

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

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IN RE:

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

CASE NO.:

CEPR-AP-2018-0001

SUBJECT:

PREPA's Corrected Rebuttal Testimony of
Nelson Bacalao Ph. D. in Support of
PREPA's Draft Integrated Resource Plan.

MOTION IN COMPLIANCE WITH ORDER DATED JANUARY 24, 2020

TO THE 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 December 24, 2019, PV Properties, Inc., Coto Laurel Solar Farm, Inc. and Windmar Renewable Energy, Inc. (collectively, "Windmar") filed a motion requesting the Puerto Rico Electric Power Authority (PREPA) to clarify an answer provided by Nelson Bacalao Ph. D. ("Dr. Bacalao") in his rebuttal testimony dated December 20, 2019. Specifically, Windmar requested clarification as to a "Q" at the beginning of line 295 and also, a clarification in the response that begins in line 295 and onwards, in particular to line 302.
2. On January 15, 2020, the Energy Bureau of the Puerto Rico Service Regulatory Board (the "Energy Bureau") issued a *Resolution and Order* directing PREPA to express its position with regards to Windmar's request for clarification.
3. In compliance with the Energy Bureau's orders, PREPA discussed Windmar's observations with Dr. Bacalao and he determined that a correction and revision to his rebuttal testimony was warranted. Dr. Bacalao revised his testimony to address Windmar's concerns as

these revisions provide clarity to his arguments. The corrected version of Dr. Bacalao's rebuttal testimony was submitted to the Energy Bureau on January 20, 2020.

4. On January 24, 2020, the Energy Bureau issued a *Resolution and Order* directing PREPA to explain the nature and purpose of the corrected version of Dr. Bacalao's rebuttal testimony and to detail any changes between the December 20, 2019 and the January 20, 2020 versions of his testimony.

5. The changes between Dr. Bacalao's December 20 and January 20 testimonies are detailed in Exhibit I to this motion. As the attached redline version shows, the revisions to Dr. Bacalao's testimony do not change the substance of his testimony. The revisions address Windmar's concerns and provide clarity to Dr. Bacalao's statements in his rebuttal testimony.

WHEREFORE, the Puerto Rico Electric Power Authority requests the Energy Bureau to note the above-mentioned and find PREPA in compliance with the January 24, 2020 Resolution and Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 28th day of January, 2020.

/s Katuska Bolaños
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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; jluebkekmann@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; castrodiéppalaw@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 28th day of January, 2020.

s/ Katuska Bolaños
Katuska Bolaños

289 Q. **The Local Environmental Organizations assert, through their witness Irizarry-**
290 **Rivera (at 6-7, 10-16), that the LCOE calculated using “current Puerto Rico cost”**
291 **results in a LCOE in 2019 of 7.8¢/kWh, “almost half of the cost calculated by**
292 **Siemens/PREPA of 15.3¢/kWh.” Do you accept this calculation?**

293 A. No, I do not.

294 Q. **Why not?**

295 A. Dr. Irizarry-Rivera is making a comparison with our estimation of residential roof top
296 photovoltaic generation rather than the utility scale generation in which the IRP is based.
297 The differences between Dr Irizarry-Rivera and our estimation of the cost of residential
298 roof-top solar can be probably traced back to differences in financing assumptions that can
299 be debatable. However this is beside the point, the most fundamental flaw that we find with
300 this assessment, regardless of the fact if the said price can be achieved or not, is that it is
301 for residential rooftop solar installations, rather than utility-scale photovoltaic installations
302 that can be financed, acquired, installed, maintained and operated in a manner that
303 will ensure, when integrated with storage and thermal installations, that the capacity and
304 energy which Puerto Rico will need will actually be available as and when required to
305 satisfy the customers’ demands. In other words, PREPA cannot prudently plan the system
306 relying on customer owned generation that may or may not appear in the amounts
307 required and that Dr. Irizarry-Rivera envisions, which would require thousands of
308 individuals and entities to undertake a number of complex and costly actions to
309 commit to the financing and installation of solar and battery facilities within the
310 next few years. If they do not, the required capacity will simply not be available, and
311 PREPA will have to obtain the required capacity and energy from other resources.

Utility planning simply cannot depend on the