



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 Motion for Extension of
Time Due to Status of Proposed Contract
Amendment.

RESOLUTION AND ORDER

A On July 16, 2019, the Puerto Rico Electric Power Authority ("PREPA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *PREPA's Motion for Extension of Time Due to Status of Proposed Contract Amendment* ("Motion"). As part of its Motion, PREPA requests the Energy Bureau to extend (i) the July 17, 2019 deadline for new modeling runs and data related to the AES conversion assessment, and (ii) the July 22, 2019 deadline for responses to the first Request of Information ("ROI") in the instant case.

A. *July 17, 2019 deadline for runs related to the AES conversion assessment.*

Through the June 24, 2019 Resolution and Order in the instant case,¹ the Energy Bureau granted an extension until July 17, 2019, at 12:00 p.m., for PREPA to file the modeling runs and supporting documents related to the potential conversion at the AES Plant. After several procedural incidents, on July 2, 2019, **the Energy Bureau authorized PREPA to amend its existing Siemens contract in the amount of \$175,721.00.**² The foregoing was based on Siemens' Contract Release Number 8 Proposal ("CR-8 Proposal"), which detailed the budget associated **specifically to the tasks related to the AES conversion assessment**, among other tasks.

As part of the July 16, 2019 Motion, PREPA argues that the CR-8 Proposal includes "some of the material due on July 17, 2019."³ Therefore, PREPA states that it will require an extension of one (1) month after the approval/execution of the proposed Siemens contract

¹ See Resolution and Order, Case No. CEPR-AP-2018-0001, *In Re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, p. 1, June 24, 2019.

² See Resolution and Order, Case No. CEPR-AP-2018-0001, *In Re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, July 2, 2019.

³ See PREPA's Motion, p. 2.

in the amount of \$750,000 "because Siemens needs to perform extensive work in order for PREPA to answer the requested information of the AES assessment."⁴

Upon review of PREPA's arguments, the Energy Bureau **DETERMINES** that PREPA's request for extension of the July 17, 2019 deadline lacks merit. PREPA has been well aware of the information the Energy Bureau has required regarding the assessment of the potential fuel conversion of the AES plant. Furthermore, since July 2, 2019, PREPA was authorized to amend its contract with Siemens and commence work based on the CR-8 Proposal, which explicitly identifies the tasks and timeline related to the AES conversion assessment.

Based on the timeline established on the CR-8 Proposal, if Siemens would have begun to work on the AES conversion assessment tasks on or about July 2, 2019, it could be reasonably concluded that the "LTCE Runs and assessment" task would be well underway or even finished. As we stated before, PREPA was authorized to use funds up to \$175,721.00 for the tasks associated with the CR-8 Proposal, which included the AES conversion assessment. Instead, from PREPA's Motion, it cannot be determined if Siemens has even begun any of these tasks and related work.

In light of the above, the Energy Bureau **DENIES** PREPA's request to extend the July 17, 2019 by one (1) month from the date of the execution of the proposed Siemens contract in the amount of \$750,000. The Energy Bureau **ORDERS** PREPA to file the modeling runs and supporting documents related to the AES conversion assessment **within fifteen (15) days of the notification of this Resolution and Order**. Based on PREPA non-compliance with the June 24, 2019 Resolution and Order, the Energy Bureau **FINES** PREPA in the amount of five thousand dollars (\$5,000.00). PREPA is **ORDERED** to, within 15 days of the notification of this Resolution and Order, pay the aforementioned fine with the Energy Bureau's Clerk.

B. July 22, 2019 deadline for responses to first ROI.

On July 11, 2019, the Energy Bureau issued its first ROI. Based on the Procedural Calendar in the instant case,⁵ the Energy Bureau established that there will be a ten (10) day term for PREPA to answer all information requests. As part of its Motion, PREPA argues that the term to respond to the ROI corresponds to an unusually short amount of time. PREPA states that "[f]our weeks is a more common amount of time for a set of discovery requests of this magnitude."⁶ Therefore, PREPA requests to extend the July 22, 2019 deadline to twenty-one (21) calendar days after the approval/execution of Siemens contract.

⁴ *Id.*, p. 4. On July 16, 2019, the Energy Bureau issued a Resolution and Order in which it authorized the amendment of Siemens contract up to the amount of \$750,000.00 with certain restrictions.

⁵ See Resolution and Order, Case No. CEPR-AP-2018-0001, *In Re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, p. 7, July 3, 2019.

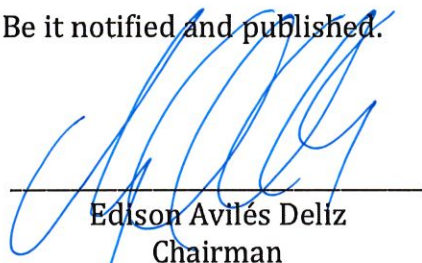
⁶ PREPA's Motion, p. 3.

Upon review of PREPA's arguments, the Energy Bureau **DENIES** PREPA's request for an extension to the deadline for responses to the first ROI. Contrary to PREPA's assertion, a four-week period is not a common time period to answer ROIs. Notwithstanding the above, and given the complexity of the first ROI, the Energy Bureau **ORDERS** PREPA to submit the responses to the first ROI **on or before 12:00 p.m. on August 2, 2019.**

Furthermore, PREPA **SHALL** deliver the responses to the ROI as they become readily available. It is important to note that the timely submission of responses to ROIs during this stage of the proceeding is vital for the Energy Bureau to be able to evaluate and issue determinations on PREPA's Integrated Resource Plan.

The Energy Bureau **WARNS** PREPA that noncompliance with the provisions of this Resolution and Order will be construed as a violation of the Energy Bureau's orders and may result in the imposition of administrative fines up to twenty-five thousand dollars (\$25,000) per day, per violation, as well as any other administrative sanctions the Energy Bureau deems necessary, in accordance with the applicable statutes and regulations.

Be it notified and published.



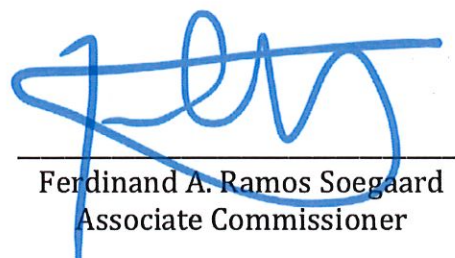
Edison Avilés Deliz
Chairman



Ángel R. Rivera de la Cruz
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



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 July 23, 2019.

Chairman Avilés Deliz dissented with regard to the imposition of the administrative fine.

I also certify that on July 23, 2019 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@prepa.com. I also certify that today, July 23, 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. Vázquez Rodríguez

Astrid I. Rodríguez Cruz

Jorge R. Ruíz Pabón

PO Box 363928

San Juan, PR 00936-3928

For the record, I sign this in San Juan, Puerto Rico, today July 23, 2019.

Wanda I. Cordero Morales
Clerk