



**GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

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

CASE NO.: CEPR-AP-2018-0001

SUBJECT: PREPA's Informative Motion and
Motion to Extend Due Date for Revised IRP.

RESOLUTION AND ORDER

I. Introduction.

On April 26, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order in the instant case ("April 26 Resolution and Order") through which it clarified the requirements for the formulation of the Puerto Rico Electric Power Authority's ("PREPA") Integrated Resource Plan ("IRP") refiling. Furthermore, the Energy Bureau reminded PREPA that the May 10, 2019 deadline for the refiling of its proposed IRP remained unaltered.

On May 3, 2019, PREPA filed before the Energy Bureau a document titled *PREPA's Informative Motion and Motion to Extend Due Date for Revised IRP* ("May 3 Motion"). In its May 3 Motion, PREPA included a memorandum prepared by its IRP consultant, Siemens, which provides interim information related to the work performed for purposes of the revised IRP, as well as difficulties and complications encountered due to compliance with the Energy Bureau directives and changes to the renewable portfolio standard under Act 17-2019.¹ Furthermore, PREPA requested a minimum three-week extension from the May 10, 2019 deadline to refile its IRP before the Energy Bureau.

II. PREPA's Interim Results and Associated Difficulties.

Through the May 3 Motion, PREPA establishes the issues it has encountered while preparing the IRP refiling. Also, through the memorandum attached to the May 3 Motion, a summary of assumption changes and preliminary results is presented regarding the ESM Plan and the Scenario 4, Strategy 2 Base Case.

1. Wind

PREPA states that modeling wind is substantially increasing the time it takes each run to complete. PREPA also informs that wind is not being selected by the model in the two runs reported on thus far (ESM and S4S2B)², and requests that it only be required to offer wind

¹ Known as the *Puerto Rico Energy Public Policy Act*.

² This Order uses the nomenclature set out in the Energy Bureau's Resolution and Order of March 14, 2019.

to the model in the cases with lower renewable energy costs. In these cases, wind is more cost competitive with solar and might have greater chance of being selected.

Upon review of PREPA's arguments, the Energy Bureau **ORDERS** PREPA to offer wind to the model in the base load cases for each combination of strategy and scenario considered (e.g., S1S2B, S1S3B, S2S2B, S2S3B, S3S2B, S3S3B, S4S2B, S4S3B, and S5S1B). If wind is selected as a resource in the base load case for a given scenario/strategy combination, then wind must be offered as a resource in all cases based on that case (low and high load as well as any sensitivities that involve LTCE runs). In addition, PREPA shall offer wind in any case in which the LTCE is run with the low-cost assumptions for renewables. Together, this approach should mean that PREPA offers wind in about half the cases modeled, which should reduce some modeling time while ensuring that wind is considered and that the Energy Bureau can get access to model files, etc., for runs that included that resource option.

2. Energy Efficiency ("EE")

PREPA states that the manner in which the April 26 Resolution and Order required PREPA to measure the 30% compliance with EE requires re-running of all the LTCE plan cases, since it would be based on gross load instead of net load and extends the 2% reduction per year to 2037. The Energy Bureau takes notice of PREPA's comments and **REITERATES** its April 26 Resolution and Order determination regarding EE.

3. Modeling of Scenarios 2 and 4

PREPA states that there are cases in Scenario 4 that do not build new generation at Yabucoa or Mayagüez, and therefore meet the conditions of Scenario 2. For example, the S4S2B case provided in the accompanying memorandum from Siemens would satisfy the restrictions of Scenario 2. PREPA requests that the Energy Bureau not require LTCE runs of Scenario 2 for those cases where Scenario 4 meets the restrictions of Scenario 2.

Upon review of PREPA's arguments, the Energy Bureau **GRANTS** this request. However, PREPA must explicitly identify in the IRP the cases where Scenario 4 meets the conditions of Scenario 2, by not building new generation at Yabucoa or Mayagüez.

4. Model Inconsistencies

PREPA states that it has identified modeling inconsistencies surrounding the integration of battery storage and solar development in Scenarios 1 and 3. Furthermore, PREPA states that it has received inconsistent results in terms of the retirement decisions for EcoEléctrica in Scenario 1.

Upon review of PREPA's arguments, the Energy Bureau **ORDERS** PREPA to include in the IRP refiling a discussion of the identified modeling difficulties and its subsequent resolution. In addition, PREPA must be prepared to discuss how Siemens has validated its modeling results in light of the model difficulties encountered during its analysis.

III. PREPA's Request to Extend Filing Due Date.

As part of the May 3 Motion, PREPA stated that based on the different issues encountered while performing the IRP analysis, a minimum extension of three (3) weeks would be required to file the revised IRP before the Energy Bureau. PREPA also noted that the completion of the revised IRP may require PREPA to update the testimony previously submitted as part of the February 13, 2019 IRP Filing. Finally, PREPA stated that it would not be able to file updated testimony, if needed, simultaneously with the revised IRP since its completion is expected to take up to the end of the requested time extension.

Upon review of PREPA's arguments, the Energy Bureau **ORDERS** PREPA to file the results of the IRP, as well as the required documentation identifying how PREPA has addressed each of the issues raised on the March 14, 2019 Resolution and Order regarding completeness, **on or before May 31, 2019**. Furthermore, the Energy Bureau **ORDERS** PREPA to file the updated testimony in support of its IRP filing **on or before June 7, 2019**. It is important to note that until PREPA files the updated testimony, the IRP cannot be found to be complete, pursuant to the provisions of Section 3.02(A) of Regulation 9021.³


As the Energy Bureau expressed in its February 12, 2019 Resolution and Order,⁴ the IRP is of the utmost importance to guarantee the orderly and integrated development of Puerto Rico's electric power system. Therefore, any further delays in the refiling of the IRP will result in additional and more severe administrative fines, at the Energy Bureau's discretion.

For the benefit of all parties involved, the Energy Bureau publishes this Resolution and Order in both Spanish and English. Should any discrepancy arise between these two (2) versions, the provisions of the English version shall prevail.

Be it notified and published.



Edison Avilés Deliz
Chairman



Ángel Rivera de la Cruz
Associate Commissioner

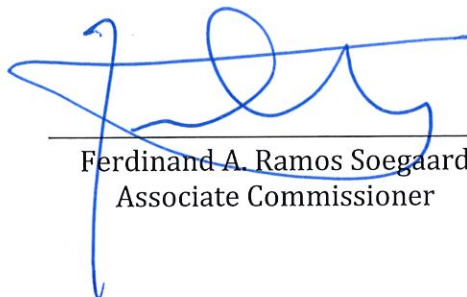


Lillian Mateo Santos
Associate Commissioner

³ Regulation on Integrated Resource Plan of the Puerto Rico Electric Power Authority, April 24, 2019.

⁴ Resolution and Order, PREPA's Motion for a 3-day Extension of Time; Imposition of Administrative Fine, February 12, 2019, Case No. CEPR-AP-2018-0001.




Ferdinand A. Ramos Soegaard
Associate Commissioner

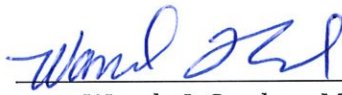
CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 9, 2019. I also certify that on this date a copy of this Resolution and Order was notified by electronic mail to the following: astrid.rodriguez@prepa.com, jorge.ruiz@prepa.com, n-vazquez@aepr.com and c-aquino@aepr.com. I also certify that today, May 9, 2019, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and I have sent a true and exact copy to the following:

Puerto Rico Electric Power Authority

Attn.: Nitza D. Vazquez Rodriguez; Astrid I. Rodríguez Cruz
Jorge R. Ruiz Pabón
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San Juan, PR 00936-4267

For the record, I sign this in San Juan, Puerto Rico, today, May 9, 2019.


Wanda I. Cordero Morales
Interim Clerk