

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION

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

CASE NO.: CEPR-AP-2015-0002

SUBJECT: Clarification of some requirements
of the Integrated Resource Plan Final Order.

RESOLUTION

On March 10, 2017, the Puerto Rico Electric Power Authority (“PREPA”) filed with the Puerto Rico Energy Commission (“Commission”) *PREPA’s Motion for Clarification regarding certain compliance items (1) under combination of IRP Final and Rehearing Orders and (2) in light of Aguirre Economic Analysis Initiating Order* (“Motion”). In its Motion, PREPA requested the Commission to clarify certain compliance items under the Commission’s Final Resolution and Order of September 23, 2016 (“Final Order”) and the Final Resolution on PREPA’s Reconsideration issued on February 10, 2017 (“Final Resolution on Reconsideration”).

Specifically, PREPA requested the following clarifications:

1. PREPA argues that currently there is no due date for it to submit a “Modified IRP”, as is called for in the Final Resolution on Reconsideration. PREPA requests for the Commission to set a due date for the conforming Modified IRP after the Commission issues its final decision on the Aguirre Site Economic Analysis Proceeding¹ (“AOGP Analysis”). PREPA argues that preparing a Modified IRP would be expensive and time consuming, especially considering the Commission hasn’t made a final determination of certain elements that must be included in the Modified IRP, such as those that would be decided in the AOGP Analysis. Also, PREPA is concerned of performing duplicative work, since if it files a Modified IRP now, it will have to be updated to incorporate the Commission’s final determinations after the conclusion of the AOGP Analysis proceeding. Finally, PREPA requests that the Commission provide clear guidelines as to what information needs to be presented in the Modified IRP.

After examining PREPA’s arguments regarding the filing date of the Modified IRP, the Commission **GRANTS** PREPA’s request. The Commission will establish a due date for the filing of the Modified IRP after the conclusion of the AOGP Analysis. The Commission will also issue filing guidelines at such time.

2. PREPA seeks clarification on the deadline for the report detailing the permitting status of the alternative to repower Aguirre Combined Cycle (CC) units 1 and 2.² The Final Order required PREPA to file the first report on December 31, 2016 and every six months thereafter. PREPA argues that while the Final Resolution on

¹ In Re: Aguirre Site Economic Analysis, Case No. CEPR-AP-2017-0001.

² Final Order at ¶ 293.

Reconsideration specified a due date for the Aguirre CC unit plan of June 30, 2017, it did not explicitly set a new due date for the Aguirre CC units 1 and 2 reports on repowering. PREPA wishes to confirm that the due date for the report was also extended to June 30, 2017, since it makes perfect sense to file these reports jointly. Also, PREPA requests clarification of the Commission's objectives for the plan and report.

Regarding the report on the new Aguirre CC, the Commission clarifies that this report should also cover the repowering of the existing CC units at Aguirre. PREPA must file this report by **June 30, 2017**. This report must include primarily a description of the steps necessary to complete these projects and the status of each of those steps, designating each as completed, started, or not started. For each step, PREPA should provide its most current expectations for the earlier possible commencement and completion date. PREPA should also provide a clear description (with citations) of:

- a) permits it currently has for the Aguirre site and from which agencies;
 - b) permit applications it has pending for the Aguirre site and from which agencies;
and
 - c) permits that would be necessary to
 - (i) repower the CCs; and
 - (ii) build a new CC.
 - d) PREPA must provide the Commission with copies of the permits that have been granted and the pending permit applications.
3. PREPA seeks clarification on the Final Resolution on Reconsideration's rulings on certain data requirements included in the Final Order. On its Motion for Reconsideration, PREPA requested the Commission to waive the requirement to file three types of data since it was not available to PREPA: (i) Hourly consumption per customer class; (ii) Monthly peak demand per customer class and; (iii) Customer class affected by feeder interruptions. In its Motion for Reconsideration, PREPA also requested that all the data requirements requested on the Final Order be part of the PREPA compliance plan due on December 22, 2016. On its Motion, PREPA argues that even though it filed the compliance plan on December 22, 2016, the Final Resolution on Reconsideration did not address such filing, and therefore ambiguity exists as to if the Commission granted the waiver on the three data requirements as requested by PREPA. PREPA also requested clarification as to whether the report referred to in Paragraph 101³ of the Final Resolution on Reconsideration was the report on

³ Final Resolution on Reconsideration at ¶ 101 states, "The data collection and reporting outlined in paragraph 97 above, relating to hourly consumption per customer class, monthly peak demand per customer class,

environmental subjects. PREPA wishes to clarify if they shall include in that report either the data or a plan related to such data.

The Commission clarifies that the waiver for the collection of data (i.e. Hourly consumption per customer class, Monthly peak demand per customer class and Customer class affected by feeder interruptions) is **GRANTED**. Nevertheless, PREPA instead must provide a plan with a description of the necessary processes and resources that it will need to collect such data. This plan must include at least the following information for each class of data for which PREPA seeks a waiver:

- a) Staff requirements to collect the data (number of full time employees' equivalents)
- b) Non-staff equipment and budget requirements to collect the data
- c) PREPA's most current expectations for:
 - i. the earliest possible date on which it could commence collecting data (assuming all budgetary and staff requirements are met)
 - ii. the earliest possible date on which it could provide a full year of processed data to the Commission (assuming all budgetary and staff requirements are met)

The Commission also clarifies that the filing which it refers to in Paragraph 101 of the Final Resolution on Reconsideration, is the filing of such plan. Therefore, PREPA must include and file by **June 30, 2017**, the plan described in this Resolution.

4. PREPA requests the Commission to clarify if it granted PREPA's request to remove the requirement to hire an independent auditor to review PREPA's renewable energy contracts. PREPA argues that Paragraph 14 of the Final Resolution on Reconsideration granted PREPA's requests for modification with respect to renewable energy contracts, while Paragraphs 102-103 do not explicitly discuss the aspect of the independent auditor. PREPA seeks clarification on whether the Final Resolution on Reconsideration granted the waiver, and if not, it requests the Commission to provide a new deadline and state the Commission's specific requirements and expectations for the renewable contracts audit.

The Commission clarifies that the Final Resolution on Reconsideration **GRANTED** PREPA's request for waiver on hiring an independent auditor to audit PREPA's renewable energy contracts. Nevertheless, PREPA must provide a clear update on the status of each contract. Information in such report must include:

- a) A clear designation of each contract as pertaining to either an operational or a non-operational project;


customers by class affected by feeder interruptions, and the total estimated customers by customer class, should be included in the June 30, 2017 filing."

- b) The counterparties of the contract;
- c) Project location;
- d) Project capacity;
- e) Anticipated generation or capacity factor;
- f) Actual average annual generation or capacity factor for operational projects;
- g) Anticipated online date as documented in the contract;
- h) Actual online date for operational projects and currently anticipated online date for non-operational projects;
- i) For all projects, whose online dates were or are delayed by at least three years, PREPA's best understanding of the cause(s) of the delay; and
- j) Contract prices for energy, RECs, and any other services.

In addition, for each contract pertaining to a non-operational contract, PREPA should provide a description of the negotiation efforts it has undertaken to date regarding the contract's status as directed in Paragraph 299 of the Final Order. Such report must be filed by **June 30, 2017**.

For the benefit of all the parties involved, the Commission issues this Resolution in both Spanish and English languages. Should any conflict between each version arise, the English version shall prevail.

Be it notified and published.



Agustín F. Carbó Lugo
Chairman



Ángel R. Rivera de la Cruz
Associate Commissioner



José H. Román Morales
Associate Commissioner



CERTIFICATION

I hereby certify that the Puerto Rico Energy Commission has so agreed on April 5, 2017. I also certify that on this date a copy of this Resolution was notified by electronic mail to the following: acasellas@amgprlaw.com, agraitfe@agraitlawpr.com, ana.rodriguez@oneillborges.com, ccf@tcmrslaw.com, carlos.reyes@EcoEléctrica.com, carlos.valldejuly@oneillborges.com, cfl@mcvpr.com, pnieves@fgirlaw.com, codiot@oipc.pr.gov, dortiz@elpuente.us, edwin.quinones@aae.pr.gov, dperez@cabprlaw.com, epo@amgprlaw.com, rstgo2@gmail.com, energiaverdepr@gmail.com, hburgos@cabprlaw.com, fermin.fontanes@oneillborges.com, felipelozada1949@gmail.com, fviejo@amgprlaw.com, jperez@oipc.pr.gov, ivc@mcvpr.com, lga@elpuente.us, lionel.orama@upr.edu, mgrpcorp@gmail.com, lmateo@ferraiuoli.com, n-ayala@aeep.com, n-vazquez@aeep.com, valvarados@gmail.com, victorluisgonzalez@yahoo.com and mehernandez@fgirlaw.com. I also certify that today, April 5, 2017, I have proceeded with the filing of the Resolution issued by the Puerto Rico Energy Commission and I have sent a true and exact copy to the following:

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For the record, I sign this in San Juan, Puerto Rico, today April 5, 2017.


María del Mar Cintrón Alvarado
Clerk