



GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUĀHAN
P.O.BOX 2977 • HAGĀTÑA, GUAM U.S.A. 96932-2977

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FOR MORE INFORMATION, CONTACT:

**JOYCE N. SAYAMA
COMMUNICATIONS MANAGER
PHONE NO.: (671) 648-3145**

CCU Approves \$32.5 Million in Proposed Fuel Financing Options for GPA

(Fadian, Mangilao) - The Consolidated Commission on Utilities (CCU) approved two of the three proposed financing options today, totaling up to \$32.5 million to provide the Guam Power Authority (GPA) with additional liquidity for fuel purchases as global fuel costs remain elevated. The three financial institutions are Bank of America, Coast360 Federal Credit Union, and Bank of Guam. The Bank of Guam Line of Credit offer was tabled for further discussion and consideration in the next CCU meeting to be held on Tuesday, October 27, 2026.

The financing is intended solely for fuel procurement and is designed to help GPA manage the timing between when fuel shipments must be paid and when those costs are recovered through customer bills. The \$32.5 million represents available financing capacity. GPA would access the financing for fuel purchases only, subject to the terms agreed upon and all required approvals. The financing does not eliminate fuel costs or replace the Levelized Energy Adjustment Clause (LEAC), also known as the Fuel Recovery Charge.

Following a competitive solicitation conducted by the Guam Economic Development Authority (GEDA) on GPA's behalf, three financial institutions were selected to provide the financing:

- Bank of America: \$22.5 million floating-rate term loan, with facility terms at a one time draw maturing in 364 days from closing.
- Coast360 Federal Credit Union: \$10 million revolving line of credit, with facility terms at three years with up to two optional one-year extensions.
- Bank of Guam: \$37.5 million revolving line of credit (offered up to \$70 million line of credit), with facility terms at three years with up to two optional one-year extensions.

The proposed financing options are subject to approval by the Governor of Guam and the Public Utilities Commission (PUC).

GPA anticipates approximately \$55 million for the October 2026 fuel shipment. Final pricing for the October shipment is expected after the pricing period closes on October 7, 2026.

Fuel prices remain significantly higher than levels at the beginning of the year and continue to fluctuate. GPA's average fuel cost was approximately \$88 per barrel in January 2026 and rose to more than \$222 per barrel in April 2026. The October 2026 cargo is anticipated to cost \$185 per barrel.

The PUC increased the Fuel Recovery Charge, also known as LEAC, from 19.4150 cents per kilowatt-hour to 28.2708 cents per kilowatt-hour effective October 1, 2026 through January 31, 2027. The financing approved by the CCU does not itself change the current LEAC. The PUC retained jurisdiction to review the Fuel Recovery Charge monthly and make adjustments as appropriate or necessary. At the current LEAC, GPA now estimates fuel under-recovery at approximately \$42 million by January 31, 2027.

“Our challenge is to manage the impact of these extraordinary fuel costs on customers while making sure GPA has the resources needed to maintain a steady supply of fuel,” said GPA General Manager John M. Benavente, P.E. “These financing options give us additional flexibility when cash is needed for fuel purchases, without committing GPA to borrow the full amount.”

Even after the October 1, 2026, LEAC adjustment, Guam remains the lowest-cost jurisdiction in the region (See GPA’s current residential comparison), with an estimated monthly bill of \$410.13 for 1,000 kilowatt-hours of usage.

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