I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
345-38 (LS)	Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs	AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO FINANCE CAPITAL IMPROVEMENTS TO THE ISLAND-WIDE POWER SYSTEM INCLUDING CERTAIN ENERGY STORAGE, GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS, AND TO APPROVE THE TERMS AND CONDITIONS OF GUAM POWER AUTHORITY REVENUE BONDS TO REFINANCE GUAM POWER AUTHORITY REVENUE BONDS.	8/5/26 11:25 a.m.						

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2026 (SECOND) Regular Session

Bill No. 345-38 (LS)

Introduced by: Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs

AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO FINANCE CAPITAL IMPROVEMENTS TO THE ISLAND-WIDE POWER SYSTEM INCLUDING CERTAIN ENERGY STORAGE, GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS, AND TO APPROVE THE TERMS AND CONDITIONS OF GUAM POWER AUTHORITY REVENUE BONDS TO REFINANCE GUAM POWER AUTHORITY REVENUE BONDS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings.

(a) Section 8203 of Title 12 of the Guam Code Annotated provides that Guam Power Authority ("GPA") is authorized to incur indebtedness by the issuance of revenue bonds with the approval of the Governor to raise funds for the purpose of establishing the electric power system of GPA, or of acquiring lands for the system, or of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the system, or any part thereof, or for the purpose of refunding any such bonds, or for any combination of such purposes.

(b) Section 12105(e)(1) of Title 12 of the Guam Code Annotated provides that GPA shall not enter into any contractual agreements or obligations (including bonds) which could increase rates and charges prior to the written approval of the Guam Public Utilities Commission (the "GPUC").

(c) Section 50103 of Title 12 of the Guam Code Annotated provides that agencies and instrumentalities of the government of Guam, including GPA, shall issue bonds and other obligations only by means of, and through the agency of the Guam Economic Development Authority ("GEDA"), and that GEDA shall not sell any bond without the approval by *I Liheslaturan Guahån* of the terms and conditions of the issuance of the bonds.

(d) GPA needs to finance certain capital improvement projects, including energy storage, generation, transmission and distribution projects for the purpose of improving system reliability, efficiency, stability and performance, and complying with environmental regulations.

(e) In addition, GPA expects that opportunities will arise from time to time to refund all or a portion of its then outstanding revenue bonds for debt service savings, or in order to restructure debt service, which is expected to result in potential savings to ratepayers.

(f) *I Liheslaturan Guahån* has determined to approve the issuance of revenue bonds by GPA for the purposes described below, all subject to approval by *I Maga 'hågan/Maga'låhen Guahån*, the GPUC, the Consolidated Commission on Utilities (the "CCU") and the Board of Directors of GEDA in accordance with law.

Section 2. Approval of the Terms and Conditions of the Issuance by GPA of Revenue Bonds to Finance Certain Energy Storage, Generation, Transmission and Distribution Projects and Other Capital Improvements.

(a) *I Liheslaturan Guåhan*, pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, hereby approves the terms and conditions of the issuance by GPA of revenue bonds in a principal amount not to exceed three hundred seventy-five million dollars ($375,000,000) in one or more series or issues for the purpose of financing the projects and paying the other costs listed in subsection (c) of this section, *provided*, that such bonds have a final maturity not later than 35 years from their date of issuance, bear interest at such rate or rates not in excess of 7.5% per annum and are sold for such price or prices as shall result in a net interest cost to GPA not exceeding the limitation provided by Section 8214 of Chapter 8 of Title 12 of the Guam Code Annotated, as amended, and are issued and sold pursuant to GPA's existing bond indenture and otherwise in compliance with the provisions of Chapter 8 of Title 12 of the Guam Code Annotated, including approval by the CCU and by *I Maga 'hågan/Maga'låhen Guahån* as provided therein.

(b) The sale of the bonds shall be approved by the Board of Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code Annotated and the terms and conditions of the issuance of the bonds shall be approved by the GPUC as provided by Chapter 12 of Title 12 of the Guam Code Annotated.

(c) The proceeds of the bonds may be applied to pay for the costs of issuance of the bonds, for accrued and capitalized interest thereon, for credit enhancement therefor, to provide for reserves and to pay (or reimburse GPA) for the costs of certain energy storage, generation, transmission and distribution projects, including but not limited to environmental compliance projects, generation improvements, underground fuel pipeline conversion, fire protection upgrades at GPA facilities, power substation/transmission upgrades and improvements, system protection relay improvements, and power distribution system improvements, subject in each case to approval by the GPUC of such projects in accordance with Chapter 12 of Title 12 of the Guam Code Annotated.

Section 3. Approval of the Terms and Conditions of Guam Power Authority Refunding Bonds. *I Liheslaturan Guahån,* pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, hereby approves the terms and conditions of the issuance, sale or exchange of revenue bonds by GPA from time to time, including, but not limited to, on a forward basis, for the purpose of refunding all or a portion of its outstanding revenue bonds, in accordance with the following requirements, limitations, terms and conditions:

(a) The aggregate principal amount of the refunding bonds shall not exceed the sum of (1) the amount determined in accordance with Section 8229 of Title 12 of the Guam Code Annotated, plus (2) any additional amount needed to provide for a deposit to the debt service reserve in connection with the issuance of the refunding bonds.

(b) All obligations of GPA to pay debt service on, and the redemption price of, the prior bonds shall be discharged concurrently with the issuance of the refunding bonds. Thereafter, the prior bonds shall be payable solely from and secured solely by an escrow established for such purpose in accordance with GPA's existing bond indenture.

(c) The final maturity of the refunding bonds shall not exceed the final maturity of the latest maturing then outstanding revenue bonds. For clarity, the final maturity of the refunding bonds may exceed the maturity of an individual series of prior bonds so long as the final maturity of all then outstanding revenue bonds is not exceeded.

(d) Such bonds shall be issued and sold pursuant to GPA's existing bond indenture and in compliance with the provisions of Chapter 8, Title 12, Guam Code Annotated, including approval by the CCU and by *I Maga 'hågan/Maga'låhen Guahån* as provided therein.

(e) The sale of the bonds shall be approved by the Board of Directors of GEDA as provided in Chapter 50 of Title 12, Guam Code Annotated; and, the terms and conditions of the issuance of the bonds shall be approved by the GPUC as provided in Chapter 12, Title 12, Guam Code Annotated.

(f) The present value of debt service on the refunding bonds shall be at least two percent (2%) less than the present value of debt service on the prior bonds, using the yield on the refunding bonds as the discount rate. The immediately preceding sentence shall not apply to refunding bonds issued in order to restructure debt service.

Section 4. Local Sales of Bonds. In accordance with Section 50103.1(g) of Title 12 of the Guam Code Annotated, GEDA shall undertake its best efforts to cause a portion of any bonds issued pursuant to the approval in Section 2 and Section 3 of this Act to be offered for sale to residents of Guam, as well as to residents of other jurisdictions, if and to the extent that such offer and any sales resulting from such offer do not increase the costs to GPA of issuing and repaying such bonds. Notwithstanding any other provision of law to the contrary, these bonds may be sold to employees of GPA.

Section 5. Severability. If any provision of this law or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall *not* affect other provisions or applications of this law which can be given effect without the invalid provisions or application, and to this end the provisions of this law are severable.