

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:** PREPA's Urgent Request to Stay  
Proceedings, to Set Aside Procedural  
Calendar *Sine Die* and for Status Conference.

**RESOLUTION**

On January 20, 2020, the Puerto Rico Electric Power Authority ("PREPA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Urgent Request to Stay Proceedings, to Set Aside Procedural Calendar Sine Die and for Status Conference* ("Urgent Motion"). Through its Urgent Motion, PREPA states that the Costa Sur power plant ("Costa Sur Plant") experienced significant damages due to the January 7, 2020 earthquakes.<sup>1</sup> Furthermore, PREPA argues that current preliminary estimates are that it will take months to repair the damaged units and equipment of the Costa Sur Plant, which could remain offline for up to one year.<sup>2</sup>

According to PREPA, the proposed Integrated Resource Plan ("IRP") filed before the Energy Bureau on June 7, 2019, takes into consideration the Costa Sur Plant baseload generation as part of PREPA's generation fleet to supply the demand of PREPA customers.<sup>3</sup> PREPA argues that, based on the unexpected damage at the Costa Sur Plant, PREPA is required to strategize a plan forward, including making a thorough revision of the proposed IRP because it might have become obsolete.<sup>4</sup> PREPA expressed that it is unable to make an informed decision to the extent to any revision to the proposed IRP based on the ongoing damage assessment process. For this reason, PREPA requests the Energy Bureau to (1) grant a stay of the proceedings until March 31, 2020 to allow PREPA to assess its generation assets, plan for supplying the customers demand and baseload generation and to make a preliminary evaluation of potential revisions to the proposed IRP; and (2) schedule a status conference after the stay period to discuss with the Energy Bureau and intervenors the status of the evaluations and how the case can move forward.<sup>5</sup>

<sup>1</sup> Urgent Motion, p. 2.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*, p. 6.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*, p. 7.

On January 22, 2020, Windmar filed before the Energy Bureau a document titled *Opposition to PREPA's Request to Stay Proceedings* ("Opposition Motion"). In its Opposition Motion, Windmar expressed that "any potential amendments to the Draft IRP resulting from PREPA's assessment can be evaluated and incorporated into the final IRP as a part of its evaluation process."<sup>6</sup> According to Windmar, "all resource plans suffer continuous changes and are subject to the dynamic circumstances of reality."<sup>7</sup>

Moreover, Windmar argues that PREPA's Draft IRP included certain statements and determinations that makes the requested Stay unnecessary.<sup>8</sup> According to Windmar, such statements and determinations include PREPA's consideration in the IRP of the effect of future natural disasters; PREPA's identification of 39 existing generation units, with a total capacity of 5,010 MW; and PREPA's recommendation to retire Costa Sur Unit 5 in 2020 and Costa Sur Unit 6 in 2021, as stated in PREPA's preferred plan (*i.e.* the ESM Plan).<sup>9</sup> Based on this, Windmar requested the Energy Bureau to maintain the current calendar and deny PREPA's request to Stay.<sup>10</sup>

It is important to note that on January 15, 2020, the Not for Profit Intervenors filed a document titled *Solicitud Enmendada de Determinación sobre Calendario de Vistas del PIR* ("January 15 Motion"). On its January 15 Motion, the Not for Profit Intervenors expressed that, due to the earthquakes that have affected Puerto Rico since December 28, 2019, the Costa Sur generation plant has been shut down and that such shutdown may have a direct impact on the IRP.<sup>11</sup> The Not for Profit Intervenors argued that the administrative record of the instant case lacks information regarding the earthquake impacts on Costa Sur that could allow for its thorough evaluation.<sup>12</sup> For this reason, the Not for Profit Intervenors requested the Energy Bureau to postpone the IRP hearings and to provide a mechanism to obtain information regarding the impact of the Costa Sur shut down on the IRP.<sup>13</sup>

On January 17, 2020, the Energy Bureau issued a Resolution ("January 17 Resolution") through which it determined to maintain the current procedural calendar. As such, the Energy Bureau dismissed the January 15 Motion. Regarding the information pertaining to the status of the Costa Sur generation complex and the rest of the generation

<sup>6</sup> Opposition Motion, p. 1, ¶ 3.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*, p. 2, ¶ 4.

<sup>9</sup> *Id.*, pp. 2 – 3, ¶ 4.

<sup>10</sup> *Id.*, p. 3, ¶ 5.

<sup>11</sup> January 15 Motion, pp. 1 - 2, ¶¶ 1- 2.

<sup>12</sup> *Id.*, p. 2, ¶ 3.

<sup>13</sup> *Id.*, p. 2.



fleet in the aftermath of the earthquakes, the Energy Bureau expressed in the January 17 Resolution that the first panel at the Evidentiary Hearing (*i.e.* Panel A), scheduled for 8:00 a.m. – 11:00 a.m. on February 3, 2020, is designed to obtain such information.<sup>14</sup> Moreover, as the Energy Bureau stated in the December 13, 2019 Order issued in the instant case, it may, at its discretion, modify the duration of the Evidentiary Hearing.<sup>15</sup>

We reiterate that, if after the Energy Bureau and the intervenors examine the Panel A witnesses, the Energy Bureau determines that additional information, documentation and/or model runs are required to address the status of Costa Sur and the rest of PREPA's generation fleet, the Energy Bureau may schedule, in coordination with the intervenors and PREPA, additional days as part of the continuation of the Evidentiary Hearing.<sup>16</sup> The Energy Bureau may also issue additional resolutions in order to accomplish this.<sup>17</sup>

PREPA stated in the Urgent Motion that due to the loss of Costa Sur, it will be difficult to sustain reliable operations on the Island, because spinning reserve is tight.<sup>18</sup> PREPA's argument that this event might render "obsolete" the current IRP Draft lacks merit.<sup>19</sup> Even if additional analysis is required, it is not expected for the resource plans already presented in the Draft IRP to change in the medium and long term due to the situation at Costa Sur. As Windmar points out in the Opposition Motion, in the ESM Plan PREPA recommended to retire Costa Sur Unit 5 in 2020 and Costa Sur Unit 6 in 2021. Moreover, on almost all the remaining lower-cost resource plans (Scenarios 3 and 4) presented in the Draft IRP the Costa Sur units are retired between 2019 and 2021.<sup>20</sup> Therefore, a Stay of the IRP evaluation proceeding is not warranted at this time.

The Energy Bureau is aware of the hardships the people of Puerto Rico endured, or are still enduring, specially the residents of the municipalities most affected by the earthquakes. It is for this reason that today, more than ever, the Energy Bureau will continue

<sup>14</sup> January 17 Resolution, pp. 1 – 2. On January 17, 2020, the Energy Bureau issued a Resolution and Order in the instant case through which it established the February 3 - 7 Technical Hearing format and schedule. The hearing is divided into witness panels. The first panel will cover the topic "January 2020 Earthquakes' Effect on Existing Resources and Core IRP Elements". See Resolution and Order, In Re: Review of the Puerto Rico Electric Power Authority's Integrated Resources Plan, Exhibit A, *Panel Description for Evidentiary Hearing*, p. 1, Case No. CEPR-AP-2018-0001, January 17, 2020.

<sup>15</sup> See Resolution and Order, In Re: Review of the Puerto Rico Electric Power Authority's Integrated Resources Plan, Case No. CEPR-AP-2018-0001, December 13, 2019, p. 5.

<sup>16</sup> January 17 Resolution, p. 2.

<sup>17</sup> *Id.*

<sup>18</sup> Urgent Motion, p. 2.

<sup>19</sup> *Id.*, pp. 5 – 6.

<sup>20</sup> Exhibit 8-2: Summary of Retirements by Scenario, Strategy and Load Growth, IRP Main Report, Case No. CEPR-AP-2018-0001, June 7, 2019.

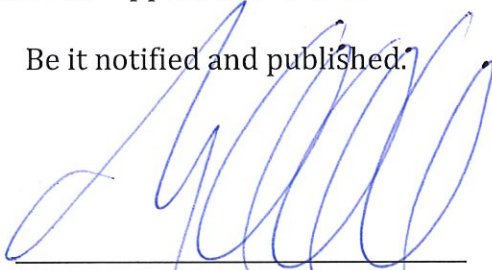


to promote all actions that are within its power that could help alleviate the affliction of our people in the South and Southwest of the island, placing special emphasis on those actions that promote a stable, efficient, sustainable and resilient electric grid.

Completing the IRP evaluation process in a timely manner is paramount for the transformation of the Puerto Rico energy sector and the Puerto Rico economic development. It also represents a crucial action that promotes a stable, efficient, sustainable and resilient electric grid. As such, the recent seismic events make the timely approval of the IRP even more important today.

For all of the above, the Energy Bureau **DETERMINES** to maintain the current procedural calendar. As such, the Energy Bureau **DISMISSES** the Urgent Motion and **GRANTS** the Opposition Motion.

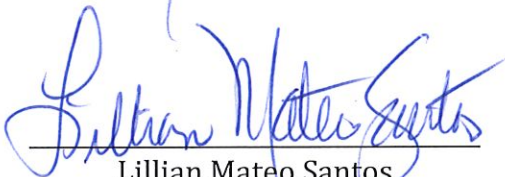
Be it notified and published.



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 24, 2020. I also certify that on January 24, 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, jrivera@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, voxpopulix@gmail.com, cfl@mcvpr.com, sierra@arctas.com, tonytorres2366@gmail.com, info@liga.coop, amaneser2020@gmail.com, mpietrantoni@mpmlawpr.com, apagan@mpmlawpr.com.

I sign this in San Juan, Puerto Rico, today January 24, 2020.

  
Wanda I. Cordero Morales  
Clerk

