



Bringing Energy
Solutions to You

2026

Insights

A monthly newsletter for all GPA Customers
Issue No. 105 • January 2026

Customers have already saved nearly

\$1,000 in 2025

Compared to the January 2025
LEAC rate of 26 cents

Customers will save nearly

\$1,200 per year

At the January 2026 LEAC rate of 13.5 cents

Based on 1000 kWh residential consumption

Smarter Energy, Bigger Benefits

The Ukudu Power Plant
will replace aging
generators and save

+900,000

Barrels of Oil annually.

RESIDENTIAL POWER BILL BASED ON \$100/BBL FUEL

Based on 1000 kWh residential consumption

JAN 2025 **\$359**

FEB 2025 **\$306**

JAN 2026 **\$260**

Did You Know?

Fuel charge reductions implemented, effective Feb. 1, 2025, and Aug. 1, 2025, lowered the typical household's electric bill month after month. Even with a modest rate adjustment effective January 1, 2026, average residential customers are still projected to see approximately **\$1,200** in net savings on an annual basis compared to **January 2025 rates**.



A Message from the General Manager

Savings Delivered Today, Stability Built for the Future

Buenas yan Háfa Adail

Over the course of 2025, customers experienced meaningful reductions in fuel-related charges, leading to lower overall electric bills compared to where the year began. These savings were reflected month after month and helped ease household expenses during a period of ongoing fuel price volatility.

Beginning January 1, 2026, a modest base rate adjustment approved by the Public Utilities Commission takes effect alongside a reduction to the fuel charge. For the average residential customer, the combined impact results in an increase of approximately \$8 per month. This reflects a short-term adjustment, while the fuel savings customers experienced throughout 2025 remain realized. Investments that reduce fuel dependence and improve system efficiency are intended to help support greater cost stability over time.

On Christmas Day, the 198 MW Ukudu Power Plant was fully online, advancing the long-term effort to modernize Guam's generation capacity and strengthen the Island Wide Power System. The 198 MW Ukudu Power Plant moves Guam closer to delivering cleaner, more reliable, and more affordable energy on a sustained basis and helps reduce exposure to fuel volatility.

With savings already delivered and further progress underway, GPA remains committed to powering Guam's future and delivering value to customers. Thank you for allowing us to serve you.

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

KWH - Consumption	Residential Rate Comparison for the average customer using 1,000 kWh per month				DECREASE
	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2025	Effective 1/1/2026	
Monthly Charge	\$ 15.00	\$ 15.00	\$ 25.00	\$ 25.00	
Non-Fuel Energy Charge					
First 500 KWH	0.069550	\$ 34.78	0.080860	\$ 40.43	
Over 500 KWH	0.086870	\$ 43.44	0.115400	\$ 57.70	
Emergency Water-well Charge	0.002790	\$ 1.40	0.002790	\$ 1.40	
Self-Insurance Charge	0.002900	\$ 2.90	0.002900		
Working Capital Fund Surcharge	0.000000		0.000000		
Total Electric Charge before Fuel Recovery Charges		\$ 97.52		\$ 124.53	
Fuel Recovery Charge	0.261995	\$ 262.00	0.135840	\$ 135.84	Savings
Total Electric Charge		\$ 359.52		\$ 260.37	\$99.15
Increase/(Decrease) in Total Bill				\$ (99.15)	
% Increase/(Decrease) in LEAC Rate				-27.58%	-27.58%
% Increase/(Decrease) in LEAC Rate				-48.15%	-48.15%

Savings Came in 2025. How 2026 Builds on That.

Throughout 2025, Guam Power Authority customers benefited from significant reductions in fuel-related charges, resulting in lower overall electric bills compared to where the year began. These reductions were implemented earlier in the year and reflected month after month, helping ease household expenses during a period of continued global fuel price volatility. On average, residential customers have already realized nearly \$1,000 in cumulative savings on their electric bills since January 2025.

Beginning January 1, 2026, a base rate adjustment approved by the Public Utilities Commission takes effect alongside a reduction to the Levelized Energy Adjustment Clause (LEAC), which reflects the cost of fuel used to generate electricity. For the average residential customer using approximately 1,000 kilowatt-hours per month, the combined impact results in an increase of about \$8 compared to January 2025.

This change reflects a short-term adjustment. The fuel savings customers experienced throughout 2025 remain realized and are reflected in the year-over-year comparison shown here. When viewed on an annual basis, average residential customers are still projected to realize approximately \$1,200 in net savings compared to January 2025 rates, reflecting fuel reductions already received and continued efficiency gains.

The 198 MW Ukudu Power Plant supports this trajectory by strengthening reliability, reducing reliance on imported fuel, and helping stabilize costs over the long term.

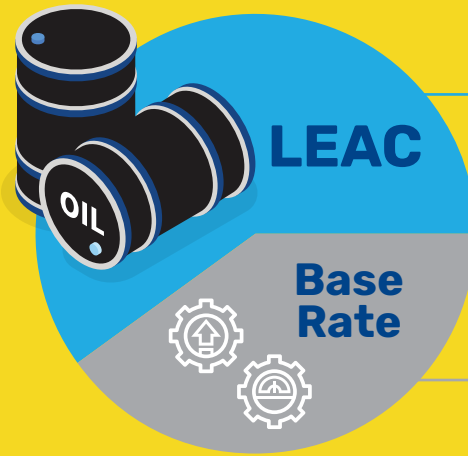
In short: customers saw savings first, January reflects a near-term adjustment, and long-term investments are focused on stability and sustained savings.

How the Base Rate and LEAC Work Together

Your electric bill includes two key components that serve different purposes but are closely connected: the Base Rate and the Fuel Recovery Charge (Levelized Energy Adjustment Clause - LEAC).

The Base Rate supports the long-term costs of providing electric service, including investments in generation, grid improvements, and infrastructure that strengthen reliability and reduce reliance on fuel over time. These investments are made to serve tomorrow's customers by building a more efficient and stable power system.

The LEAC reflects the cost of fuel used to generate electricity and adjusts to reflect current operating conditions. Because fuel prices and fuel use can change, the LEAC represents costs experienced by today's customers.



Fuel Recovery Charge (LEAC) *Reflects today's fuel costs*

- Fuel used to generate electricity
- Adjusts as fuel costs rise or fall
- Pass-through cost, not used for operations or payroll

Base Rate *Supports today's service and tomorrow's power system*

- Day-to-day operations and maintenance
- Power plants, grid upgrades, and infrastructure
- Debt service for major system investments
- Reliability and efficiency improvements

How Investments in Efficient Generation are Reducing Fuel Costs

Over the past several years, GPA has invested in more efficient generation and system improvements to reduce reliance on fuel and strengthen reliability. As these investments come online, customers begin to see the return through lower fuel use and reduced fuel costs.

The 198 MW Ukudu Power Plant is a key part of this transition. Ukudu's higher efficiency allows GPA to generate the same amount of electricity using less fuel than older units. As fuel use declines, fuel-related costs decline as well, and those savings are reflected in the fuel charge on customer bills.

While the Base Rate supports the long-term costs of bringing new, more efficient generation online and strengthening the power system, the fuel savings produced by that efficiency are realized through the LEAC. Together, these components show how investments made for the future can begin delivering real fuel savings today, while supporting long-term stability and sustained savings for customers.



What the Ukudu Power Plant Means for GPA Customers



A Major Investment With Long-Term Returns

- Over 900,000 barrels of fuel saved each year through higher-efficiency generation
- Reduced exposure to fuel price volatility by lowering reliance on imported fuel
- Improved reliability by replacing aging generation with modern technology
- A long-term asset for Guam, delivered through a Build-Operate-Transfer agreement and transferred to the people of Guam after 25 years

Together, these benefits allow major infrastructure investments to begin delivering fuel savings today while creating lasting value for future generations.

What Ukudu Delivers Over Time

The Ukudu Power Plant came fully online on December 25, 2025 providing 198 MW of energy, marking an important step in GPA's transition to more efficient generation. Designed to replace aging units, Ukudu allows GPA to produce electricity using significantly less fuel, improving overall system efficiency and reducing reliance on imported fuel.

As Ukudu operates, these efficiency gains translate into lower fuel use, which helps reduce fuel-related costs reflected in the LEAC. Over time, Ukudu also strengthens reliability across the Island Wide Power System, supporting more stable operations and helping limit exposure to fuel price volatility.

Together with ongoing grid improvements and clean energy investments, Ukudu supports GPA's long-term strategy to deliver cleaner, more reliable, and more affordable energy on a sustained basis for Guam's families and businesses.

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.

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