

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

<del>NEPR</del>  <b>Received:</b>  May 26, 2020  10:37 AM
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**IN RE:**

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

CASE NO.:  
CEPR-AP-2018-0001

SUBJECT:  
Siemens Industry, Inc. Contract Releases

**REQUEST FOR LEAVE TO EXECUTE  
SEVENTEENTH CONTRACT RELEASE**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority through its legal representation and respectfully states and prays as follows:

1. On July 16, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (the “Energy Bureau”) entered a *Resolution and Order* directing the Puerto Rico Electric Power Authority (PREPA) to file all Siemens Industry, Inc. (“Siemens”)’s contract releases prior to the execution of each contract release at least ten (10) days before the expected start date. The *Resolution and Order* also directs PREPA to detail the scope of work and budget for each contract release.

2. PREPA and Siemens want to execute the seventeenth contract release, which is attached to this motion as Exhibit A. The draft contract release includes a detailed description of the consulting services that PREPA requests Siemens to perform and a breakdown of the total compensation per task. The services that are part of the seventeenth contract release are not related to the development of the Proposed IRP.

WHEREFORE, the Puerto Rico Electric Power Authority requests that the Energy Bureau to grant PREPA leave to execute the Seventeenth Contract Release.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 26<sup>th</sup> day of May 2020.

/s Katuska Bolaños  
Katuska Bolaños  
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TSPR 18888

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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; jluebkmann@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; castrodiappalaw@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; [sboxerman@sidley.com](mailto:sboxerman@sidley.com); [bmundel@sidley.com](mailto:bmundel@sidley.com).

In San Juan, Puerto Rico, this 26<sup>th</sup> day of May 2020.

*/s Katuska Bolaños*

Katuska Bolaños

Exhibit A

Seventeenth Draft Contract Release

**CONTRACT RELEASE NUMBER 17**

**OF**

**PROFESSIONAL SERVICES CONTRACT 2020-P00018**

This Contract Release No. 17 dated May \_\_, 2020 of the Professional Services Contract 2020-P00018(Contract) is by and between Siemens Industry, Inc. (Consultant), a corporation organized and existing under the laws of Delaware, with offices at 400 State Street, Schenectady, NY 12305, and the Puerto Rico Electric Power Authority (PREPA), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of May 2, 1941, as amended.

This Contract Release No. 17 is entered into pursuant to the Contract dated July 30, 2019.

In consideration of the mutual promises and agreements set forth herein and, in the Contract, the Consultant and PREPA, intending to be legally bound, hereby agree as follows:

1. PREPA hereby requests the Consultant to, and Consultant agrees to, perform the Consulting Services designated in Scope of Consulting Services identified on Exhibit A attached hereto, in accordance with the terms and conditions of the Contract. The Consultant agrees to complete such Consulting Services for the price designated in Compensation identified on Exhibit B attached hereto. If work scope changes are required during the study, Consultant will send notice to PREPA of the estimated increase in cost and a supplementary Contract Release will be issued. The Consultant is not required to perform any additional works until the supplementary Contract Release has been signed.

2. Except as otherwise provided herein, all terms, conditions and provisions of the Contract are incorporated by reference into this Contract Release.

IN WITNESS WHEREOF, the undersigned hereto have executed this Contract Release by and through their duly authorized representatives as of the date first hereinabove written.

**Puerto Rico Electric Power Authority**

**SIEMENS INDUSTRY, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**SIEMENS INDUSTRY, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Exhibit A**

### **Consulting Services**

#### ***Introduction***

This Contract Release 17 (CR17) serves to address FOMB and PREPA's request to support the preparation of the various forecasts required for the fiscal plan. It is Siemens understanding that the fiscal plan requires 5-year forecasts of sales, revenue, and expenses, including fuel and generation costs. We understand a new element is required for this year is a longer-term projection consistent with AAFAF and the central government of 20-years running from FY20 to FY39. This CR17 serves primarily to support the long-term projections needed for the Fiscal Plan.

#### ***Work Scope***

##### **Task 1: ESM Simulation Three Scenarios**

It is Siemens understanding, the FOMB, via its advisors, has requested PREPA to simulate three demand scenarios for PREPA's preferred ESM case from the 2019 IRP. Siemens will evaluate a base load case (2% annual energy efficiency savings), a low Energy Efficiency scenario (1/3 of the Base Case EE gains) and a no EE savings scenario. The last two consistent with PREB's ROI 9 in terms of energy efficiency savings assumptions. The underlined gross load forecast will be updated to reflect recent trends in electricity demand seen in Puerto Rico and refreshed expectations.

Other assumptions will be updated, including updated annual and monthly projections of base commodity prices including WTI, Henry Hub, NY Spot No6, Gulf Coast Diesel, Colombia Coal and Gulf Coast LPG and delivered costs to the power generators.

Siemens understands projections for DG solar penetration will be updated as well.

The following input assumptions are needed in order to perform the analysis on schedule:

- a) Fuel price updates
- b) Gross load forecast updates
- c) Energy Efficiency Updates
- d) Solar DG forecast update
- e) Costa Sur 5 and 6 to come back online starting on August 15, 2020 for Costa Sur 5 and 10 month later for Costa Sur 6 (June 15, 2021)

Siemens will work with PREPA in developing the adjustments to be made to the ESM generation additions and retirements to be reflective of current expectations for new generation additions and the unavailability of Cost Sur. Siemens needs to have all the inputs above to start the simulations. The Siemens team can have results for the first case, one week after receiving the data and starting simulations. The Siemens team suggest starting with the Base EE case and then move to the Low EE case and no EE case. The second (Low EE) case can be provided two days after the first and a third

Unrestricted

case four days after the first case. This is under the best circumstances assuming results are reasonable, and simulations run without issues.

## Exhibit B Compensation

Siemens PTI services will be performed on a Time and Materials basis. We estimate that the total budget required for the completion of the activities set forth in Exhibit A is **\$32,337** as shown in Table 1, below.

**Table 1: CR17 Budget**

Team member	Nelson Bacalao	Jack Henry	Saenz, Marcelo	Hubbard, Peter	Lau, Alex	Cloud		
Tasks	Sr. Manager	Sr Staff Consultant	EBA-Manager	EBA-Project Manager	Contractor	Cloud Server Rate	HOURS	(\$)
<b>Hourly Rates &gt;&gt;&gt;</b>	<b>\$276.34</b>	<b>\$244.36</b>	<b>\$262.80</b>	<b>\$262.80</b>	<b>\$276.37</b>	<b>\$28.00</b>		
<b>TASK 1: ESM Simulation 3 scenarios</b>	<b>8.00</b>	<b>1.00</b>	<b>38.00</b>	<b>0.00</b>	<b>26.00</b>	<b>0.00</b>	<b>73.00</b>	<b>\$19,627</b>
Aurora modeling	8.00	1.00	38.00		26.00		73.00	\$19,627
<b>TASK 2: Project Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$6,500</b>
							0.00	\$6,500
<b>Cloud servers</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>7.50</b>	<b>0.00</b>	<b>\$210</b>
						7.50		210.00
<b>Technical Project Management</b>							<b>0.00</b>	<b>\$0</b>
<b>Commercial Project Management</b>							<b>0.00</b>	<b>\$0</b>
								\$0
<b>TOTAL LABOR</b>	<b>8.00</b>	<b>1.00</b>	<b>38.00</b>	<b>0.00</b>	<b>26.00</b>	<b>7.50</b>	<b>73.00</b>	<b>\$26,337</b>
<b>REIMBURSIBLE EXPENSES</b>								<b>\$6,000</b>
<b>TOTAL ESTIMATE (HOURS, \$ US)</b>							<b>73.00</b>	<b>\$32,337</b>