

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



IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY REQUEST FOR PROPOSALS FOR
MOBILE GENERATION UNITS

CASE NO.: NEPR-IN-2019-0001

SUBJECT: PREPA's Compliance with Request
for Documents.

RESOLUTION AND ORDER

On July 26, 2019, pursuant to the provisions of Article V of Regulation 8543,¹ the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order commencing an investigation ("July 26 Resolution and Order") regarding a Request for Proposal ("RFP") issued by the Puerto Rico Electric Power Authority ("PREPA") to solicit applications from interested qualified parties to provide new Mobile Generation Units to be installed in Yabucoa and Palo Seco.² PREPA failed to inform the Energy Bureau of the issuance of the RFP, as required by Regulation 8815.³

In the July 26 Resolution and Order the Energy Bureau ordered PREPA to submit certain documents regarding the RFP. PREPA was required to provide to the Energy Bureau **true and exact copies** of the following documents on or before 12:00 p.m., August 5, 2019:

- a. The RFP for the Mobile Generation Units.
- b. Any analysis, including workpapers in native form with formulae intact, performed to determine that the installation of the Mobile Generation Units is the least cost, best option and in the public interest;
- c. **All proposals received by PREPA in response to the issued RFP;**
- d. Any analysis and/or report generated during the evaluation process of the RFP responses;
- e. The selection notice;
- f. The RFP for any other resource option which PREPA may have issued; and,

¹ Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Procedures, December 18, 2014.

² The Energy Bureau became aware of the issuance of a Request for Proposal ("RFP") to solicit applications from interested qualified parties that can provide new Mobile Generation Units to be installed in Yabucoa and Palo Seco. See *Lupa del Apelativo a subasta amañada por la AEE*, Noticel, July 23, 2019. The Energy Bureau requested, and has on file, a copy of the sentence issued by the Court of Appeals on Case No. KLRA201900342.


³ Joint Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Contracts for the Purchase of Energy and for the Procurement, Evaluation, Selection, Negotiation and Award Process for the Modernization of the Generation Fleet, October 11, 2016.

- g. **Any other document in the administrative record** including, but not limited to, legal memoranda and any resolutions issued by PREPA's Board of Directors authorizing the commencement of the RFP process, the award of such RFP and/or the execution of a contract.

Instead of a motion, on August 5, 2019, PREPA filed a letter before the Energy Bureau's Clerk. PREPA also submitted a USB containing digital copies of multiple documents pertaining to the July 26 Resolution and Order.⁴ The filed documents did not include (i) any legal memoranda or resolutions issued by PREPA's Board of Directors in which it authorized the Executive Director or any other PREPA officer to commence the RFP process, to award such RFP and/or to execute a contract; or (ii) any legal documents on the reconsideration process before PREPA regarding the RFP. Similarly, the copy of the RG Engineering, Inc. proposal ("RG Proposal") filed by PREPA in response to the July 26 Resolution and Order, is incomplete. The RG Proposal is missing several documents, including Appendixes 1 to 17 and Exhibits B and D.

In light of the foregoing, the Energy Bureau **ORDERS** PREPA to (i) submit the foregoing documents **on or before August 8, 2019 at 12:00 pm**; and (ii) provide a justification for the partial compliance with the July 26 Resolution and Order. The Energy Bureau **REMINDS** PREPA that compliance with the provisions of Regulation 8543 regarding the filing of documents is not optional. As such, any future submittals shall be accompanied by a motion that complies with the applicable requirements of Regulation 8543. The Energy Bureau **WARNS** PREPA that noncompliance with the provisions of this Resolution and Order 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.



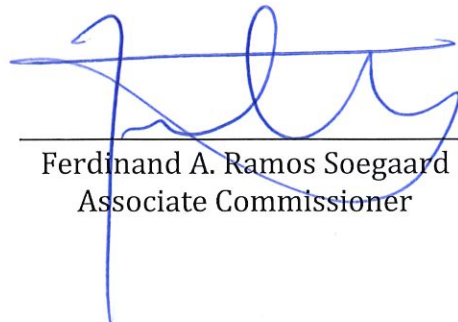
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Angel R. Rivera de la Cruz
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner

⁴ See letter from attorney Arturo Díaz Angueira to Edison Avilés Deliz, August 5, 2019.



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 7, 2019. I also certify that on August 7, 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@aeep.com and c-aquino@prepa.com. I also certify that today, August 7, 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 August 7, 2019.


Wanda I. Cordero Morales
Clerk