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: Request to Stay Proceedings, Set Aside Procedural Calendar Sine Die and for Status Conference

URGENT REQUEST TO STAY PROCEEDINGS, TO SET ASIDE PROCEDURAL CALENDAR *SINE DIE* AND FOR STATUS CONFERENCE

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:

I. INTRODUCTION

On January 7, 2020, a magnitude 6.4 earthquake struck Puerto Rico at 4:24 am local time[1]. The significant damage to the residents of Puerto Rico and their residences, work areas and surroundings was evident from the beginning. The widespread news showed the significant damage right after the 6.4 hit the Island. Over the past several weeks, hundreds of small earthquakes have occurred in the Puerto Rico region, beginning in earnest with a M 4.7 earthquake late on December 28, 2020 and a M 5.0 event a few hours.

The magnitude 6.4 earthquake was widely felt. Very strong shaking occurred across parts of Southern Puerto Rico closest to the event and moderate shaking occurred across the rest of the island. As informed by the United States Geological Survey of the Department of Interior (USGS),

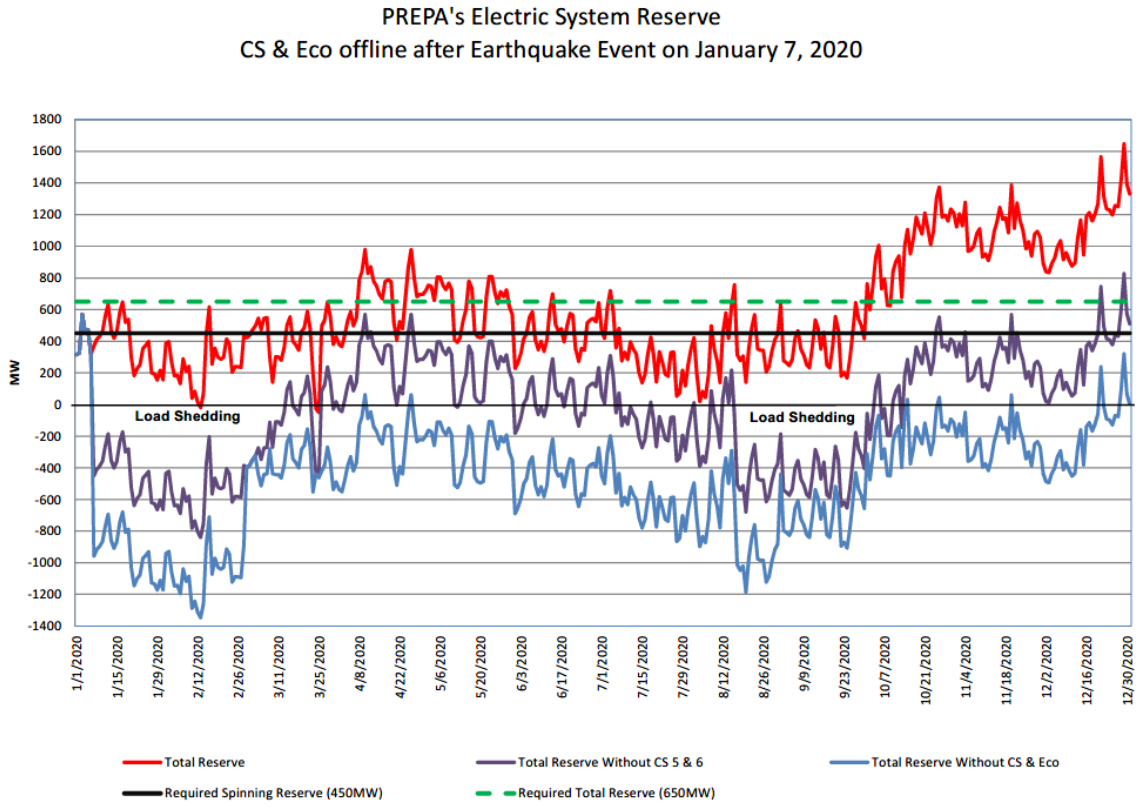
[1] https://www.usgs.gov/news/magnitude-64-earthquake-puerto-rico

aftershocks will continue near the mainshock. The proximity of these events to Puerto Rico, and their shallow depth, mean that dozens of these events have been felt on land.

II. COSTA SUR POWER PLANT

The Costa Sur power plant (the "Costa Sur Plant") in the southern town of Guayanilla, located near the epicenter of the January 7, 2020 earthquakes, experienced significant damage to units nos. 5 and 6 (410 megawatts (MW) and 6 (410MW), and to ancillary equipment serving those units. Due to ongoing earthquake activity, and the instability of the Costa Sur Plant complex, the Puerto Rico Electric Power Authority (PREPA)'s personnel has not been permitted on-site to fully assess the impact of the earthquakes. Current preliminary estimates are that it will take months to affect repairs to the damaged units and equipment, which could remain offline for up to one year. The damaged units provide approximately 25% of the baseload generated electricity used by homes and businesses on the island.

With the Costa Sur Plant out of service due to the impact of the earthquakes, Puerto Rico needs to rely on its other power plants to operate almost at full capacity to meet demand and to ensure the protection of public health. PREPA has restored power to approximately 98% of Puerto Rico's approximately 1.4 million customers as of the filing of this motion. Nonetheless, currently, Puerto Rico does not have reserve capacity, and there is little leeway for any of its plants to go offline, which could lead to possible blackouts or brownouts. At this time, PREPA is considering emergency measures, including the rationing of power amongst the island's power sector grids, to ensure the maintenance of power. The graph below projects PREPA's generation deficit from January 1, 2020 through December 2020 under three operating scenarios.



In the above graph, the green dotted line shows PREPA's required 650 MW total grid reserve, while the bold black line shows PREPA's required 450 MW spinning reserve or "synchronous reserve." Under normal operating conditions, the 450 MW spinning reserve is provided by units already in service or "synched" to the grid, while the additional 200 MW spinning reserve is "non-synchronous" and is covered by offline peaking plants. When the reserve is at 0 MW, it means that PREPA has no reserve, and when the reserve is negative, it means that if PREPA experiences a further disturbance that causes it to lose generation, or is not able to bring other generating units online, that lost generation will result in load shedding.

With that context, the red line shows the reserve from PREPA's baseline power generation, reflecting business as usual prior to the earthquakes. In particular, the red line considers the Costa Sur Plant units nos. 5 and 6 in operation, and all operating units in compliance with applicable

Clean Air Act requirements, permit conditions, and consent decree obligations. The purple line shows the reserve from PREPA's baseline load generation if the Costa Sur Plant units nos. 5 and 6 out of operation as a result of the earthquakes. The blue line shows the reserve from PREPA's baseload generation if Costa Sur units nos. 5 and 6 as well as EcoEléctrica out of operation. At this time, PREPA is still gathering information on the full extent of the flexibility needed to provide power to the island.

III. THE INTEGRATED RESOURCE PLAN

Pursuant to the Puerto Rico Electric Power Authority Act (the "PREPA Enabling Act")[2], PREPA shall adopt an integrated resource plan (IRP) consisting of a twenty (20)-year planning period. 22 L.P.R.A. § 196c. The IRP is a plan that considers all reasonable resources **to satisfy the demand** of electric power services during a twenty year (20)-year planning period, including those related to the offering of electric power, whether existing, traditional and new resources, and those related to energy demand, such as energy conservation and efficiency or demand response and localized energy generation by the customer. (Emphasis added.) *Id.* at § 192. Every integrated resource plan shall be subject to the rules established by the Commission and shall be approved by the same. *Id.* Every plan shall be devised with broad participation from citizens and any other interested groups. Id. at §§ 192, 1051a. The IRP shall be submitted for the consideration of the Energy Bureau. *Id.* at § 1054v(a).

Pursuant to the PREPA Enabling Act, the IRP shall include, but not be limited to:

> (A) A range of future demand forecasts established by using methods that examine the effect of economic factors on electricity consumption as well as the effect of the use of lands under the Land Use Plan for Puerto Rico in

[2] 22 L.P.R.A. § 191

> effect, and the trend changes in the amount, type, and efficiency of electricity, and its end-use.
> (B) An evaluation of the conservation resources available in the market, including the management of electricity demand, as well as an evaluation of the programs in effect and the necessary programs to improve energy conservation.
> (C) An evaluation of the range of conventional and non-conventional generation technologies available in the market.
> (D) An evaluation of the transmission capacity and reliability of the system.
> (E) A comparative evaluation of the energy supply resources, including transmission and distribution.
> (F) An evaluation of the combination of resources designated to promote energy sources diversification; stabilize energy costs; and improve the reliability and stability of the electric power grid.
> (G) An evaluation of the existing electric power plants or facilities of PREPA that takes into account the improvements in the operational efficiency of plants, the useful life of existing plants, and the retirement date and decommissioning costs thereof, if applicable.
> (H) Evaluation of the environmental impacts of PREPA related to air emissions and water consumption, solid waste, and other environmental factors.
> (I) Evaluation of the interconnection of renewable energy projects and other independent power producers to the electric power grid, to comply with Act No. 82-2010.

§ 196c Responsibilities, 22 L.P.R.A. § 196c.

As the relevant states that set the requirements and proceedings to evaluate an IRP show, the IRP is a document centered on a factual-based demonstration of how will PREPA be able to meet the energy demand. The energy demand is satisfied with generation.

IV. ARGUMENT

An integrated resource plan is a statutory-required-plan in which PREPA has to show the Energy Bureau that it is able to supply the energy demand of the customers of Puerto Rico and also, how it plans to meet said demand. On June 7, 2019, PREPA submitted the draft modified IRP that is being presently considered by the Energy Bureau under the case of caption (the "Draft IRP"). As the Energy Bureau must know, the IRP that was submitted for the consideration and

future approval of the Energy Bureau does not take into consideration the unexpected seismic activity that occurred in the morning of January 7, 2020 and the subsequent and ongoing replicas. This natural disaster has resulted in severe damage to the Costa Sur Plant and as a result its baseload generation is currently unavailable. The Costa Sur Plant generation units, which are currently out of service due to the impact of the earthquakes, produced 25% of the baseload electricity generation used in Puerto Rico. At present, the Draft IRP takes into consideration this baseload generation as part of PREPA's generation fleet capacity to supply the demand of the PREPA customers. This unexpected development requires PREPA to regroup and assess the damages to one of its main generation plants and strategize a plan forward, including a thorough revision of the Draft IRP because it might have become obsolete. Given the still ongoing damage assessment process, at present PREPA is unable to make an informed determination of the extent to any revision to the Draft IRP. Additionally, and other than the mere damage assessment, PREPA needs to conduct several other evaluations that need to take place before determining and making informed revisions to the Draft IRP. PREPA must assess what other realistic alternatives and resources it has to adequately inform its customers how PREPA is going to provide their energy demand. This is the core reason for the integrated resource plan. As the Energy Bureau is aware, this assessment cannot be simple because PREPA is now in the position of having to evaluate how to provide through alternative means one-fourth of the generation demand without a clear picture of Costa Sur Plant's estimated date of return to service. The situation has been complicated further still given that the assessments are delayed due to the fact that the seismic activity in the Southern part of Puerto Rico has not stopped since December 28, 2020[3] and PREPA's personnel safety could be compromised at this time. Even after an adequate assessment, PREPA will have to make other

[3] Evening Update - Thursday, January 16, https://www.usgs.gov/news/magnitude-64-earthquake-puerto-rico

decisions such as estimates for repairing and time for completion if that's the determined route or, in the alternative, permanent substitution of generation assets to replace the lost generation baseload. PREPA is currently in the process of identifying temporary generation units to supply the demand until a final assessment and determination is made.

Pursuant to the above, and considering the extraordinary nature of the geological events that are still affecting the Southern part of Puerto Rico and PREPA assets, for PREPA to be able to complete these evaluations and assessments and make the necessary determinations, a stay of the current proceedings is warranted. Additionally, and taking in consideration the above-mentioned facts, the Procedural Calendar and the deadlines ordered therein should be set aside. The Procedural Calendar provides for different submissions, evidentiary hearings and legal briefings that should be set aside until PREPA makes a determination and informs the Energy Bureau if it's going to move forward with the current Draft IRP or if PREPA understands that a submittal of a further revised Draft IRP is warranted.

V. CONCLUSION

PREPA understands the need to have an approved Draft IRP as soon as possible, notwithstanding, this IRP must be attuned with the reality of the different scenarios that are still evolving and that, based on the current events, can be anticipated. Therefore, PREPA requests the Energy Bureau to grant a stay of the proceedings until March 31, 2020 to allow PREPA to make the assessment of its generation assets, plan for supplying the customers demand and baseload generation and to make a preliminary evaluation of potential revisions to the Draft IRP (the "Stay Period"). PREPA also requests the Energy Bureau to schedule a status conference to be held after the Stay Period to allow PREPA to discuss with the Energy Bureau and intervenors the status of the evaluations and also, to discuss how the case can move forward.

VI. CERTIFICATION

PREPA hereby certifies that it has carefully examined the matter and concluded that there is a true need for the request made herein; PREPA has not created the need for the request made herein through any lack of due diligence; and also, PREPA has made a bona fide effort to resolve the matter without requesting the Stay Period, the set aside of the Procedural Calendar and scheduling of a status conference.

WHEREFORE, PREPA respectfully requests the Energy Bureau to grant the Stay Period, set aside the Procedural Calendar *sine die* and schedule a status conference to be held after the Stay Period.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 20th day of January 2020.

/s Katiuska 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; hrivera@oipc.pr.gov; jrivera@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; 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; 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 20th day of January 2020.

s/ Katiuska Bolaños
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