



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

IN RE: REGULATION ON WHEELING

CASE NO.: CEPR-MI-2018-0010

SUBJECT: Revised Proposed Regulation on
Energy Wheeling and Request for Public
Comments

RESOLUTION

On July 23, 2019, the Energy Bureau published the proposed draft of the Regulation for Energy Wheeling. Pursuant to Act 38-2017,¹ the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") provided until August 24, 2019,² for the general public to file written comments regarding the proposed draft. The Energy Bureau also provided until September 3, 2019,³ for the submittal of replies to comments filed within the general commenting period. A public hearing was held on August 22, 2019 at the Energy Bureau's Hearing Room.

Following the comments received during the public commenting period, the Energy Bureau, exercising its discretion, hereby issues a revised proposed draft of the Regulation on Electric Energy Wheeling.

Pursuant to Act 38-2017, the Energy Bureau will publish a notice on the rulemaking process in a newspaper of general circulation. Pursuant to Section 2.2 of Act 38-2017, within thirty (30) days, following the date of publication of said notice (*i.e.* November 18, 2019), the general public may present its comments regarding the revised proposed regulation.

Comments may be filed through any of the following means:

- a. By email to the following address: comentarios@energia.pr.gov;
- b. Online, using the Energy Bureau's Electronic Filing System, at the following address: <https://radicacion.energia.pr.gov>.
- c. By mail addressed to the Puerto Rico Energy Bureau's Clerk's Office, at World Plaza Building, 268 Muñoz Rivera Ave., Suite 202, San Juan, PR 00918; or

¹ *The Uniform Administrative Procedure Act of the Government of Puerto Rico* ("LPAU" for its Spanish acronym), as amended.

² See Notice about Proposed Regulation Adoption, *Primera Hora* Newspaper, July 25, 2019.

³ *Id.*



d. In person at the Energy Bureau's Clerk's Office, located at the address set forth above.

Be it notified and published.



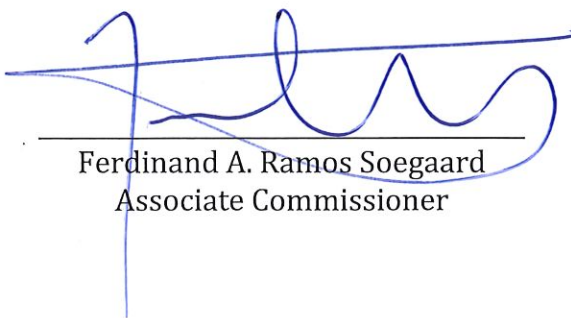
Edison Avilés Deliz
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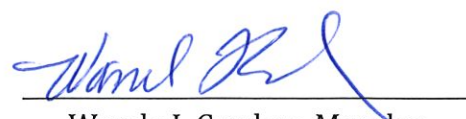
CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on October 18, 2019. I also certify that on this date a copy of this Resolution with its Attachments was notified by electronic mail to the following: astrid.rodriguez@prepa.com, jorge.ruiz@prepa.com and n-vazquez@prepa.com. I also certify that today, October 18, 2019, I have proceeded with the filing of the Resolution 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 3639238
San Juan, PR 00936-3928

For the record, I sign this in San Juan, Puerto Rico, today October 18, 2019.



Wanda I. Cordero Morales
Clerk



GOVERNMENT OF PUERTO RICO

Public Service Regulatory Board
Puerto Rico Energy Bureau

REGULATION ON ELECTRIC ENERGY WHEELING

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REGULATION ON ELECTRIC ENERGY WHEELING

ARTICLE 1.- GENERAL PROVISIONS

Section 1.01.- Title.

This Regulation shall be known as the *Regulation on Electric Energy Wheeling*.

Section 1.02.- Legal Basis and Authority.

This Regulation is adopted pursuant to the provisions of Act 57-2014, as amended, known as the *Puerto Rico Energy Transformation and RELIEF Act* ("Act 57-2014"); Act 17-2019, known as the *Puerto Rico Energy Public Policy Act* ("Act 17-2019"); and Act 38-2017, as amended, known as the *Uniform Administrative Procedure Act of the Government of Puerto Rico* ("LPAU" for its Spanish acronym). Specifically, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") has the authority to implement wheeling. Act 57-2014, as recently affirmed by Act 17-2019, states that the Energy Bureau has the power and duty to "regulate the wheeling mechanism in Puerto Rico in accordance with the applicable laws."¹ Moreover, the Energy Bureau has the power and duty to "oversee and ensure the execution and implementation of the public policy on the electric power service in Puerto Rico." The Energy Bureau also has "all those additional, implicit, and incidental powers that are pertinent and necessary to enforce and carry out, perform, and exercise the powers granted by law and to achieve the energy public policy."²

Section 1.03.- Purpose.

The Energy Bureau adopts and enacts this Regulation to implement the energy wheeling mechanism in Puerto Rico, in accordance with applicable legislative mandates. More specifically, to implement a system that allows an exempt business described in Section 2(d)(1)(H) of Article 1 of Act No. 73-2008, as amended, known as the *Economic Incentives Act for the Development of Puerto Rico*, or similar provisions in other incentive laws, as well as Electric Power Service Companies, Microgrids, Energy Cooperatives, Municipal Ventures, Large Industrial and Commercial consumers, and Community Solar and other demand aggregators, to purchase electric power from other entities through wheeling services.

Section 1.04.- Applicability.

This Regulation shall apply to all companies offering electric service that are operating in Puerto Rico at the time that this Regulation enters into effect, as well as to all companies that intend to operate or offer electric services in Puerto Rico now or in the future.

¹ Section 6.3(g) of Act 57-2014, as amended by Section 5.10 of Act 17-2019.

² Section 6.3 of Act 57-2014, as amended by Section 5.10 of Act 17-2019.

Section 1.05.- Interpretation.

This Regulation shall be interpreted in a way that promotes the highest public good and the protection of the interests of all electric service customers of Puerto Rico, and in such a way that proceedings are carried out rapidly, justly, and economically.

Section 1.06.- Provisions of Other Regulations.

The provisions of this Regulation may be supplemented by the provisions of other regulations of the Puerto Rico Energy Bureau that are compatible with the provisions of this Regulation.

Section 1.07.- Unforeseen Proceedings.

When a specific proceeding has not been planned for in this Regulation, the Energy Bureau may attend to it in any way that is consistent with Act 57-2014 and other applicable laws.

Section 1.08.- Dates and Time Periods.

In computing any time period established in this Regulation, or by order of the Energy Bureau, the day of the occurrence of the act, event, or noncompliance that triggers the period shall not be counted, and the established period shall begin to elapse on the following day. Whenever a due date falls on a Saturday, Sunday, or legal holiday, said due date shall be extended until the next workday.

Section 1.09.- Definitions.

- A) These definitions are to be used for this Regulation and are not intended to modify the definitions used in any other Energy Bureau regulation or order.
- B) For the purposes of this Regulation, the following terms will have the meaning established below, except when the context of the content of any provision clearly indicates something else:
 - 1) "Application" means the document submitted by an Independent Power Producer to the Provider of Last Resort requesting to execute a Wheeling Services Agreement.
 - 2) "Certification" means the process by which an Electric Power Service Company seeks approval by the Energy Bureau to operate or offer services in Puerto Rico pursuant to Regulation 8701³ or any subsequent regulation to those effects.

³ Amendment to Regulation No. 8618, on Certifications, Annual Charges and Operational Plans of Puerto Rico Electric Service, February 17, 2016.

- 3) "Community Solar" means a program whereby local solar facilities are shared by multiple customers who receive credit on their electricity bills for their share of the power produced.
- 4) "Customer" means any Person who receives Electric Services.
- 5) "Distributed Generation" means an electric power generation facility in Puerto Rico connected to the Distribution System and producing power for self-supply or sale.
- 6) "Distribution System" means the physical equipment used to distribute electric power at voltages of less than 38,000 volts, including but not limited to poles, primary lines, secondary lines, service drops, transformers, and Meters.
- 7) "Electric Power Grid" means the electric power Transmission System and Distribution System of Puerto Rico.
- 8) "Electric Service" means the provision of generation, distribution and/or transmission service to a customer; it may include ancillary services.
- 9) "Electric Power Generation Company" or "EPGC" means any natural or juridical person engaged in the production or generation of electric power in Puerto Rico. This term shall include cogenerators already established in Puerto Rico that supply energy to PREPA through a Power Purchase Agreement, and renewable energy producers. All Electric Power Generation Companies shall be deemed to be Electric Power Service Companies.
- 10) "Electric Power Service Company" or "EPSC" means any natural or juridical person or entity including Energy Cooperatives, engaged in the rendering of energy generation, transmission and distribution services, billing, wheeling, grid services, energy storage, and/or the resale of electric power.
- 11) "Energy Bureau" means the Energy Bureau of the Puerto Rico Public Service Regulatory Board, established by virtue of the Reorganization Plan of the Puerto Rico Public Service Regulatory Board, and Act 211-2018, formerly the Puerto Rico Energy Commission, created under Act 57-2014, which is a specialized independent entity in charge of regulating, overseeing, and enforcing the public policy on energy of the Government of Puerto Rico.
- 12) "Energy Cooperative" means a cooperative organized under the provisions of Act 239-2004, known as the *General Cooperative Associations Act of 2004*, as amended, for the main purpose of meeting individual and common electric power needs of their cooperative members, affiliated consumers and/or

communities through electric power generation, transmission and/or distribution systems. "Cooperative Microgrids" as defined in Regulation 9028,⁴ shall not be considered Energy Cooperatives, as defined in this Regulation.

- 13) "Independent Power Producer" means an Electric Power Generation Company that does not have a Provider of Last Resort obligation.
- 14) "Interconnection" means the connection of an electric power generation facility to Puerto Rico's Electric Power Grid.
- 15) "Large Commercial Consumer" means any customer receiving Electric Service from the Provider of Last Resort under a commercial rate, whose maximum monthly demand is at least 250 kVA.
- 16) "Large Industrial Consumer" means any customer receiving electric service from the Provider of Last Resort under an industrial rate schedule.
- 17) "Meter" means the equipment used to measure consumption and/or generation of energy at the point of connection between an individual Customer and the Electric Power Grid as well as associated communications and control capabilities.
- 18) "Microgrid" means a group of interconnected loads and Distributed Energy Resources within clearly defined electrical boundaries that acts as a single controllable entity that can connect and disconnect from the Electric Power Grid to enable it to operate in either grid-connected or off-the-grid (islanded) mode.
- 19) "Municipality" means the local government legal entity organized and existing pursuant to Article VI, §1 of the Puerto Rico Constitution and Act No. 81 of August 30, 1991, as amended, known as *the Autonomous Municipality Act of the Commonwealth of Puerto Rico*.
- 20) "Municipal Venture" means an enterprise undertaken by a municipality to provide electric services to its citizens in accordance with applicable laws.
- 21) "Partial Requirements Tariff" means the rate authorized by the Energy Bureau to be paid by a Wheeling Customer to the Provider of Last Resort for "standing by" to provide power in the event that an Independent Power Producer that has contracted through a Power Purchase Agreement to provide the Eligible Buyer with less than 100% of their power fails to meet the terms and conditions of the then current Power Purchase Agreement.

⁴ Regulation on Microgrid Development, May 18, 2018.

- 22) "Person" means a natural person or a legal entity created, organized, or existing under the laws of Puerto Rico, the United States of America, any state of the union, or any foreign state or country; a Municipality or a consortium of Municipalities; or any other government entity, including PREPA.
- 23) "Power Purchase Agreement" or "PPA" means any agreement or contract approved by the Energy Bureau, whereby an Electric Power Generation Company is bound to sell electric power to another natural or juridical person, and such other person is, in turn, bound to acquire said electric power at a just and reasonable rate.
- 24) "PREPA" means the Puerto Rico Electric Power Authority, a corporate entity created by virtue of Act No. 83 of May 2, 1941, as amended, and any successor entity.
- 25) "Provider of Last Resort" or "POLR" means the entity maintaining the primary responsibility for providing for any of the generation, transmission, distribution, commercialization, and operating functions of the Electrical System. The Provider of Last Resort shall be PREPA or its agent or successor.
- 26) "Standby Power Tariff" means the rate authorized by the Energy Bureau to be paid by an Eligible Buyer to the Provider of Last Resort for "standing by" to provide power in the event that an Independent Power Producer that has contracted through a Power Purchase Agreement to provide the Eligible Buyer with 100% of their power fails to meet the terms and conditions of the then current Power Purchase Agreement.
- 27) "Transmission" or "Transmission System" means the physical equipment used to transmit electric power at voltages of at least 38,000 volts, including but not limited to towers, poles, lines, and transformers.
- 28) "Wheeling" means the transmission of electricity from an Independent Power Producer to a Wheeling Customer through the Electric Power Grid and which does not constitute Distributed Generation through any net metering mechanism.
- 29) "Wheeling Customer" means an exempt business described in Section 2(d)(1)(H) of Article 1 of Act No. 73-2008, as amended, known as the *Economic Incentives Act for the Development of Puerto Rico*, or similar provisions in other incentive laws, as well as Electric Power Service Companies, Microgrids, Energy Cooperatives, Municipal Ventures, large scale industrial and commercial consumers and community solar and other demand aggregators.
- 30) "Wheeling Rate" means a just and reasonable amount of money, as approved by the Energy Bureau, that shall be charged to an Independent Power

Producer for the use of the Electric Power Grid for the supply of energy to a Wheeling Customer.

31) "Wheeling Service Agreement" means the contract executed between an Independent Power Producer and the Provider of Last Resort to establish the functions and obligations that these two parties have, prior to commencing the supply of power to a Wheeling Customer pursuant to a Power Purchase Agreement.

C) Every word used in the singular in this Regulation shall be understood to also include the plural unless the context indicates otherwise.

Section 1.10.- Controlling Version.

Should any discrepancy between the Spanish version and the English version of this Regulation arise, the provisions of the English version shall prevail.

Section 1.11.- Severability.

If any article, provision, word, sentence, paragraph, subsection, or section of this Regulation is disputed, for any reason, before a court and declared unconstitutional or null and void, such ruling shall not affect, damage, or invalidate the remaining provisions of this Regulation, rather the effect shall be limited to the article, provision, word, sentence, paragraph, subsection, or section that has been declared unconstitutional or null and void. The nullity or invalidity of any article, word, sentence, paragraph, subsection, or section, in any specific case, shall not affect or jeopardize in any way its application or validity in any other case, except where it has been specifically and expressly invalidated for all cases.

Section 1.12.- Forms.

The Energy Bureau shall establish the forms it deems necessary to conduct the proceedings pursuant to this Regulation and shall inform the public via its website. The fact that the Energy Bureau has not adopted one or more forms, is in the process of reviewing them, or the Internet website is out of service, shall not relieve any party of its obligation to comply with the provisions stated herein, provide the information required by this Regulation, or otherwise comply with any applicable Energy Bureau order.

Section 1.13.- Mode of Submission.

The forms, documents, and appearances required by virtue of this Regulation or any order of the Energy Bureau must be submitted before the Energy Bureau in electronic format according to the instructions which, from time to time, the Energy Bureau establishes through an order in relation to the electronic filing system.

If the electronic filing system is temporarily not operating or functioning, the forms, documents, and appearances required by virtue of this Regulation or by any order of the Energy Bureau shall be submitted before the Energy Bureau in accordance with any instructions that the Energy Bureau shall provide at that time through an order.

Section 1.14.- Effect of Submission.

In filing any document before the Energy Bureau, the party undersigning such document shall be deemed to have certified that the content of said document is true and that, according to the signer's best knowledge, information, and belief, formed after reasonable inquiry, the document is based on reliable and trustworthy facts, arguments, judicial sources, and information.

Section 1.15.- Confidential Information.

If in compliance with the provisions of this Regulation or any of the Energy Bureau's orders, a Person has the duty to disclose information to the Energy Bureau considered to be privileged, pursuant to applicable evidentiary privileges, said Person shall identify the alleged privileged information and request in writing for the Energy Bureau to treat such information as confidential, pursuant to Article 6.15 of Act 57-2014. In identifying privileged information and requesting confidential treatment by the Energy Bureau, the requesting party shall follow the rules and procedures established by the Energy Bureau in Resolution CEPR-MI-2016-0009, as such resolution may be amended from time to time, for the filing, handling, and treatment of confidential information. Except in the case of information protected under the attorney-client privilege, the claim of confidential treatment shall, under no circumstances, be grounds for denying such information from being filed with the Energy Bureau.

Section 1.16.- Validity.

Pursuant to Section 2.8 of the LPAU, this Regulation shall enter into effect thirty (30) days after its submission to the Department of State and the Legislative Library of the Office of Legislative Services.

Section 1.17.- Penalties for Non-Compliance.

Any Person who fails to comply with any of the requirements set forth in this Regulation may be subject to the impositions of penalties under Act 57-2014, Section 3.05 and 3.06 of Regulation 8701, and pursuant to the procedures established in Regulation 8543⁵.

⁵ *Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Procedures*, December 18, 2014.

Section 1.18.- Compliance with Other Applicable Legal Requirements.

Compliance with this Regulation shall not relieve any party affected by this Regulation from fully complying with other applicable legal and regulatory requirements enforced by any other government entity.

ARTICLE 2.- RESPONSIBILITIES OF THE PROVIDER OF LAST RESORT

Section 2.01.- Applicability.

This section establishes the responsibilities of the Provider of Last Resort regarding the implementation of Wheeling. The Provider of Last Resort shall ensure transparent, open access on non-discriminatory terms to the Electric Power Grid for Independent Power Producers serving or intending to serve Wheeling Customers; ensure the reliability and adequacy of the Electric Power Grid; ensure adequate power for all customers; ensure efficient economic dispatch and scheduling of resources to serve loads; and ensure that electricity delivery is accurately accounted for to the Independent Power Producers in Puerto Rico. The Provider of Last Resort shall:

- A) Maintain the reliability and security of the Electric Power Grid, including the instantaneous balancing of generation and load, and assuring the adequacy of resources to meet demand;
- B) Provide for transparent, non-discriminatory and open access to the Electric Power Grid, consistent with this Regulation, Energy Bureau orders, PPAs and approved Wheeling Services Agreements;
- C) Process all requests for wheeling services from Independent Power Producers seeking to serve Wheeling Customers in accordance with the procedures established by the Energy Bureau to those effects;
- D) Provide billing and metering services to customers engaged in wheeling or not, as requested;
- E) Have a continuing obligation to provide adequate power to any Customer;
- F) Administer settlement and billing for wheeling services; and
- G) Perform any additional duties required under this Regulation, Energy Bureau orders, and wheeling services agreements.

Section 2.02.- Interconnection.

The Provider of Last Resort shall be responsible for complying with interconnection regulations and protocols subject to approval by the Energy Bureau, for the interconnection of generating facilities, Microgrids and Distributed Generators as applicable, that use the Transmission and Distribution System.

Section 2.03.- Providing Adequate Power.

- A) The Provider of Last Resort is directed to develop and offer, subject to Energy Bureau review and approval, the following tariffs for Wheeling Customer opting to enter into Power Purchase Agreements with Independent Power Producers.
- (1) Stand-by Power Tariff. A Stand-by Power Tariff shall be available to any Wheeling Customer purchasing power from an Independent Power Producer when (a) the Independent Power Producer fails to meet the Wheeling Customer's load for any given period; or (b) the Wheeling Customer draws power from the Electric Power System in excess of their Power Purchase Agreement. The standby tariff shall include the formula by which standby charges are calculated among other relevant terms that the Energy Bureau may specify in an order.
 - (2) Partial Requirements Power Tariff. The Partial Requirements Power Tariff shall be available to any Wheeling Customer purchasing less than their full electric power requirements from an Independent Power Producer. Tariffs shall specify proposed rates including any minimum or maximum purchase requirements among other relevant terms that the Energy Bureau may specify in an order.
- B) The terms and conditions of the Stand-By Power and Partial Requirements Power Tariffs shall specify when the Wheeling Customer may opt to return to the then existing applicable tariff available to customers served directly by the Provider of Last Resort.
- C) The Provider of Last Resort shall file the Standby and Partial Requirements tariffs setting forth the terms and conditions for service for the Energy Bureau's approval. In establishing the tariffs, the Energy Bureau will ensure that costs associated with wheeling do not affect in any way whatsoever nonsubscribers of wheeling services.

ARTICLE 3.- RESPONSIBILITIES OF INDEPENDENT POWER PRODUCERS

Section 3.01.- Applicability.

This section establishes the responsibilities of any Independent Power Producer seeking to supply power to a Wheeling Customer through a Power Purchase Agreement .

Section 3.02.- Wheeling Services Agreement Requirement.

An Independent Power Producer must have an approved Wheeling Services Agreement with the Provider of Last Resort prior to delivering power to a Wheeling Customer pursuant to a Power Purchase Agreement.

Section 3.03.- Certification.

Any Independent Power Producer who intends to sell power through a Power Purchase Agreement to a Wheeling Customer shall file a certification application that must be approved by the Energy Bureau, pursuant to the provisions of Regulation 8701, or any subsequent regulation to those effects, prior to providing any such services.

Section 3.04. Metering and Billing.

The Independent Power Producer may offer to meter the power usage of a Wheeling Customer with which they have a Power Purchase Agreement and to bill such Wheeling Customer for power, consistent with the terms and conditions of their Power Purchase Agreement.

Section 3.05. Default.

In the event that the Independent Power Producer defaults on the delivery of power committed in a Power Purchase Agreement by failing to provide power consistent with the terms and conditions of the Power Purchase Agreement for any given period, the Independent Power Producer shall be responsible for compensating the Wheeling Customer to account for any shortfall in the difference between the rates and terms of the Power Purchase Agreement and the tariff rate paid for the replacement power by the Wheeling Customer to the Provider of Last Resort.

ARTICLE 4.- WHEELING SERVICES AGREEMENT

Section 4.01.- Applicability.

The Provider of Last Resort and the Independent Power Producer with an approved Wheeling Services Agreement Application shall enter a Wheeling Service Agreement prior to commencing wheeling services.

Section 4.02.- Stakeholders Input Process.

Within forty five (45) days of the adoption of this Regulation, the Energy Bureau shall convene a stakeholder technical workshop or series of workshops for purposes of requesting input on the development of the standard Wheeling Services Agreement. Upon completing the stakeholder input process, the Energy Bureau will issue an order establishing the parameters the Provider of Last Resort will use in the development of a draft standard Wheeling Services Agreement, in accordance with Section 4.03 of this Regulation.

Section 4.03.- Wheeling Services Agreement Draft.

Within sixty (60) days of issuance of the Energy Bureau Order described in Section 4.02 of this Regulation, the Provider of Last Resort shall propose, for Energy Bureau approval, a standard Wheeling Services Agreement. The Wheeling Services Agreement shall cover standard electric industry wheeling terms and conditions and shall explicitly address at least the following:

- A) Terms, conditions, and charges for wheeling service;
- B) Authorized form of wheeling instruction;
- C) A description of the settlement process for under- and over-deliveries on either a daily or monthly basis or based the wheeling instruction;
- D) The process for addressing any default in the provision of energy to an end-use customer; and
- E) Any other parameter established by the Energy Bureau through order.

Section 4.04.- Wheeling Services Agreement Application Form.

- A) Within sixty (60) days of issuance of the Energy Bureau Order described in Section 4.02 of this Regulation, the Provider of Last Resort shall submit, for Energy Bureau approval, a draft of the proposed Wheeling Service Agreement application form. Such draft may contain the following requirements:
 - 1) Geographic location of the Independent Power Producer's generation facility;
 - 2) Quantity of power to be wheeled;
 - 3) Requested injection and export points for the power on the Electric Power System;

- 4) Anticipated Wheeling Customer to be served under a Power Purchase Agreement, if available;
 - 5) Proposed interconnection point;
 - 6) Proposed commencement date and anticipated duration of the wheeling;
 - 7) Any other information necessary for the implementation of this Wheeling Regulation; and
 - 8) Any other information required by the Energy Bureau through order.
- B) The proposed form draft shall specify that, upon request from the Independent Power Producer, the Provider of Last Resort will designate, handle and treat as confidential the information included in the application which was specifically identified by the Independent Power Producer to that effect.

Section 4.05.- Nonrefundable Fee.

Within sixty (60) days of issuance of the Energy Bureau Order described in Section 4.02 of this Regulation, the Provider of Last Resort shall propose, for Energy Bureau approval, a nonrefundable fee to be paid by the applying Independent Power Producer upon submission of a Wheeling Services Agreement application form. Such fee shall be set by the Energy Bureau for no more than is necessary to ensure that costs associated with processing the application do not affect in any way whatsoever nonsubscribers of wheeling services.

Section 4.06.- Energy Bureau Review.

The Energy Bureau shall approve, disapprove, or modify the proposed standard Wheeling Services Agreement, the proposed Wheeling Agreement Application Form and the proposed Nonrefundable Fee. In its evaluation process, the Energy Bureau will consider any comments provided by the public. In considering any term or condition, the Energy Bureau will ensure that costs associated with wheeling do not affect in any way whatsoever nonsubscribers of wheeling services.

ARTICLE 5.- POWER PURCHASE AGREEMENTS

Section 5.01.- Development of a Standard Power Purchase Agreement.

Within forty five (45) days of the adoption of this Regulation, the Energy Bureau shall convene a stakeholder technical workshop or series of workshops for purposes of requesting input on the development of a standard Power Purchase Agreement. Upon completing the stakeholder input process, the Energy Bureau will issue an order establishing the parameters the Independent Power Producers will use for the drafting of Power Purchase Agreements. The Energy Bureau will consider any comments provided by the public

regarding the standard Power Purchase Agreement. In considering any term or condition, the Energy Bureau will ensure that costs associated with wheeling do not affect in any way whatsoever nonsubscribers of wheeling services.

Section 5.02.- Standard Power Purchase Agreement.

All Power Purchase Agreements must contain, at a minimum, the clauses and provisions, as well as comply with the parameters and instructions, established by the Energy Bureau through order.

ARTICLE 6.- WHEELING SERVICES AGREEMENT APPLICATION PROCESS

Section 6.01.- Applicability.

Any certified Independent Power Producer connected, or intending to interconnect, to the Electric Power Grid to wheel power to a Wheeling Customer pursuant to a Purchase Power Agreement, must submit a Wheeling Service Agreement application before the Provider of Last Resort, using the application form approved by the Energy Bureau. Such application must be approved by the Provider of Last Resort prior to commencing the supply of power to an Wheeling Customer pursuant to a Power Purchase Agreement.

Section 6.02.- Wheeling Services Agreement Application Review Process.

- A) Within thirty (30) days of the filing of the Wheeling Services Agreement Application by the Independent Power Producer, the Provider of Last Resort shall determine if it is complete. A Wheeling Services Agreement Application shall be deemed complete by the Provider of Last Resort if it includes all the information required in the corresponding application form.
- B) If the Provider of Last Resort deems a Wheeling Services Agreement Application incomplete, the Provider of Last Resort shall notify the Independent Power Producer in writing (i) the specific areas in which the filing is deficient and the information required to correct such deficiencies; and (ii) state that the Independent Power Producer has up to sixty (60) days from the date of the notification to correct the identified deficiencies.
- C) Within thirty (30) days of the filing of the corrected documents, the Provider of Last Resort shall evaluate them for completeness. The Provider of Last Resort shall notify its determination in writing to the Independent Power Producer within the same 30-day period.
- D) The Provider of Last Resort shall evaluate the Wheeling Services Agreement application within a term of sixty (60) days from the date it determined the Wheeling Services Agreement application was complete. The Provider of Last Resort

shall notify its final determination in writing to the Independent Power Producer within the same 60-day period.

Section 6.03.- Appeal to the Energy Bureau.

If an Independent Power Producer is not satisfied with the Provider of Last Resort's determination with respect to its Wheeling Services Agreement application, the Independent Power Producer may appeal such determination before the Energy Bureau within thirty (30) days of the date the determination was notified to the Independent Power Producer.

ARTICLE 7.- WHEELING RATES

Section 7.01.- Wheeling Rates.

The Energy Bureau shall review and approve the rates that the Provider of Last Resort may charge Independent Power Producers for the use of the transmission and/or distribution system to deliver power pursuant to a Purchase Power Agreement to a Wheeling Customer.

Section 7.02.- Wheeling Rates Procedure.

The Energy Bureau will establish through Order the procedure to determine the Wheeling Rates, in accordance with applicable Regulations. Such procedure will require the unbundling of the costs associated with the generation, transmission, and distribution functions of the PREPA system. In establishing the Wheeling Rates procedure, the Energy Bureau shall ensure that costs associated with wheeling do not affect in any way whatsoever nonsubscribers of wheeling services.

ARTICLE 8.- RECONSIDERATION AND JUDICIAL REVIEW

Section 8.01.- Reconsideration.

Any person who is not satisfied with a decision made by the Energy Bureau under this Regulation may file, within the term of twenty (20) days from the date copy of the notice of such decision is filed by the Energy Bureau's Clerk, a request for reconsideration before the Energy Bureau wherein the petitioner sets forth in detail the grounds that support the request and the decisions that, in the opinion of the petitioner, the Energy Bureau should reconsider.

Section 8.02.- Judicial Review.

Any person dissatisfied with a final decision of the Energy Bureau under this Regulation may, within thirty (30) days from the date copy of notice of a final decision addressing a request for reconsideration is filed by the Energy Bureau's Clerk, or within thirty (30) days from the date copy of the notice of an Energy Bureau final decision is filed by the Energy Bureau's Clerk, if a request for reconsideration has not been filed, appear before the Puerto Rico Court

of Appeals by way of writ of judicial review, pursuant to Section 4.2 of the LPAU and the applicable Rules of the Court of Appeals.