

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

NEPR

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IN RE:

**REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY
INTEGRATED RESOURCE PLAN**

CASE NO.:

CEPR-AP-2018-0001

SUBJECT:

Motion to Show Cause

**MOTION TO SHOW CAUSE AND IN COMPLIANCE
WITH ORDER ENTERED ON DECEMBER 6, 2019**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority through the undersigned legal representation and respectfully sets forth and pray:

1. On November 26, 2019, the Not-for-Profit Entities (the “NFP”) filed a *Motion Requesting Order to PREPA Concerning Alleged Grid Modernization Plan* (the “NFP Motion”). The NFP Motion argues that the Puerto Rico Governor and the Puerto Rico Electric Power Authority (PREPA)’s Executive Director have presented to the public a plan called the Grid Modernization Plan (the “Grid Mod Plan”) and that, although the Grid Mod Plan impacts the draft Integrated Resource Plan (IRP), it has not been included in the process followed in the case of caption. NFP requests the Puerto Rico Energy Bureau (the “Energy Bureau”) to order PREPA to submit the Grid Mod Plan as an amendment to the IRP or, in the alternative, order PREPA to explain why it has not included the Grid Mod Plan’s proposals in the draft IRP for further consideration. On December 6, 2019, the Energy Bureau ordered PREPA to “show cause as to why the Energy Bureau should not order PREPA to submit the Grid Mod Plan proposal as an amendment to the IRP.” *See Order dated December 6, 2019.*

2. The Grid Mod Plan was developed to serve as a roadmap for the Government of Puerto Rico in working with the Federal Emergency Management Agency (FEMA) to fund the repairing and reconstruction in the energy sector and initiate FEMA's associated program's funding activities¹. As such, the Grid Mod Plan provides guidance related to sources of funds and time lines of suggested investments and improvements. On the other hand, the IRP is a law-mandated and regulated plan that must be updated every three years. The IRP fundamentally consists of detailed planning process, considering all reasonable resources available, or that will become available, to satisfy demand for electrical services over a twenty (20) year planning horizon, including resources related to energy supply and demand. Given the effects of Hurricane Maria, the draft IRP submitted for the Energy Bureau's consideration and approval also provides additional considerations for resiliency, reliability and stability of the power system.

3. On the other hand, when compared to the draft IRP, the Grid Mod Plan has a more extensive, high level scope. The Grid Mod Plan covers, not only energy system infrastructure needs, it also presents plans for energy system technology and management transformation. In the areas where both Energy System Modernization Plan (the "ESM Plan") and draft IRP overlap, precedence is granted to the IRP, particularly in the areas of generation and transmission and distribution investment plans.

4. In the elaboration of the draft IRP, PREPA developed several scenarios, strategies and sensitivities to study a broad range of portfolios related to generation resources. Additionally, PREPA considered the ESM Plan. The ESM Plan is a derivative of the draft IRP Scenario 4 with the stated purpose of expediting the implementation of a resilient resource plan using procurement

¹ Grid Modernization Plan for Puerto Rico, p. vii. Available at https://www.recovery.pr/documents/Grid%20Modernization%20Plan_2019-%20Nov%202022.pdf

options presented by the Public Private Partnership Authority. Also, the ESM Plan contains provisions for development activities that, should actual load be higher than the IRP's forecast, will allow PREPA to install new economic and resilient generation resources. The ESM Plan was analyzed and compared on an equal footing with the other scenarios. It is the ESM Plan's scenario the one used for the Grid Mod Plan generation plan².

5. The IRP also identifies transmission and distribution's investment projects to bring the existing facilities to new codes and standards (resiliency), as well as hardening of transmission lines and substations for mini grid operations. The action plan developed for the execution of these projects has been used as a foundation to what is presented in the Grid Mod Plan.

6. Furthermore, the Grid Mod Plan recognizes that PREPA has developed the draft IRP pursuant to the Transformation and Energy Relief Act³ and the Energy Bureau's regulations in order to guide its near, intermediate and long-term resource development. In this sense, PREPA has been actively engaged with the Energy Bureau, industry and community stakeholders to address their concerns during the current evaluation process. As the IRP is the official resource plan for PREPA and Puerto Rico, the Grid Mod Plan recommendation, implementation and execution will be adjusted based on the final plan approved by the Energy Bureau⁴.

WHEREFORE, the Puerto Rico Electric Power Authority requests the Energy Bureau to find PREPA in compliance with the Order entered on December 6, 2019.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 16th day of December 2019.

² *Id.* at p. 54.

³ Approved May 27, 2014.

⁴ *Id.* at p. 113.

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CERTIFICATE OF SERVICE

It is hereby certified that, on this same date I have filed the above motion using the Energy Bureau's Electronic Filing System, at the following address: <http://radicacion.energia.pr.gov> and that a courtesy copy of the filing was sent via e-mail to: sierra@arctas.com; tonytorres2366@gmail.com; cfl@mcvpr.com; gnr@mcvpr.com; info@liga.coop; amaneser2020@gmail.com; hriviera@oipc.pr.gov; jriviera@cnslpr.com; carlos.reyes@ecoelectrica.com; ccf@tcmrslaw.com; manuelgabrielfernandez@gmail.com; acarbo@edf.org; pedrosaade5@gmail.com; rmurthy@earthjustice.org; rstgo2@gmail.com; larroyo@earthjustice.org; jluebkmann@earthjustice.org; acasellas@amgprlaw.com; loliver@amgprlaw.com; epo@amgprlaw.com; robert.berezin@weil.com; marcia.goldstein@weil.com; jonathan.polkes@weil.com; gregory.silbert@weil.com; agraitfe@agraitlawpr.com; maortiz@lvprlaw.com; rnegron@dnlawpr.com; castrodieppalaw@gmail.com; voxpopulix@gmail.com; paul.demoudt@shell.com; javier.ruajovet@sunrun.com; escott@ferraiuoli.com; SProctor@huntonak.com; GiaCribbs@huntonak.com; mgrpcorp@gmail.com; aconer.pr@gmail.com; axel.colon@aes.com; rtorbert@rmi.org; apagan@mpmlawpr.com; mpietrantoni@mpmlawpr.com.

In San Juan, Puerto Rico, this 16th day of December, 2019.

s/ Katuska Bolaños
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