



Bringing Energy Solutions to You

# Insights

A monthly newsletter for all GPA Customers  
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## GPA Continues to Maintain Current LEAC Despite Astronomical Global Fuel Spike

### Pursuing Alternatives to Lessen the Impact to Customers

GPA General Manager John M. Benavente, P.E., has recommended maintaining GPA's position to keep the current Levelized Energy Adjustment Clause (LEAC) unchanged, despite continued and escalating increase in global fuel prices. The utility continues monitoring global fuel market volatility following the geopolitical conflict between the United States and Iran known as Operation Epic Fury.

Fuel markets reacted sharply in early March following the conflict, with international ultra-low sulfur diesel (ULSD) prices rising significantly within days. GPA's analysis shows that continued volatility in global oil markets would affect fuel deliveries depending on how prices stabilize in the coming months.

GPA is currently tracking fuel cost scenarios which surpass \$250 per barrel, more than double the cost of \$98 per barrel on recent fuel shipments earlier this year. Under current fuel price conditions, GPA's analysis shows that fuel-related under-recovery could increase significantly in the coming months, potentially exceeding \$60 million over the next several months if conditions persist.

During prior fuel-market disruptions, including the sharp oil-price increases following the Ukraine conflict, GPA managed similar conditions where under-recovery reached approximately \$47 million. At that time, GPA did not pass through the full impact immediately and instead proposed a 3-step increase to spread costs over time and reduce rate shock to customers while continuing to recover actual fuel expenses.

GPA is considering applying this same approach as it responds to current market conditions and is actively pursuing other parallel pathways.

**First,** GPA is expanding efforts to secure alternative fuel supply options beyond its traditional sources. This includes identifying new suppliers, evaluating shipping and logistics constraints, engaging past and current industry partners, and working with consultants and market participants to identify available fuel sources in a constrained global market.

**Second,** GPA is reviewing financial mitigation strategies to reduce immediate pressure on customers. These include the potential establishment of lines of credit, evaluating the use of cash reserves, exploring self-insurance mechanisms, and assessing operational strategies such as utilizing existing fuel inventory. This includes consideration of bringing additional generation online, if doing so is determined to be cost-effective.

The Ukudu Power Plant continues to play an important supporting role in reducing overall system fuel consumption. As a modern, high-efficiency combined-cycle facility, Ukudu helps stabilize generation across the island and reduces the total fuel required to meet demand, lowering the overall impact compared to operating the system without the plant. Under current fuel price scenarios, GPA's analysis shows that customer impacts would be significantly higher without the Ukudu Power Plant, with overall fuel cost exposure reduced by approximately 30–35%.



## Ukudu Power Plant Commissioning Ceremony Set For This Month

Guam Power Authority will mark a significant milestone with the official commissioning ceremony of the Ukudu Power Plant, a major addition to the Island-Wide Power System that supports more stable and efficient energy generation for Guam.

Developed and constructed through a partnership with Guam Ukudu Power and Doosan, the 198-megawatt combined-cycle facility represents one of the most advanced power plants in the region. Designed to operate more efficiently than legacy units, Ukudu is expected to reduce fuel consumption by over one million barrels annually once fully integrated into operations. This improved efficiency helps lower overall fuel use, which remains the largest driver of customer power bills.

While global fuel prices continue to fluctuate due to ongoing geopolitical developments, Ukudu plays an important role in helping to manage these impacts. By generating more power with less fuel, the plant helps reduce exposure to volatility in global energy markets and supports more stable power costs over time.

The commissioning ceremony recognizes years of planning, construction, and coordination among GPA, Guam Ukudu Power, and Doosan to bring the facility online. It also reflects the transition of Guam's power system toward newer, more efficient baseload generation that supports reliability across the island.

"Ukudu strengthens Guam's power system at a critical time," said GPA General Manager John M. Benavente, P.E. "By reducing fuel consumption and improving efficiency, this facility is helping to shield our residents and businesses from some of the impacts of rising fuel costs we are seeing globally, while supporting a more stable energy future for Guam."

As Ukudu becomes fully integrated into daily operations, it will continue to support generation stabilization and improve overall system performance, helping GPA meet the needs of island families, businesses, and future generations.

### Impact of Oil on LEAC if @ \$250/BBL

	MARCH	APRIL	MAY	JUNE
<b>Total Under-Recovery (Over-Recovery) with Ukudu</b>	\$ 1,512,028	\$ 1,540,863	\$ 30,417,181	\$ 27,840,551
<b>Total Under-Recovery (Over-Recovery) without Ukudu</b>	\$ 9,599,678	\$ 11,156,393	\$ 55,200,921	\$ 50,542,869
<b>Estimated LEAC with Ukudu @ \$250/BBL Oil Impact</b>	\$ 0.1468	\$ 0.1468	\$ 0.3372	\$ 0.3372
<b>Estimated LEAC without Ukudu @ \$250/BBL Oil Impact</b>	\$ 0.2059	\$ 0.2158	\$ 0.5013	\$ 0.5013

Price for a barrel of ULSD oil is subject to change due to uncertainty and volatility in the global fuel market.



# Stay Informed with GPA Power Alerts

Staying informed during outages and service interruptions is essential, especially during severe weather or unexpected system issues. GPA's Power Alerts is a free, two-way text messaging service designed to keep customers updated in real time.

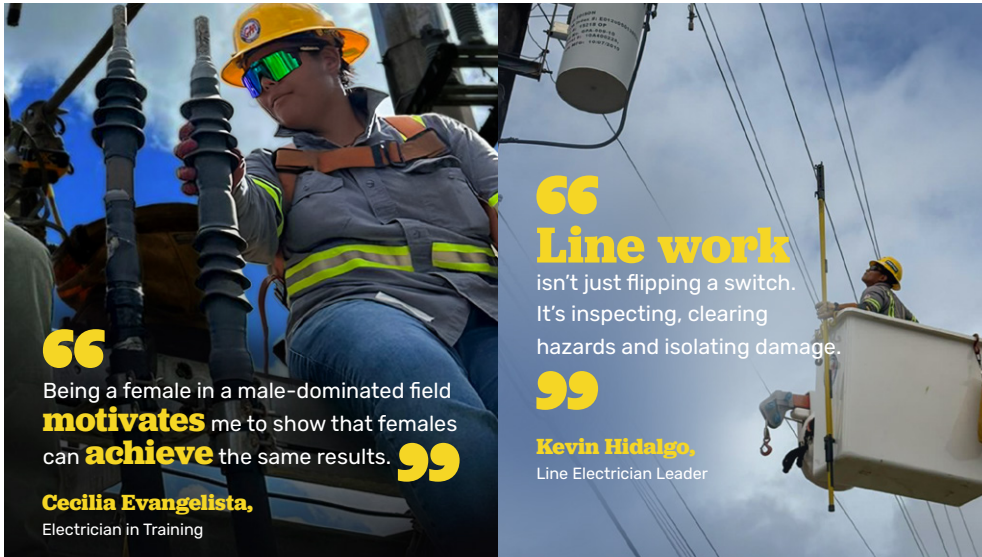
Power Alerts provides notifications for both scheduled and unplanned outages, including estimated restoration times when available. The system is interactive, allowing customers to report outages, check the status of their service, and receive updates tied directly to their account.

Many customers are automatically enrolled using the primary mobile number linked to their GPA account. For those who are not enrolled or need to update their information, signing up is simple. Customers can text ENROLL to 1-855-252-9998 or update their contact information through their GPA account online.

Power Alerts is part of GPA's continued effort to improve communication and provide customers with timely, reliable information. By staying connected, customers can better prepare, plan ahead, and stay informed when it matters most.



## National Lineworkers Appreciation Day



Power To Serve starts in the field. This National Lineworkers Appreciation Day (April 18), GPA recognizes the lineworkers whose skill, preparation, and safety-first approach keep Guam's power system running strong. Si Yu'os Ma'áse'.

## GPA Gallery



### BLACK HYDRA

On February 10, 2026, Guam Power Authority joined Exercise Black Hydra, a cybersecurity tabletop led by the Office of Guam Homeland Security and Civil Defense with Joint Task Force-Micronesia. The exercise strengthened readiness to prevent, respond to, and recover

from cyber threats to critical infrastructure through a simulated attack involving local, federal, and military partners.

Black Hydra helps identify gaps, improve coordination, and enhance preparedness against evolving cyber threats.



### INALÁHAN ELEMENTARY CAREER DAY

GPA participated in Inaláhan Elementary School's Career Day on February 5, 2026, featuring indoor presentations and outdoor demonstrations. Students learned about careers, internships, and apprenticeships, and engaged with engineers and the Generation team on power production, safety, and PPE.

Outdoors, the T&D lineworker team demonstrated tools, safety practices, and a bucket truck operation, showcasing teamwork in the field. GPA also distributed energy-themed activity books and materials for 3rd-5th graders.

## EARTH DAY IS APRIL 22, 2026

**This Earth Month, see how GPA is building a more sustainable and resilient energy future.**

A balanced Island-Wide Power System (IWPS) supports reliable, affordable, and increasingly sustainable energy for Guam.



### Solar Energy

Solar panels convert sunlight into electricity, reducing reliance on imported fuels and helping Guam transition to cleaner, renewable energy.



### Battery Energy Storage Systems

Large battery systems store renewable energy and release it when needed, improving grid stability and supporting Guam's growing use of clean energy.



### Ukudu Power Plant

A modern, more efficient power plant that strengthens reliability while supporting Guam's transition to lower-emission energy sources.



### Combustion Turbines

Large generators that produce steady electricity to support Guam's grid and maintain consistent power supply.



### Diesel Generators

Fast-starting generators that provide additional electricity during peak demand or emergencies.

Your elected Consolidated Commission on Utilities (CCU) holds two (2) working sessions and one (1) regular meeting monthly. Meeting location is the CCU Conference Room, Gloria B. Nelson Public Service Building in Fadian, Mangilao. For more information and agencies, call the CCU Board Secretary at (671) 648-3002 or visit [www.guamccu.org](http://www.guamccu.org).

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