

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: Motion to Show Cause
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REPLY TO PREPA'S MOTION TO SHOW CAUSE AND IN COMPLIANCE WITH
ORDER ENTRED ON DECEMBER 6, 2019

TO THE ENERGY BUREAU:

NOW COME, INSTITUTO DE COMPETITIVIDAD Y SOSTENIBILIDAD
ECONÓMICA DE PUERTO RICO (ICSE-PR) represented by appearing counsel and
respectfully allege and pray:

1. On November 26, 2019 the "Not for Profit Entities" filed a motion titled:
"MOTION REQUESTING ORDER TO PREPA CONCERNING ALLEGED GRID
MODERNIZATION".

2. The motion stated:

"On October 24 the, 2019 Governor of Puerto Rico, the Honorable Wanda
Vázquez and Mr. José Ortiz, Executive Director of PREPA jointly
announced a plan they called Grid Modernization (MOD). This plan was
presented in a press conference where "slides" were shown (included as
Exhibit 1, 10 pages).

To the best of our knowledge the Grid Modernization Plan although it
obviously impacts the IRP, has not been included in the current IRP process
pending before this Bureau, as an amendment or in any other manner.

It is obvious that the MOD project includes investments, actions and
projects which must be part of the IRP in accordance with Law 57 of 2014.
Law 57 is clear that actions, as those presented in the MOD proposal, must
be included and considered as part of the IRP."

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3. On December 6th, 2019 The Bureau entered an order stating:

“The Energy Bureau ORDERS PREPA to, within ten (10) days from the notification date of this Order, 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.”

4. PREPA has answered the show cause order by a motion submitted on December 17, 2019, and PREB has ordered the “Not For Profit Entities” to submit its position regarding PREPA’s motion.

5. PREPA’s motion is at least amazing for it certainly does not show cause as required the PREB’s order for anything. It states at the end of the motion that the PREB should “find PREPA in compliance with the ordered entered on December 6, 2019.”

6. The problem with this statement by PREPA, is that the motion says nothing. There is no explanation or pretention of explanation on way “the Energy Bureau should not order PREPA to submit the GRID MOD Plan as an amendment to the IRP”.

7. PREPA recognizes and PREB order to the NFPE calls the attention to the following statements that:

“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 investment and improvements....
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

¹ Grid Modernization Plan for Puerto Rico, p. vii. Available at https://www.recovery.pr/documents/Grid%20Modernization%20Plan_2019%20Nov%2022.pdf

overlap, precedence is granted to the IRP, particularly in the areas of generation and transmission and distribution investment plans.”

What is important is that the information provided by PREPA, in particular the statements to which PREB called attention are IRP elements, to be considered in the IRP, not determinations outside of the IRP framework.

8. PREPA add:

“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 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 plan.²

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. 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 Bureau.⁴”

² Id. At p. 54.

³ Approved May 27, 2014.

⁴ Id. At p. 113.

PREPA accepts that the Grid Mod Plan is different than the IRP. In particular the implementation timeframe and the Cost by category in the Mod Plan differ from the submitted IRP. The IRP document is the one being evaluated and to be adjudicated under the IRP process.

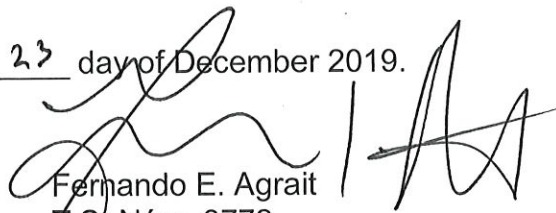
9. PREPA's statement that the PREB should find PREPA in compliance, by indicating that the Grid Mod Plan will be modified as needed after a decision on the IRP process, should be read as stating that PREPA is admitting that the Grid Mod Plan needs to be an amendment to the IRP.

WHEREFORE, ICSE respectfully request for this Bureau to order PREPA to submit an amended IRP incorporating with the Mod Plan.

CERTIFICATE OF SERVICES

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 a courtesy copy of the filing was sent via email to: sierra@arctas.com; tonytorres2366@gmail.com; cfl@mcvpr.com; gnr@mcvpr.com; info@liga.coop; amaneser2020@gmail.com; hrivera@oipc.pr.gov; jrivera@cnslpr.com; carlos.reyes@ecoelectrica.com; ccf@tcmrslaw.com; manuelgabrielfernandez@gmail.com; acarbo@edf.org; pedrosaade5@gmail.com; rmurthv@earthjustice.org; rstgo2@gmail.com; larroyo@earthjustice.org; jluebkemann@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; maortiz@lvprlaw.com; rnegron@dnlawpr.com; castrodieppalaw@gmail.com; voxpathulix@gmail.com; paul.demound@shell.com; javier.ruajovet@sunrun.com; escott@ferraiuoli.com; mgrpcorp@gmail.com; aconer.pr@gmail.com; axel.colon@aes.com; rtorbert@rmi.org; kbolanos@diazvaz.law; n-vazquez@aeepr.com; SProctor@huntonak.com; GiaCribbs@huntonak.com; apagan@mpmlawpr.com; mpietrantoni@mpmlawpr.com.

In San Juan, Puerto Rico, this 23 day of December 2019.



Fernando E. Agrait

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