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.	8/11/26	Committee on Finance and Government Operations.	Request: 8/11/26 8/21/26	8/27/26 9:00 a.m.	9/9/26 11/19/26 Supplemental.	

Office of Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

November 18, 2026

The Honorable Frank F. Blas Jr.
Speaker, *I Mina'trentai Ocho na Liheslaturan Guåhan*
163 W. Chalan Santo Papa
Hågatña, Guam 96910

Via Honorable Vice Speaker V. Anthony Ada
Chairman, Committee on Rules

Re: Committee Report on Bill No. 345-38 (LS)

Transmitted herewith for your consideration is the Supplemental Committee Report on **Bill No. 345-38 (LS) - 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.**

Committee votes are as follows:

2	TO DO PASS
	TO NOT PASS
5	TO REPORT OUT ONLY
	TO ABSTAIN
	TO PLACE IN INACTIVE FILE

Senseremente,

Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

COMMITTEE ON RULES
RECEIVED:
November 18, 2026 6:22 p.m.
Marie Crisostomo

OFFICE OF SENATOR CHRISTOPHER M. DUEÑAS
259 MARTYR STREET, HAGATNA GUAM 96910 | TEL: 671-989-9554 | SENATOR.DUENAS@GUAMLEGISLATURE.GOV
LIKE AND FOLLOW @SENATORDUENAS

SUPPLEMENTAL COMMITTEE REPORT

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."

Office of Senator Christopher M. Dueñas
259 Martyr Street, Hagatna Guam 96910 | Tel: 671-989-9554 | senator.duenas@guamlegislature.gov
Like and follow @senatorduenas

Office of Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

November 17, 2026

MEMORANDUM

To: **All Members**
Committee on Finance and Government Operations

From: **Senator Christopher M. Dueñas**
Chairperson, Finance and Government Operations

Subject: **Supplemental Committee Report on Bill No. 345-38 (LS) - Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs**

Transmitted herewith for your consideration is the Supplemental Committee Report on **Bill No. 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.**

This supplemental report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 345-38 (LS)

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Respectfully,

Senator Christopher M. Dueñas
Chairperson, Committee on Finance and Government Operations

Office of Senator Christopher M. Dueñas
259 Martyr Street, Hagatna Guam 96910 | Tel: 671-989-9554 | senator.duenas@guamlegislature.gov
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COMMITTEE VOTE SHEET

Bill No. 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.

Committee Members	Signature	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Christopher M. Dueñas *Chairperson*	CMD	x				
Senator V. Anthony Ada *Vice Chairperson*	E-Vote			x		
Senator Frank F. Blas, Jr. *Member*	E-Vote			x		
Senator Sabrina Salas Matanane *Member*	E-Vote			x		
Senator Jesse A. Lujan *Member*	E-Vote	x				
Senator Vincent A.V. Borja *Member*	E-Vote			x		
Senator Tina Rose Muña Barnes *Member*						
Senator Joe S. San Agustin *Member*	E-Vote			x		

Karl Pangelinan <karl.p@guamlegislature.gov>

URGENT E-VOTE REQUEST FOR BILL #345-38 (LS)

6 messages

Karl Pangelinan <karl.p@guamlegislature.gov> Wed, Nov 18, 2026 at 11:07 AM
To: cmdcommittee@guamlegislature.gov
Cc: Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Hafa Adai Committee Members:

Please find supplemental committee report attached for Bill #345-38 (LS) - 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.

Your action on this measure is respectfully requested.

Kindly indicate your preferred course of action by selecting one of the following options:

TO DO PASS

TO NOT PASS

TO REPORT OUT ONLY

TO ABSTAIN

TO PLACE IN INACTIVE FILE

Please submit your response as soon as possible by **REPLY ALL** to this email. Your responses will be logged into the vote sheet, which will be submitted as part of the final Committee Report to the Committee on Rules.

Regards,
Karl Pangelinan
Office of Sen Chris Duenas - Committee on Finance & Govt Operations

BIII No 345-38 (LS) - Supplemental CR.pdf
2783K

Office of Legislative Secretary <office.senatorbri@guamlegislature.gov> Thu, Nov 19, 2026 at 5:19 AM
To: Karl Pangelinan <karl.p@guamlegislature.gov>
Cc: cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To report out only.
[Quoted text hidden]
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Biba Guam,
Isaiah Aguon
Special Assistant to the Senator

Office of Legislative Secretary
SENATOR SABRINA SALAS MATANANE
I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature
Chairperson, Committee on Health and Veterans Affairs
163 W. Chalan Santo Papa, Hagåtña, Guam 96910
office.senatorbri@guamlegislature.gov
671-989-2572

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Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov> Wed, Nov 18, 2026 at 11:21 AM

To: Office of Legislative Secretary <office.senatorbri@guamlegislature.gov>
Cc: Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To report out only
[Quoted text hidden]
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Office of Vice Speaker V. Anthony Ada
38th Guam Legislature
I Mina'trentai Ocho Na Liheslaturan Guåhan
Guam Congress Building, 2nd Floor
163 Chalan Santo Papa
Hagåtña, Guam 96910
Phone: (671) 989-0855
Email: vicespeakertonyada@guamlegislature.gov

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Joe S. San Agustin <senatorjoessanagustin@gmail.com> Wed, Nov 18, 2026 at 12:08 PM
To: "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>
Cc: Office of Legislative Secretary <office.senatorbri@guamlegislature.gov>, Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To report out. Thanks!

The Office of Senator Joe S. San Agustin
I Mina'trentai Ocho na Liheslaturan Guåhan
38th Guam Legislature
Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910
T: (671) 989-5445 F: (671) 969-6737 E: senatorjoessanagustin@gmail.com
Website: www.senatorjoessanagustin.com

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> [Quoted text hidden]
> To unsubscribe from this group and stop receiving emails from it, send an email to cmdcommittee+unsubscribe@guamlegislature.gov.

Senator Jesse Lujan <senator.lujan@guamlegislature.gov> Wed, Nov 18, 2026 at 3:29 PM
To: "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>
Cc: "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, Office of Legislative Secretary <office.senatorbri@guamlegislature.gov>, Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To do pass.
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Office of Majority Leader Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs
259 Martyr St., Hagatna, Guam 96910
senator.lujan@guamlegislature.gov
(671) 969-6525

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov> Wed, Nov 18, 2026 at 3:50 PM
To: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
Cc: "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, Office of Legislative Secretary <office.senatorbri@guamlegislature.gov>, Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To Report Out Only

Speaker, Frank F. Blas, Jr.

I Mina'trentai Ocho na Liheslaturan Guåhan 38th Guam Legislature

Guam Congress Building, 163 Chalan Santo Papa, Hagatña

(671)969-6456
speakerblas@guamlegislature.gov

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Karl Pangelinan <karl.p@guamlegislature.gov>

URGENT E-VOTE REQUEST FOR BILL #345-38 (LS)

Office of Senator Borja <contact@senatorvinceborja.com> Wed, Nov 18, 2026 at 6:15 PM
To: "Speaker Frank Blas Jr." <speakerblas@guamlegislature.gov>
Cc: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>, "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, Office of Legislative Secretary <office.senatorbri@guamlegislature.gov>, Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To Report out Only.

Si Yu'os Ma'åse',

Caden Nathaniel Ong Poblete
Office of Senator Vincent A.V. Borja
671-969-8423
caden.poblete@guamlegislature.gov
DNA Building Suite 502, Hagatna

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FINDINGS AND RECOMMENDATIONS

The Committee on Finance and Government Operations has rereviewed **Bill No. 345-38 (LS)**, which was placed on session agenda for the September Regular session and subsequently referred back to Committee on Finance & Govt Operations on the floor by Sen Jesse A. Lujan. T

The testimony received at the August 27, 2026 public hearing, the fiscal note prepared by the Bureau of Budget and Management Research (BBMR), and the amendments incorporated into the measure following its initial Committee Report filed on September 9, 2026. The Committee recognizes the critical importance of maintaining a reliable, resilient, and financially sustainable Island-Wide Power System (IWPS) to support Guam's residents, public health and safety infrastructure, and ongoing economic and military growth.

The Committee finds that Bill No. 345-38 (LS) seeks to:

1. **Authorize New Capital Improvement Revenue Bonds:** Approve the terms and conditions for the Guam Power Authority (GPA), through the Guam Economic Development Authority (GEDA), to issue revenue bonds in an aggregate principal amount not to exceed Three Hundred Seventy-Five Million Dollars ($375,000,000) in one or more series, with a final maturity not later than thirty-five (35) years from issuance and bearing interest not to exceed seven and one-half percent (7.5%) per annum (12 GCA § 50103(k));

2. **Finance Priority Grid Modernization and Hardening Projects:** Apply bond proceeds toward critical capital improvement projects (CIPs) totaling approximately $291,053,882 in direct project costs (plus capitalized interest, debt service reserve fund deposits, and issuance costs), including energy storage systems, power generation overhauls, underground transmission and distribution conversions, substation upgrades, fire protection systems, and environmental compliance projects;

3. **Authorize Revenue Bond Refunding:** Approve the terms and conditions for GPA to issue refunding bonds to refinance all or a portion of its approximately $406 million in outstanding revenue bonds—including the callable 2017 Series A Revenue Refunding Bonds ($135 million)—to achieve debt service savings or prudent debt management;

4. **Enforce Ratepayer and Savings Safeguards:** Require that refunding bonds produce a present value debt service savings of at least two percent (2%) compared to the prior bonds, subject to narrow debt-restructuring provisions, and affirm that no obligation increasing rates or charges may be entered into without prior written approval of the Guam Public Utilities Commission (GPUC) pursuant to 12 GCA § 12105(e)(1); and

5. **Promote Local Bond Sales:** Direct GEDA to undertake best efforts to offer a portion of the bonds for sale to Guam residents and GPA employees, provided such offerings do not increase borrowing or repayment costs to GPA (12 GCA § 50103.1(g)).

The Committee further finds that multi-tranche bond issuances are governed by demonstrated capital needs and regulatory approvals by the Consolidated Commission on Utilities (CCU), the GPUC, the GEDA Board of Directors, and *I Maga'hågan/Maga'låhen Guåhan*, and reinforce that any debt restructuring under Section 3(f) must not extend final bond maturities or serve merely to defer fiscal obligations without measurable ratepayer benefit.

In written and oral testimony presented on August 27, 2026, GPA General Manager John M. Benavente, P.E., GPA Chief Financial Officer John J. Kim, and GEDA Chief Executive Officer/Administrator Christina D. Garcia expressed strong support for Bill No. 345-38 (LS). General Manager Benavente explained that GPA plans to execute an initial issuance of approximately Sixty Million Dollars ($60,000,000) rather than borrowing the full authorization at once. Under current market conditions, GEDA estimates that this initial $60 million tranche carries an annual debt service of approximately Five Million Dollars ($5,000,000) at an All-In True Interest Cost (TIC) of 5.11%, which GPA can absorb within existing utility rates without raising base rates.

During the public hearing, Committee sponsor Senator Jesse A. Lujan questioned GPA and GEDA officials regarding ratepayer impacts, the Section 3(f) exception to the two percent (2%) present value savings test for debt restructuring, and federal environmental compliance at the Ukudu Power Plant. CEO Garcia and CFO Kim clarified that evaluating the 2% savings threshold on an aggregate series basis prevents a single maturity year from blocking an otherwise advantageous refunding, while Section 3(c) strictly prohibits extending the final maturity beyond the latest maturing outstanding bonds. General Manager Benavente further noted that while GPA has requested approximately $1.5 billion in federal funding primarily for transmission hardening, local bond proceeds are vital to harden underground distribution lines serving water wells, hospitals, and high-density villages to accelerate post-typhoon recovery.

Senator Eulogio "Shawn" Gumataotao inquired regarding energy storage battery procurements, fire suppression readiness, bond issuance timelines, and CCU resolution alignment. General Manager Benavente clarified that GPA is pursuing a mix of independent power producer contracts and bond-funded storage to manage daytime renewable generation peaks, noted that bonded funds must generally be committed within two (2) years of each series issuance under municipal bond rules, and confirmed that every CIP exceeding $1.5 million requires formal CCU and GPUC vetting. Per the BBMR Fiscal Note dated August 21, 2026, Bill No. 345-38 (LS) presents a $0 direct fiscal impact on the Government of Guam General Fund.

Overall, the Committee finds that **Bill No. 345-38 (LS), As Introduced**, provides GPA with a fiscally disciplined, multi-year financing framework necessary to modernize Guam's electrical grid, reduce dependence on imported fossil fuels, and safeguard ratepayers through multi-agency regulatory oversight.

The Committee on Finance and Government Operations, to which was referred *"Bill No. 345-38 (LS), As Amended by the Committee — 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,"* hereby submits these findings to *I Mina'trentai Ocho Na Liheslaturan Guåhan* and reports out **Bill No. 345-38 (LS), As Introduced**, with a recommendation **TO REPORT OUT ONLY**.

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.