

**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: Evidentiary Hearing Format and
Guidelines; Appointment of Hearing
Examiner.

RESOLUTION

I. Introduction

On July 3, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order in the instant case regarding the Integrated Resource Plan ("IRP") Filing presented by the Puerto Rico Electric Power Authority ("PREPA") on June 7, 2019 ("July 3 Order"). Through the July 3 Order, the Energy Bureau determined that PREPA complied with the requirements established on Regulation 9021 with respect to PREPA's Filing.¹ Additionally, the Energy Bureau issued the Procedural Calendar for the instant case.

On December 13, 2019, the Energy Bureau issued a Resolution and Order ("December 13 Order"), through which it modified the Procedural Calendar and established that it will hold an Evidentiary Hearing, beginning at 8:00 a.m. on Monday, February 3, 2020 until February 7, 2020 at the Energy Bureau's Hearing Room, located at World Plaza Building, 268 Muñoz Rivera Ave., 8th Floor, San Juan, Puerto Rico. The Evidentiary Hearing shall be extended for the period of time the Energy Bureau deems appropriate.

Due to the technical nature of the hearing, it will be conducted in the English language, with simultaneous translation to the Spanish language. This shall not prevent the witnesses to present their arguments or answer questions in the Spanish language. All participants must conduct themselves efficiently and in full compliance with the procedures set forth herein or established by the Energy Bureau at a later date.

In order to facilitate a thorough evaluation of the IRP, the Energy Bureau establishes these guidelines, which will apply to all participants in the Evidentiary Hearing. The purpose of this Evidentiary Hearing, and of the guidelines established herein, is to enable the Energy Bureau to conduct an effective and efficient process, while giving all parties a reasonable opportunity to question witnesses. It is the Energy Bureau's intention to establish a productive and effective conversation through this process in which the parties are able to inform and educate the Energy Bureau in order to put it in a position to make a determination on the matter at hand.

¹ Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority, April 24, 2018.

II. Appointment of Hearing Examiner

Pursuant to Article 6.11 of Act 57-2014² and the provisions of Act 38-2017,³ the Energy Bureau hereby appoints Dennis Seilhamer, *Esq.* as hearing examiner for the Evidentiary Hearing. As such, attorney Seilhamer shall have the power and the responsibility to preside over the Evidentiary Hearing, to administer oaths and to receive documents.

III. Technical Hearing Format and Schedule

The Energy Bureau organized the questioning of the witnesses by subject-matter panels. The Energy Bureau established the composition of the panels, which is included as Exhibit A of this Resolution. Exhibit A contains a list of the panels, the issues, the required witnesses who will be appearing on each panel and the date and duration for each panel. **The Energy Bureau will strictly adhere to the time allocated to each panel.** The identified witnesses are expected to be able to respond to cross-examination of his/her sponsored testimony, sponsored discovery responses, or technical conference statements pertaining to each topic area.

The list of topics or issues to be addressed during each panel is not exhaustive and may be modified at the Energy Bureau's discretion. Moreover, while some topic area overlap is to be expected, questioners will be expected to stay within the rough bounds of the topic area for each panel.

If a witness is unavailable for a designated panel, it is the responsibility of the pertaining party to inform the Energy Bureau through a timely filed motion. In such motion, the party will express the reasons for the unavailability and propose an alternative date for the witness to be available for examination. If a witness fails to attend a designated panel, the Energy Bureau may take all necessary administrative actions, including but not limited to, strike the witness' testimony from the record.

IV. Witness Examination

Each panel will consist of questions directed at specific witnesses. Witnesses will not read their testimonies nor make an opening statement. All panels will begin with questions by the Energy Bureau to the witnesses, followed by questions from intervenors and lastly questions from PREPA.

All parties may ask any question to other intervenors' witnesses, regardless of whether such question is traditional cross-examination or "amicable" cross-examination.

² Puerto Rico Energy Transformation and RELIEF Act, as amended.

³ Uniform Administrative Procedures Act of the Government of Puerto Rico.



However, any “amicable” cross-examination of an intervenor’s witness may only be for purposes of clarification or to educate the Energy Bureau and the parties. Redirect examination will be permitted at the Energy Bureau’s discretion and only if there is time remaining on that particular panel.

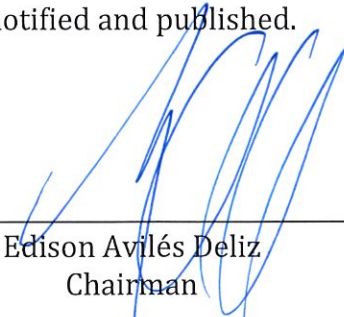
With respect to questions asked by PREPA or intervenors, **only one attorney** from each party may question a particular person during a specific panel. However, **different attorneys from a party may ask questions provided they are addressed during a different panel.** Once an attorney asks questions in a specific panel, no changes in said party’s attorney will be allowed. Intervenors must refrain from asking repetitive questions which were already asked during the proceeding; however, they may reference such questions if the latter question is related to their line of questioning and will not elicit a repetitive answer. All parties will have a minimum of five (5) minutes per panel to question the panel witnesses. Additional time will be allowed at the Energy Bureau’s discretion, but always within the allotted time for the specific panel.

In answering questions, all persons must refrain from repeating answers previously given. Their response must be succinct but sufficient to adequately answer each question. Only the person to whom a question is addressed may answer that question.

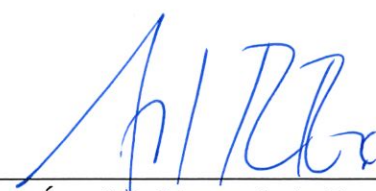
V. Closing Arguments

Should there be sufficient time on the final day of the hearings, the Energy Bureau may provide, at its discretion, an opportunity for each party to present closing arguments. The Energy Bureau will determine the order of such statements during the course of the hearing.


Be it notified and published.



Edison Avilés Deliz
Chairman



Ángel R. Rivera de la Cruz
Associate Commissioner



Lillian Mateo Santos
Associate Commission




Ferdinand A. Ramos Soegaard
Associate Commissioner



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on January 17, 2020. I also certify that on January 17, 2020 a copy of this Resolution was notified by electronic mail to: astrid.rodriguez@prepa.com, jorge.ruiz@prepa.com, n-vazquez@aeep.com, c-aquino@prepa.com, mvazquez@diazvaz.law, kbolanos@diazvaz.law, acarbo@edf.org, javier.ruajovet@sunrun.com, pedrosaade5@gmail.com, rmurthy@earthjustice.org, carlos.reyes@ecoelectrica.com, ccf@tcmrslaw.com, victorluisgonzalez@yahoo.com, mgrpcorp@gmail.com, hriviera@oipc.pr.gov, jriversa@cnspr.com, manuelgabrielfernandez@gmail.com, acasellas@amgprlaw.com, corey.brady@weil.com, maortiz@lvprlaw.com, rnegron@dnlawpr.com, paul.demoudt@shell.com, escott@ferraiuoli.com, sproctor@huntonak.com, agraitfe@agraitlawpr.com, castrodieppalaw@gmail.com, voxpulix@gmail.com, cfl@mcvpr.com, sierra@arctas.com, tonytorres2366@gmail.com, info@liga.coop, amaneser2020@gmail.com, mpietranтони@mpmlawpr.com, apagan@mpmlawpr.com.

I sign this in San Juan, Puerto Rico, today January 17, 2020.


Wanda I. Cordero Morales
Clerk



**EXHIBIT A – PANEL DESCRIPTION FOR
EVIDENTIARY HEARING
CASE NO. CEPR-AP-2018-0001**



**Panel A:
January 2020 Earthquakes' Effect on Existing Resources and Core IRP Elements**

Issues:

1. Costa Sur 5&6 / EcoEléctrica power plants – status of operation, expected repairs/return-to-service/closure if/as applicable;
2. Fuel import at Peñuelas;
3. San Juan area generation;
4. Southeast area generation;
5. Other generation conditions if/as applicable;
6. Condition of recently replaced/repared assets after Hurricanes Maria and Irma – Transmission and Distribution – and general T&D system condition following earthquakes.

Date and Time: Monday, February 3, 2020; 8:00 a.m. – 11:00 a.m.

Witnesses: José F. Ortiz Vázquez, Efran Paredes Maisonet, Alfonso Baretty-Huertas, Nelson Bacalao (PREPA)

**Panel B:
Existing PREPA and Contract Resources and Related Issues**

Issues:

1. Generation – general - attributes, cost components;
2. EcoEléctrica new PPOA;
3. AES fuel conversion;
4. San Juan 5&6 conversion update;
5. Retirement Schedules / MATS compliance / Other environmental compliance;
6. Transmission – current condition, to the extent not covered in Panel A;
7. Distribution – current condition, to the extent not covered in Panel A.

Date and Time: Monday, February 3, 2020; 11:00 a.m. – 3:00 p.m. (break for lunch from 12:00 p.m. to 1:00 p.m.).

Witnesses: Efran Paredes Maisonet, Alfonso Baretty-Huertas, Nelson Bacalao, Todd Filsinger, Matthew Lee (PREPA); Daniel Gutman (Local Environmental Organizations); Ronald Moe, Kristina Lund (AES-PR).

Panel C:
Fuel Prices and Fuel Infrastructure and New Gas Resources

Issues:

1. New Fortress Energy prices;
2. LNG prices – South/East/West;
3. Oil/propane prices;
4. LNG infrastructure land / ship;
5. Naturgy contract delivery locations;
6. New combined cycle (CC) gas units;
7. New gas peakers;
8. RICE units;

Date and Time: Monday, February 3, 2020; 3:00 p.m. – 6:00 p.m.

Witnesses: Efran Paredes Maisonet, Nelson Bacalao, Peter Hubbard, James Bowe (PREPA); Brian T. Fladger (Wartsila); Ramón González Simounet (Empire Gas).

Panel D:
Load Forecast, Energy Efficiency (EE) and Demand Response (DR) as Resources

Issues:

1. Historical and forecast peak demand and energy;
2. Forecast methodology;
3. Analysis of forecasts – base/low/high, and varying levels of EE;
4. Effect of EE and system losses on forecast energy and peak demand requirements;
5. Impact of electric vehicles (EV) on energy and peak demand requirements;
6. Benefit/Cost analysis of EE, DR resources;
7. Impact of EE and DR projections on supply-side resource planning outcomes;
8. Expected procurement processes and intended acquisitions - EE and DR.

Date and Time: Tuesday, February 4, 2020; 8:00 a.m. – 12:00 p.m.

Witnesses: Efran Paredes Maisonet, Nelson Bacalao (PREPA); Elizabeth Stanton (EDF); Ronny Sandoval (Local Environmental Organizations); Eric Ackerman (Not for Profit Intervenors); Patrick J. Wilson (SESA-PR); Gerardo Cosme Muñiz (OIPC).





Panel E:
Solar PV and Energy Storage Resources – Utility scale and Distributed Generation (DG) scale

Issues:

1. DG resources – solar PV – attributes and costs;
2. DG resources – battery storage – attributes and costs;
3. DG resources – other – attributes and costs;
4. Utility scale solar– attributes and costs;
5. Utility scale battery – attributes and costs;
6. DG vs. utility-scale, solar and battery storage – comparative value and cost;
7. DG and utility scale resource impacts on resiliency goals;
8. Solar PV and battery storage (DG or utility scale) resource needs under microgrid/minigrid/island-wide constructs, effect on resource requirements.

Date and Time: Tuesday, February 4, 2020; 1:00 p.m. – 6:00 p.m.

Witnesses: Efran Paredes Maisonet, Nelson Bacalao, Todd Filsinger, Matthew Lee (PREPA); Elizabeth Stanton (EDF); Anna Sommer, Ronny Sandoval, Agustín Irizarry-Rivera (Local Environmental Organizations); Christopher Rauscher (Sunrun); Víctor González (Windmar); Patrick J. Wilson (SESA-PR); Eric Ackerman (Not for Profit Intervenors).

Panel F:
Transmission and Distribution System Documentation, Planning and Analysis – Including Minigrids / MicroGrids

Issues:

1. FEMA funding;
2. Hardening prioritization;
3. Ability to interconnect microgrids;
4. Ability to accommodate incremental penetration of DG;
5. Adequacy of planned Transmission, Distribution, systems to withstand natural disasters;
6. Transmission and distribution implications of PREPA Preferred Resource Plan;
7. Impact of PREPA minigrid vision on reserve requirements;
8. Optimization analyses and costs for minigrid concept;
9. Definition of critical loads, and valuation and computation of unserved energy, or “deemed not served” energy;
10. Promotion of microgrids in Preferred Resource Plan;
11. Rationale / authority / economic reasonableness / of proposed minigrid approach;
12. Alternatives/complements to minigrid approach.

Date and Time: Wednesday, February 5, 2020; 8:00 a.m. – 4:00 p.m. (break for lunch from 12:00 p.m. to 1:00 p.m.).

Witnesses: Efran Paredes Maisonet, Alfonso Baretty-Huertas, Nelson Bacalao, Todd Filsinger, Matthew Lee (PREPA); Ronny Sandoval, Agustín Irizarry-Rivera (Local Environmental Organizations); Eric Ackerman, Eric C. Woychik (Not for Profit Intervenors).

Panel G:
Other New Resources: onshore wind, offshore wind, hydro

Issues:

1. Onshore wind;
2. Offshore wind;
3. Hydro Resources.



Date and Time: Wednesday, February 5, 2020; 4:00 p.m. – 6:00 p.m.

Witnesses: Efran Paredes Maisonet, Nelson Bacalao (PREPA); Kevin Banister (Progression Energy); José O. Alemán (Not for Profit Intervenors).

Panel H:
Resource Plan Documentation and Development

Issues:

1. Modeling and scenario development;
2. Metrics (*e.g.*, NPV revenue requirements, reserve margin, ENS, RPS%, etc.);
3. PREPA's Preferred Resource Plan – composition, load and resource balance table, cash flow;
4. Mechanism and criteria used to select the Preferred Resource Plan;
5. Results of sets of resource plans – NPVRR;
6. Outcomes of sensitivity analyses – NPVRR;
7. Relevant comparisons across plans;
8. Robustness of Preferred Plan – sensitivity analyses;
9. Alternatives to PREPA Preferred Resource Plan;
10. WACC / Discount Rate.

Date and Time: Thursday, February 6, 2020; 8:00 a.m. – 4:00 p.m. (break for lunch from 12:00 p.m. to 1:00 p.m.).

Witnesses: Efran Paredes Maisonet, Nelson Bacalao, Marcelo Saenz (PREPA); Elizabeth Stanton (EDF); Anna Sommer (Local Environmental Organizations); Brian T. Fladger (Wartsila); Eric C. Woychik (Not for Profit Intervenors); Christopher Rauscher (Sunrun).

**Panel I:
Action Plan Documentation and Development, and Caveats**

Issues:

1. Action Plan development;
2. PREPA management approach to IRP implementation;
3. Procurement processes to implement Action Plan, and respective roles of PREPA, P3, and others;
4. Expected procurement processes – demand and supply side – underway or planned in Action Plan period;
5. Intended acquisitions of demand and supply side resources, and installations of transmission and distribution resources during the Action Plan period;
6. Potential locations and project magnitudes for utility-scale PV and battery resources installed during Action Plan period;
7. Preferred Resource Plan and Alternative Resource Plan common elements in the Action Plan: “no regrets” or “least regrets” elements of the Action Plan;
8. Accounting for environmental impacts during Action Plan period;
9. Action Plan alignment with regulatory requirements and statutory compliance with all relevant laws;

Date and Time: Thursday, February 6, 2020; 4:00 p.m. – 6:00 p.m.; Friday, February 7, 2020; 8:00 a.m. – 4:00 p.m. (break for lunch from 12:00 p.m. to 1:00 p.m.).

Witnesses: José F. Ortiz Vázquez,⁴ Efran Paredes Maisonet, Nelson Bacalao, Todd Filsinger, Matthew Lee (PREPA); Elizabeth Stanton (EDF); Anna Sommer, Ronny Sandoval, Agustín Irizarry-Rivera (Local Environmental Organizations); Eric Ackerman (Not for Profit Intervenors); Christopher Rauscher (Sunrun).

**Panel J:
Follow-up / Residual Topics**

Date and Time: Friday, February 7, 2020; 4:00 p.m. – 6:00 p.m.

Witnesses: Efran Paredes Maisonet, Nelson Bacalao, Todd Filsinger, Matthew Lee (PREPA); Elizabeth Stanton (EDF); Anna Sommer, Ronny Sandoval, Agustín Irizarry-Rivera (Local Environmental Organizations); Eric Ackerman (Not for Profit Intervenors); Christopher Rauscher (Sunrun).⁵

⁴ Mr. Ortiz will be required to appear for Panel I discussion on Friday, February 7, 2020, at 8:00 a.m. He is not required for the Thursday discussion.

⁵ The appearance of additional witnesses may be required and informed during the Evidentiary Hearing.

