



Office of Senator William A. Parkinson

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Senator Parkinson Warns GPA Fuel Shock Could Trigger Major Power Bill Pain, Says Legislature Must Be Ready to Act

FOR IMMEDIATE RELEASE (March 31, 2026 – HĀGATÑA, Guam) Senator Will Parkinson tonight warned that Guam is staring at a genuine energy emergency after Guam Power Authority General Manager John Benavente presented a stark picture to the Consolidated Commission on Utilities of what the Strait of Hormuz crisis is already doing to the island's fuel supply and future power costs.

According to the presentation delivered tonight, GPA's April 15 fuel cargo of Ultra Low Sulfur Diesel-Special is now projected to land on Guam at \$245.89 per barrel, compared to just \$105.03 per barrel for the last comparable shipment that landed on March 4. That is an increase of roughly \$140.86 per barrel, or more than double in less than a month. The presentation further showed that, before the current oil crisis, GPA expected the April shipment to cost about \$24 million. It is now projected to cost about \$60 million, an increase of about \$36 million, or 150 percent above the pre-crisis expectation.

“Tonight's presentation makes clear that this crisis is coming for our power bills,” Senator Parkinson said. **“When the fuel GPA needs to keep the lights on goes from about \$105 a barrel to nearly \$246 a barrel in one month, that is a direct threat to every working family, every senior on a fixed income, and every small business on this island.”**

The fuel at issue is not an ordinary substitute commodity that GPA can casually replace overnight. Ultra-low sulfur diesel is subject to strict sulfur limits, with EPA describing ULSD as diesel containing no more than 15 parts per million sulfur. Hydrotreating is used in refining to remove sulfur and other impurities from diesel streams. GPA's supplier, HD Hyundai Oilbank, said in 2024 that Guam's “special” ULSD has strict specifications and can only be stably supplied by a limited number of refiners.

Benavente's presentation tonight showed that, as of March 27, GPA had 43 days of ULSD-Special inventory on hand. It also showed that GPA cannot simply shift to another fuel without risking damage, accelerated wear, and reduced useful life for its generating assets. The presentation stated that GPA is now exploring every available contingency, including additional sourcing from North America, outreach to prior contractors and traders, shipping scenarios with and without Jones Act constraints, and discussions with federal and military partners including Joint Region Marianas.



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“This is what a supply shock looks like in an island system,” Parkinson said. **“We do not have the luxury of pretending this will just work itself out. GPA is telling us the May cargo is already challenging to procure, the future price is unpredictable, and there is no quick resolution in sight. That is the definition of a precarious situation.”**

GPA had already publicly warned on March 17 that it was holding the current LEAC in place through July 31, 2026 while monitoring global fuel volatility tied to the U.S.-Iran conflict, and GPA credited the now fully online 198-megawatt Ukudu Power Plant with helping shield customers from even larger increases. GPA’s currently posted residential LEAC is \$0.135840 per kWh, effective January 1, 2026, and the Public Utilities Commission’s current order requires GPA’s next ordinary LEAC filing by June 15, 2026 for rates to take effect on August 1, 2026.

But Senator Parkinson cautioned that levelization does not make the problem disappear.

“The LEAC is slow to move compared to the price board at the gas station, but that does not mean the pain goes away,” Parkinson said. **“It means the shock can be delayed, spread out, and recovered later. One way or another, if these fuel costs stay at these levels, the ratepayer gets hit unless the Legislature steps in with relief.”**

That warning is underscored by the broader international picture. Reuters reported today that the Strait of Hormuz remains effectively closed to most shipping, that the chokepoint normally carries around 20 percent of global crude, petroleum products, and LNG, and that Asian refined-product markets are already absorbing the first and most severe impacts of the disruption. Reuters also reported that Brent crude has risen roughly 59 percent since the conflict began and that Asian gasoil prices have roughly doubled from late February levels.

Slides presented tonight to the CCU showed just how severe that could become for Guam. Under the scenario presented at \$250 per barrel, GPA estimated a LEAC of about \$0.3372 per kWh with Ukudu online, compared to the currently effective residential LEAC of \$0.1358 per kWh. That would represent an increase of roughly 20 cents per kWh over the current fuel factor alone.

“That should set off alarm bells in this building,” Parkinson said. **“Tonight’s numbers show that power credits may soon be more necessary than ever. If the market remains where it is, or worsens, the people of Guam cannot be expected to just absorb this on their own. The Legislature has a duty to provide direct relief.”**



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Senator Parkinson noted that he has already introduced legislation to restart Guam's power credit program and said tonight's presentation only strengthens the case for urgent legislative readiness.

“The original power credits were born out of a fuel price shock at the start of the Ukraine Russia conflict. We are now looking at a fuel shock that, by GPA's own presentation, is even more extreme on a per-barrel basis than prior spikes,” Parkinson said. **“If families are going to be asked to shoulder the burden of a global oil crisis they did not cause and cannot control, then the government has a moral obligation to help carry that burden.”**

Parkinson said he will remain vigilant as GPA's fuel situation develops over the coming weeks, especially with the April cargo still pricing out at crisis levels and the May shipment already flagged as difficult.

“This island is being squeezed from both ends,” Parkinson said. **“People are paying more at the pump, and now they are being told the cost of keeping the lights on may soon surge as well. We cannot sit on our hands and wait for the bill to arrive. We need to be prepared now.”**

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