 $300M to critical infrastructure projects:
  - Revenue funded projects
  - Bond funded projects ($300M 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.

2026 THRU 2029 GOALS

- 2026 March: Retire Cabras 1 & 2 (-40MW)
- 2026 August: 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
- TBD : 90MW ESS COMMISSIONING
- 53% Minimum renewable energy generation on or before 2029.
- 1.69 Million barrels less imported oil

WE WANT TO HEAR FROM YOU

Please contact GPA and let us know what information we can provide to you in future reports.

John J.E. Kim, CPA, GPA Chief Financial Officer
Telephone: (671) 648-3119/648-3122
Email: jjekim@gpagwa.com
www.guampowerauthority.com