



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority
Governing Board

A handwritten signature in blue ink, consisting of stylized, flowing letters.

RESOLUTION 4676

**To approve the IRP's Action Plan and authorize the CEO to file said IRP before
the Puerto Rico Energy Bureau**

WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended (Act No. 83). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental and economic impacts. In addition, it provides a service based on affordable, fair, reasonable and non-discriminatory cost that is consistent with environmental protection, non-profit, focused on citizen participation and its clients.

WHEREAS: On March 18, 2014, PREPA's Governing Board approved Resolution No. 4129, ordering the commencement of the development of a critical path for the improvement of PREPA's future taking into consideration, but not limited to, the following aspects: its current and future economic situation; its existing generation, transmission, and distribution infrastructure; the electrical industry's transformation, and the development of renewable energy and other technologies; new ways to operate and design electrical grids; the costs, risks and volatility of the energy supply resources and the economic dispatch of resources; the risks to clients; local and federal environmental regulations already in place and those about to be approved; the Government's public policy regarding preference of resources, and the economic growth of Puerto Rico.

WHEREAS: Also, on March 27, 2014, PREPA's Governing Board approved Resolution No 4132 for PREPA to begin the modernization of generation units and development of new units, through the development of projects aimed at achieving a safe and reliable system, as well as a financial structure that benefits clients, while complying with environmental regulations.





- WHEREAS: Act No. 57 of May 27, 2014, as amended (Act No. 57), known as the “Puerto Rico Energy Transformation and Relief Act”, ordered PREPA to prepare an Integrated Resource Plan (IRP), which requires a detailed planning process with ample citizen participation, while considering all the reasonable resources necessary to supply the demand for electric service during a 20-year period. Act No. 57 establishes the minimum requirements with which said IRP must comply.
- WHEREAS: As stated in Act No. 57, PREPA is required to periodically update the IRP to show current and future system conditions. In the aftermath of Hurricanes Irma and María, PREPA’s situation under PROMESA Title III proceedings, and the announcement by the Governor of the privatization of PREPA’s generation fleet and the concession of the Transmission and Distribution areas, an update of the IRP has become a necessity. This was discussed and coordinated with the Governing Board’s Infrastructure Committee on February 21, 2018.
- WHEREAS: New technologies, such as storage and microgrids, along with increased renewables, must be integrated along with the design of PREPA’s Fiscal Plan under PROMESA, which requires an updated IRP.
- WHEREAS: On April 27, 2018, through Resolution No. 4606, the Governing Board authorized PREPA’s Chief Executive Officer to execute a Contract with Siemens Industry, Inc., for the development of the updated IRP.
- WHEREAS: After significant stakeholder engagement from a diverse group of participants, including federal and local government regulators, environmental groups, industry groups, power producers, the Puerto Rico Energy Bureau (PREB) and the Fiscal Oversight Management Board, Siemens has delivered the finalized and updated IRP.
- WHEREAS: The IRP provides a road map for PREPA’s development into the next 20 years. It also contains a five-year Action Plan, in Chapter 10 of the Report, scoping out system improvements that will bring greater resiliency, compliance with environmental law and regulations, and greater fuel diversification, in accordance with the strategic vision established by the Governing Board.

WHEREAS: According to Act No. 57, the Chief Executive Officer shall file PREPA's IRP before the Puerto Rico Energy Board for its consideration and approval.

THEREFORE: In compliance with Act No. 83, supra, PREPA's Governing Board determines to:

1. Approve the IRP's Action Plan, as indicated in Chapter 10, as it complies with PREPA's vision for a more resilient, reliable, and economic electrical system.
2. Authorize the Chief Executive Officer to file the IRP before the Puerto Rico Energy Bureau, in accordance with the CEPR-AP-2018-0001 Order.

Approved in San Juan, Puerto Rico, on the eleventh day of February two thousand nineteen.



Eduardo Arosemena-Muñoz
Secretary of the Board