



**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION**

IN RE: INTEGRATED RESOURCE PLAN FOR
THE PUERTO RICO ELECTRIC POWER
AUTHORITY

ORDER No.: CEPR-AP-2015-0002

**SUBJECT: REQUEST FOR EXTENSION OF
THE TIME TO SUBMIT THE INTEGRATED
RESOURCES PLAN DUE TO
UNPREDICTABLE CIRCUMSTANCES**

ORDER

On May 22, 2015, the Puerto Rico Energy Commission ("Commission" or "Energy Commission") approved and enacted Regulation No. 8594, known as the Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority ("Regulation 8594"). Pursuant to this Regulation, the Integrated Resource Plan (IRP) shall consider, as a result of a detailed planning process, all the reasonable resources to satisfy the demand for electricity services during a twenty-year planning period, taking into account both supply- and demand-side electric power resources. In broad terms, the IRP filing shall include, among others, an assessment of the planning environment, a careful and detailed study of a range of future load forecasts, present generation resources, present demand resources, current investments in electricity conservation technologies, existing transmission and distribution facilities, and the relevant forecast and scenario analyses in support of the Puerto Rico Electric Power Authority's (PREPA's) selected resource plan. Section 6C (h)(i) of Act No. 83 of May 2, 1941, as amended, known as the Puerto Rico Electric Power Authority Act, Article 6.23 of Act 57-2014, as amended, known as the Puerto Rico Energy Transformation and RELIEF Act, and Section 2.02 of Regulation 8594, require PREPA to file its first IRP on or before July 1, 2015.

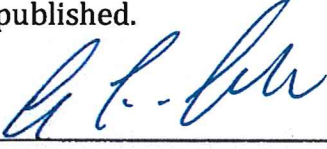
On July 1, 2015, instead of filing its IRP, PREPA submitted a "Request for Extension of Time to Submit the Integrated Resources Plan Due to Unpredictable Circumstances" ("Request for Extension of Time"). In its Request for Extension of Time, PREPA claimed that, despite its best efforts, it was unable to file its IRP due to an "unforeseen change in circumstances" resulting from the decision of the Supreme Court of the United States on the case of Michigan, et al. v. Environmental Protection Agency et al., No. 14-46 slip op. (U.S., June 29, 2015). The Supreme Court held, in sum, that the U.S. Environmental Protection Agency (EPA) failed to consider the cost of compliance in its determination to issue a regulation on Mercury and Air Toxics Standards (MATS). PREPA argues that this recent change in the regulatory environment has a significant impact on the elements PREPA must take into consideration in its IRP, and requests a ninety (90) day extension to file its first IRP. We are not convinced.

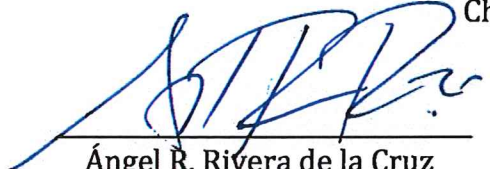
The IRP requires PREPA to present several planning scenarios. All of the scenarios that PREPA has already run assuming compliance with MATS are required by Regulation 8594 and shall be presented accordingly. Running new scenarios based on the new environmental regulatory status should not affect the work already completed. Therefore, PREPA's Request for Extension of Time is *denied*. As required by Section 6C of Act No. 83, Article 6.23 of Act 57-2014 and Section 2.02 of Regulation 8594, **PREPA shall immediately file its IRP before the Commission as it was prepared for filing on July 1, 2015.** PREPA shall have until Tuesday July 7th to file the IRP, excepting the data deferred by our Resolution on Waiver Request of June 25, 2015, which shall be filed on or before July 15, 2015.

However, considering the change in circumstances due to the Supreme Court's ruling in Michigan and the possible developments of the issue in the near future, **this Commission orders PREPA to file an updated IRP, pursuant Section 2.07 of Regulation 8594, within forty five (45) days** from the date of notification of this Order via electronic mail. The IRP update shall reflect PREPA's analysis and planning in light of the new environmental regulatory status, as well as consider different scenarios with regard to MATS.

Should PREPA fail to comply with this Order, it will be subject to administrative fines of up to a maximum of twenty-five thousand dollars (\$25,000) per day of violation, without further notice.¹

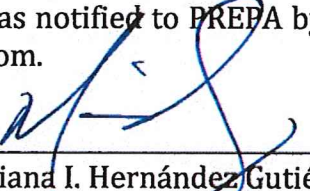
Be it hereby notified and published.


Agustín F. Carbó Lugo
Chairman


Ángel R. Rivera de la Cruz
Associate Commissioner


José H. Román Morales
Associate Commissioner

I certify that the Puerto Rico Energy Commission has so agreed on July 3 2015. I also certify that on this date a copy of this Order was notified to PREPA by electronic mail sent to n-vazquez@aepr.com and n-ayala@aepr.com.


Mariana I. Hernández Gutiérrez
General Counsel

¹ See, Article 6.37 of Act 57-2014, as amended; Section 12.02 of Regulation No. 8543, known as the Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Procedures.



CERTIFICATION

I certify that this is a true and exact copy of the Order issued by the Puerto Rico Energy Commission. I further certify that today 6 July 2015, I have proceeded with the filing of this Order and I have sent a copy thereof to:

Puerto Rico Electric Power Authority

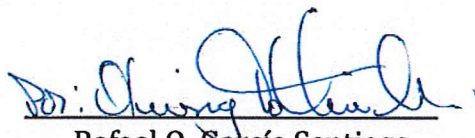
To the Attention of Nélida Ayala and Nitza D. Vázquez Rodríguez

PO Box 363928

Post Office Headquarters

San Juan, PR 00936-3928

For the record, I sign this in San Juan Puerto Rico, today July 6 2015.



Rafael O. García Santiago
Clerk of the Puerto Rico
Telecommunications Regulatory Board

