

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

NEPR

Received:

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IN RE:

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

CASE NO.: CEPR-AP-2018-0001

SUBJECT:
Procurement Plan

**PRESENTATION OF STATUS REPORT ON THE DEVELOPMENT
OF PREPA'S DRAFT PROCUREMENT PLAN**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority through the undersigned legal representation and respectfully submits and requests as follows:

1. On August 24, 2020, the Energy Bureau of the Public Service Regulatory Board (the "Energy Bureau") entered the *Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan* (the "IRP Order").¹

2. Pursuant to the IRP Order, the Puerto Rico Electric Power Authority (the "Authority") herein submits a status report on the development of its draft Procurement Plan (the "Status Report"). Exhibit A.

3. Further, the Authority requests the Energy Bureau to schedule a technical conference to be held next week to discuss the Status Report submitted today.

WHEREFORE, the Authority requests the Energy Bureau to find PREPA in compliance with the IRP Order and to schedule a technical conference to discuss the Status Report.

¹ IRP Order, pags. 266-269, ¶¶ 860-867.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 23rd day of September 2020.

/s Katuska 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; 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; castrodieppalaw@gmail.com; voxpathulix@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; bmundel@sidley.com.

In San Juan, Puerto Rico, this 23rd day of September 2020.

s/ Katiuska Bolaños
Katiuska Bolaños

Exhibit A

Status Report



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PREPA
Status Report
DRAFT Procurement Plan
September 2020

Background



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On August 24, 2020, the Puerto Rico Energy Bureau (PREB) issued a Final Resolution and Order on the Puerto Rico Electric Power Authority's (PREPA) Integrated Resource Plan ("Order"). In the Order, PREB found:

- *that increased deployment of solar PV and battery resources should be pursued if the results of procurement processes produce costs that reflect the parameters associated with Scenario S3S2 (for all loading levels under that scenario) and if those resources are available for faster installation than was assumed for PREPA's ESM Plan.*
- *that a Modified Preferred Resource Plan for the purpose of initial procurement planning includes the solar PV and battery energy storage quantities contained in Scenario S3S2B for the first five years of the Action Plan period.*

PREB Ordered:

- *Development, by PREPA, with the Energy Bureau's guidance and approval, of a detailed procurement plan for renewable resources and battery energy storage to achieve compliance with the renewable portfolio standard (RPS)*
- *PREPA to issue a series of RFPs for provision of renewable energy in support of Act 82's RPS goals, and for the provision of battery energy storage in support of capacity requirements needed to meet PREPA's peak load requirements and in support of integration requirements for renewable energy generation*
- *that competitive procurements to obtain Power Purchase and Operating Agreements (PPOA) for these resources must be open to all forms of renewable energy, including, but not limited to wind, hydro, solar PV, VPP, and storage.*
- *PREPA to on or before sixty (60) days from the notification date of this Final Resolution and Order, submit a draft renewable resource and battery energy storage resource procurement plan (Procurement Plan) to the Energy Bureau.*
- *PREPA to file a **status report** on the development of its draft Procurement Plan and associated Procurement Plan no later than thirty (30) days from the notification date of this Resolution and Order.*

Status Report Objective



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In compliance with the Order, PREPA is developing a Procurement Plan to install the required renewable resources, in the form of solar PV and battery energy storage resources, as well as wind, hydropower and any other renewable energy technologies, premised on competitive procurement through issuance of new request for proposals (RFP). The draft Procurement Plan is to be submitted to PREB by October 23, 2020, which is 60 days from the notification date of the Order.

The intent of this Status Report is to inform the PREB of the state of development of the Procurement Plan. In order to be efficient and result in a mutually acceptable plan, PREPA proposes an iterative process of review and feedback in the development of the Procurement Plan with both PREB and the Financial Oversight and Management Board (FOMB). As such, PREPA will request meetings with each, before the October 2020 submittal, to further discuss the structure and possible constraints/variations of the procurement process outline in the Order.

This Status Report addresses the following information, as required in the Order:

- Procurement Plan description
- Counter-party risk
- RFP template
- PPOA template
- Deviations in deployment of renewable resources
- Installation timeline
- RFP Schedules

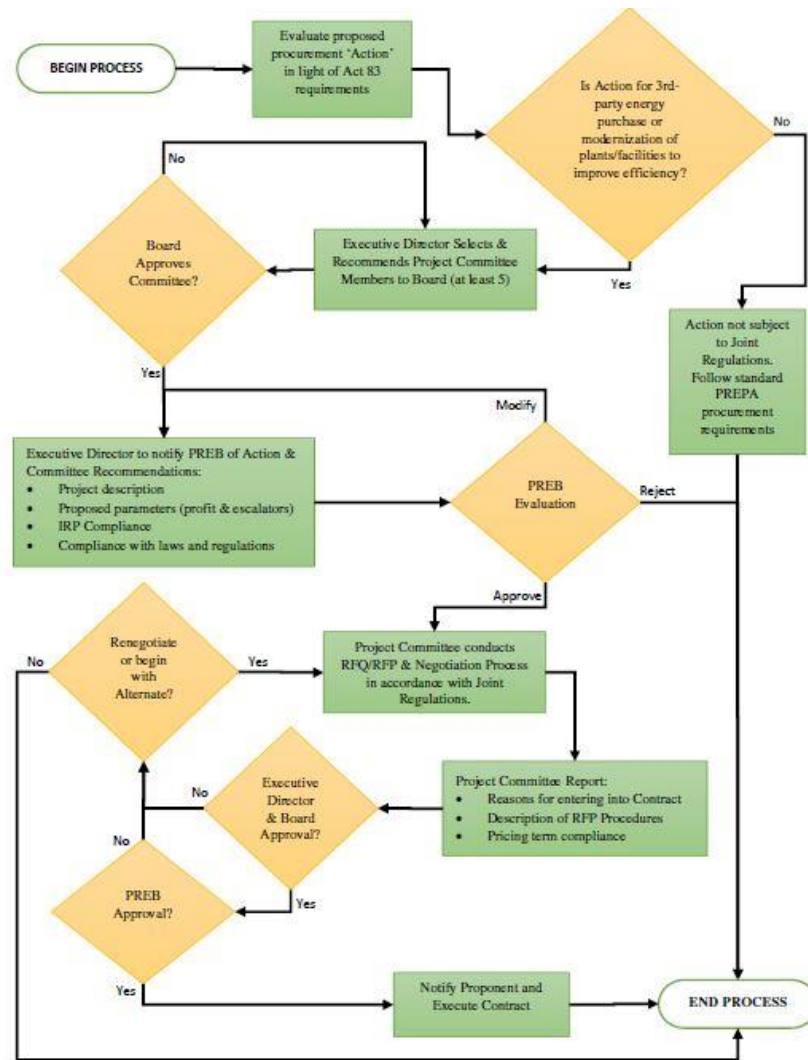
Procurement Plan Process



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Unless otherwise directed by the PREB, PREPA will conform the Procurement Plan to the “*Joint Regulation for the Procurement, Evaluation, Selection, Negotiation, and Award of Contracts for the Purchase of Energy and for the Procurement, Evaluation, Selection, Negotiation, and Award Process for the Modernization of the Generation Fleet (Joint Regulations 8815).*”

- Approved by PREB on September 1, 2016
- Approved by PREPA on August 12, 2016



Procurement Plan Description



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Puerto Rico Electric Power Authority (PREPA) will seek proposals from companies and consortia interested in designing, constructing, installing, operating and maintaining renewable energy projects, to be installed at one or more sites across the island of Puerto Rico.

The renewable energy projects may include but are not limited to solar photovoltaic, wind, energy storage, hydro, virtual power plants, or any combination of these mentioned technologies.

Projects must comply with PREPA's appropriate Minimum Technical Requirements (MTR's) for Renewable Energy projects, and current Interconnection Standards and Requirements.

PREPA will request the submission of all-inclusive turnkey proposals for projects with a minimum of 20 MW of renewable generation capacity to be installed at one or more sites within the main island of Puerto Rico, paired and integrated with a minimum of 10 MW / 40 MWh battery energy storage systems ("BESS"), hereinafter referred to as a "Project" (at a ratio of 0.5 Mw BESS to 1 Mw Renewable Generation). BESS is not required for hydro.

For a Project, the Proponents shall enter into a power purchase and operating agreement ("PPOA") and an Interconnection Agreement under which the Proponent would sell, and PREPA would purchase: (a) the net electric output of the Renewable Generation, subject to specific energy delivery guarantees; (b) products of the Battery Energy Storage System ("BESS"), subject to specific energy delivery and operating guarantees; and (c) associated rights, benefits and credits of the Project, including environmental attributes (Renewable Energy Credits or "RECS").

For the first RFP tranche, the Renewable and BESS facilities will be co-located and integrated on a single project site.



Procurement Plan Requirements

The Order outlined the evaluation parameters for generation:

- Least-cost, energy basis
- Least-cost, capacity basis. Capacity basis to directly reflect possible provision of ancillary services (frequency response, operating reserve, reactive support) in addition to capacity to meet peak load.
- Recognition of T&D system loss benefits for DG/storage bids.
- Recognition of potential for additional resiliency benefits.
- Estimated timeline for completing installation of resources
- Technical superiority of location for interconnection purposes

Order – RFP Tranche Schedule



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The Order has laid out a phased for approach for solicitation of renewable energy and BESS:

- 1st Tranche: at least 1,000 MW solar PV (or energy-equivalent other renewable), at least 500 MW (2,000 MWh or equivalent) BESS
- 2nd Tranche: at least 500 MW, at least 250 MW (1,000 MWh or equivalent) BESS.
- 3rd Tranche: at least 500 MW, 250 MW (1,000 MWh or equivalent) BESS.
- 4th Tranche: at least 500 MW, 250 MW (1,000 MWh or equivalent) BESS.
- 5th Tranche: 500 MW, 125 MW (500 MWh or equivalent) BESS.
- 6th Tranche: 750 MW, 125 MW (500 MWh or equivalent) battery energy storage.

The RFP for the 1st tranche will be for a single renewable plus storage submission. RFPs for subsequent tranches will allow for separate renewable and storage submissions.

| Procurement Tranche | RFP Release Target Date | Solar PV or equivalent other energy (MW) | | 4-hour Battery Storage equivalent (MW) | |
|---------------------|-------------------------|--|------------|--|------------|
| | | Minimum | Cumulative | Minimum | Cumulative |
| 1 | Dec-20 | 1000 | 1000 | 500 | 500 |
| 2 | Jun-21 | 500 | 1500 | 250 | 750 |
| 3 | Dec-21 | 500 | 2000 | 250 | 1000 |
| 4 | Jun-22 | 500 | 2500 | 250 | 1250 |
| 5 | Dec-22 | 500 | 3000 | 125 | 1375 |
| 6 | Jun-23 | 750 | 3750 | 125 | 1500 |

Proposed Deviation in Tranche Sizing



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PREPA proposes that Procurement Tranche 1 be based on a new RFP process sized for 450 MWs of renewable generation capacity and 225 MWs of 4-hour BESS to reflect recent PREB actions, resolve discrepancies between FOMB and PREB actions, and to allow PREPA time to assess technical limitations of the existing transmission and distribution system.

- As of September 10, 2020, PREB has authorized 593.5 MWs of new Solar PV projects, commonly referred to as “shovel-ready projects.” Shovel-ready projects, plus PREPA’s proposed Procurement Tranche 1 size (450 MW), exceed the minimum tranche size specified in the Order.
- On August 17, 2020, the FOMB informed PREPA that the proposed shovel-ready *“contracts are inconsistent with the requirements of the 2020 Fiscal Plan”* ...and that *“...the total renewable energy capacity developed through the Proposed Contracts be no more than 150MWs.”* The FOMB action has introduced significant uncertainty in the procurement process, and PREPA is working to submit a request for reconsideration to the FOMB.
- PREPA has commissioned a transmission and distribution (“T&D”) study that will assess the current capability of PREPA’s T&D system to accommodate increased levels of renewable generation capacity. The T&D study will identify, at a high-level, preferred interconnection locations on PREPA’s T&D system to minimize system impacts. The T&D study will also form a modeling basis for transmission Feasibility, System Impact, and Facility Studies (described later). The preliminary results of the analysis indicate that for the existing grid, the maximum acceptable penetration of renewable generation would be around 650 MW (existing plus new projects with some uncertainty or about ~24% of total generation) before actions must be taken by PREPA. This is using the current topology of the power grid without any additional electrical support. The final analysis of maximum renewable penetration with the current condition of the grid is expected by the end of September. A grid analysis with results of electrical support (BESS, Synchronous condensers) needed to integrate additional renewable generation is expected by end of October.



Revised RFP Tranche Schedule

A phased approach offers numerous benefits:

- Allows developers time to plan and develop projects to bid-ready stage
- Each successful round builds confidence in the process and attracts more competition
- Well developed projects and increased competition yields lower pricing offers
- Improvements in counter-party risk and expected reductions in price proposals as PREPA emerges from Title III
- PREPA grid system upgrades for renewable project interconnections can be well planned and managed over time
- A phased RFP approach allows PREPA to adapt to the everchanging needs of the PREPA grid
- Flexibility built into the process, PREPA will procure more MWs if there are enough favorable bids that can be successfully integrated

| Procurement Tranche | RFP Release Target Date | Forecast Commercial Operation* | Solar PV or equivalent other energy (MW) | | 4-hour Battery Storage equivalent (MW) | |
|---------------------|-------------------------|--------------------------------|--|------------|--|------------|
| | | | Minimum | Cumulative | Minimum | Cumulative |
| 1 | Dec-20 | Dec-24 | 450 | 450 | 225 | 225 |
| 2 | Jun-21 | Jun-25 | 500 | 950 | 250 | 475 |
| 3 | Dec-21 | Dec-25 | 500 | 1450 | 250 | 725 |
| 4 | Jun-22 | Jun-26 | 500 | 1950 | 250 | 975 |
| 5 | Dec-22 | Dec-26 | 500 | 2450 | 125 | 1100 |
| 6 | Jun-23 | Jun-27 | 750 | 3200 | 125 | 1225 |



Prices
should
trend down
over time

*Act 82-2010, as amended, contains the following RPS: 20% by 2022, 40% by 2025, 60% by 2040, and 100% by 2050. In order to accomplish the established targets, PREPA will seek proposals that can reach its commercial operation date in up to 36 months from the contract's execution date.:

Procurement Stages – RFQ and RFP



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There will be four primary stages for procurement; Request for Qualifications (RFQ), Request for Proposals (RFP), Negotiation and Execution of Agreements, and Project Execution and Construction

RFQ

Qualification Preparation:

- Request for Clarifications (RFCs) by Respondents
- Response to RFCs
- Submission of Statement of Qualifications (SOQs)

Evaluation and Notification:

- Evaluation of SOQs
- Notification of Qualified Respondents



RFP

Proposal Preparation:

- RFP Kick-Off
- MTR's issued w/ RFP
- Power Purchase and Operating Agreement (PPOA) draft issued
- Deadline of Submission of RFCs
- Proponent Briefing and Questions Session
- Site Visit (if applicable)
- Proposal Submission Deadline

Evaluation and Selection:

- Phase 1 – Initial Screening and Shortlisting of Proposals
- Phase 2 – Selection of Proposals for Contract Negotiation

Procurement Stages – Execution of Agreements and Project Construction

Negotiation and Execution of Agreements

PPOA Agreement

Interconnection Agreement

- Feasibility Study
- System Impact Study
- Facilities Study/Discuss MTR compliance

PREPA, PREB, FOMB Approvals

Execution of Agreements



Project Execution and Construction

Notice to Proceed

Permitting and Engineering

Financing

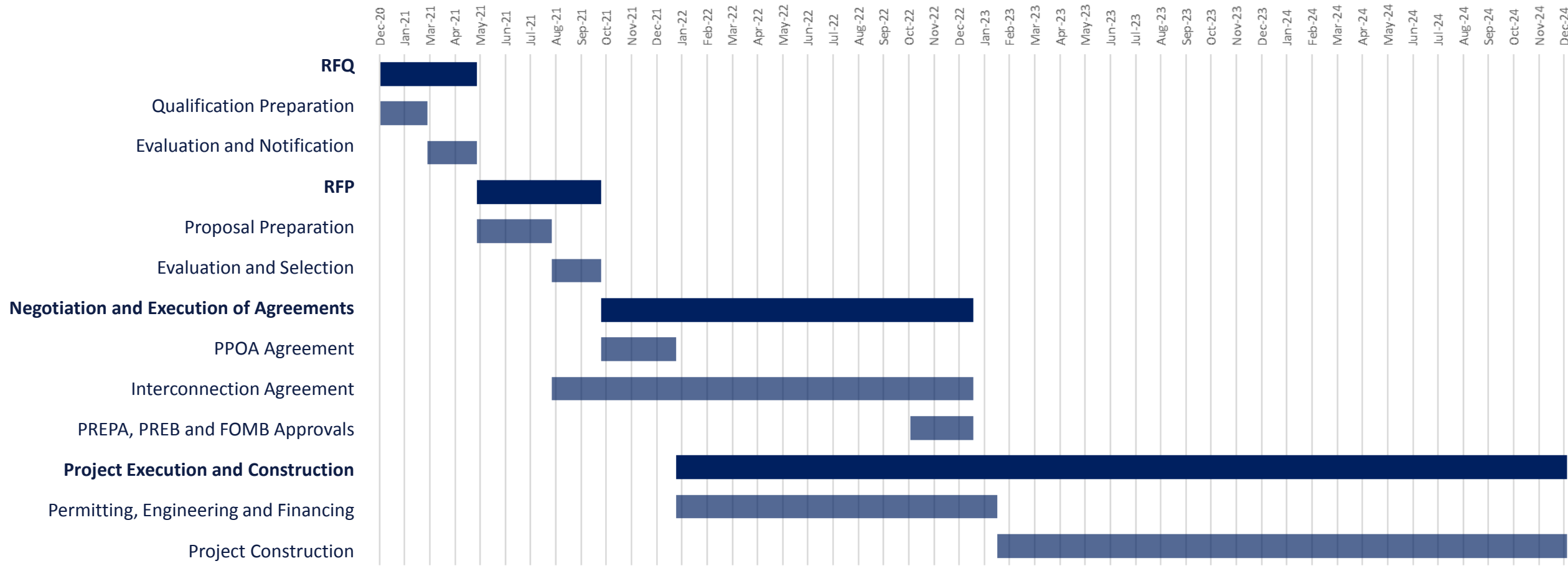
Project Construction

Procurement Timeline



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Estimated Procurement Timing, Tranche 1 example



Request For Qualification (RFQ) Process



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- The purpose of the Request for Qualification (RFQ) is to identify developers with the capability and experience needed to develop, construct, install, test, and operate renewable energy resources in Puerto Rico.
- Developers will be broadly screened based on:
 - Technical expertise with renewable energy technologies
 - Operational expertise with renewable energy technologies
 - Financial strength with regards to project development
- Developers who are pre-qualified through the RFQ process will be allowed to participate in the Request for Proposal (RFP) process.
- The RFQ process is anticipated to take 4 – 5 months from issuance of the RFQ to complete.
- Please refer to document *DRAFT SL PREPA Renewable Energy RFQ TOC* for a table of contents of the topics and sections included in the RFQ under development.

Request For Proposal (RFP) Process



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- The purpose of the Request for Proposal (RFP) is to solicit proposals from developers for the development, construction, installation, testing, and operation of renewable energy resources in Puerto Rico.
- The RFP will be open to all renewable energy resources compliant with the PREPA Minimum Technical Requirements (MTRs) and PREB requirements.
- The RFP responses will be evaluated in a two-phase approach:
 - Phase 1 – Initial Screening and Shortlisting of Proposals
 - Phase 2 – Selection of Proposals for Contract Negotiation
- The Phase 1 initial screening and shortlisting will be performed in accordance with the qualitative evaluation and initial pricing evaluation criteria outlined in the RFP.
- The Phase 1 evaluation is performed using only the information submitted with the proposals and any responses to clarifications issued by PREPA.
- The Phase 1 qualitative evaluation will be based on the technical viability of the proposed project, development status of the proposed project, the developer experience, and the financing plan and qualifications.

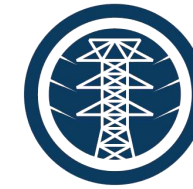
Request For Proposal (RFP) Process



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- The Phase 1 initial pricing evaluation will consider the all-in costs that each proposal is expected to impose on PREPA's customers, to the extent that the evaluation team is able to quantify such costs.
 - Power Purchase and Operating Agreement charges, including pass through costs
 - Costs for required transmission reinforcements
 - Costs for required distribution reinforcement
 - System impacts including, but not limited to, impact on transmission transfer capability, and PREPA capacity requirements and deliverability
- After completing the Phase 1 evaluation for all proposals, PREPA will select a group of the economically competitive and technically viable proposals for further evaluation in Phase 2
- The Phase 2 evaluation further refines the Phase 1 qualitative evaluation and initial pricing evaluation criteria outlined in the RFP.
- The Phase 2 detailed pricing evaluation will include and reflect information received in response to any clarifying questions, interviews, site visits, and other due diligence. This may include an assessment of cost effectiveness of portfolios of shortlisted proposals evaluated using PREPA's production cost model.

Request For Proposal (RFP) Process



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- The detailed pricing evaluation will also take into consideration:
 - PREPA's intention to enter 25-year PPOA's with proponents under which the proponents will further provide operation, maintenance and monitoring services for the renewable energy resources.
 - PREB's Final Resolution, including references to LCOE pricing thresholds for renewables such as PV and wind projects, which shall define the maximum acceptable pricing parameter of the contracts.
- The Phase 2 qualitative evaluation will refine the Phase 1 qualitative evaluation, using the information supplied by the Respondent in the proposal data forms and term sheets contained in the RFP Appendices, considering the following criteria:
 - Technical Viability
 - Development and Schedule Risk
 - Permitting Risk
 - Environmental Impacts
 - Developer Experience
 - Financing Plan and Qualifications
 - T&D System Integration
 - Site Control
 - Community Impacts and Acceptance
 - Operations and Maintenance Plan
 - Exceptions to Agreements

Request For Proposal (RFP) Process



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- After completion of the Phase 2 evaluation, PREPA will shortlist proposals which are the most economically competitive and fully compliant with the RFP, MTRs, and PREB requirements.
- PREPA will then begin PPOA negotiations for the shortlisted proposals while seeking preliminary approval from P3A, FOMB, and PREB.
- After completing PPOA negotiations, PREPA will seek final approval from P3A, FOMB, and PREB.
- Once final approval is received, PREPA will authorize developers to begin work on the approved proposals.
- The complete RFP process is anticipated to take 8 – 12 months from issuance of the RFP to complete.
- Please refer to document *DRAFT SL PREPA Renewable Energy RFP TOC* for a table of contents of the topics and sections included in the RFQ under development.

Considerations for Evaluation



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The following will be considered in the evaluation of the RFPs:

- PREPA will be seeking proposals for “turn-key” systems that will be fully operational (Commercial Operation) upon commissioning.
- PREPA intends to enter a 25-year PPOA’s with Proponent under which Proponent will further provide operation, maintenance and monitoring services for the Renewable Energy facilities.
- Pricing offers shall, as a minimum, reflect PREB’s Final Resolution, including references to LCOE pricing thresholds for renewables such as PV and wind projects, which shall define the maximum acceptable pricing parameter of the contracts.
- PREPA is seeking proposals that can reach its commercial operation date in up to 36 months from the contract’s execution date. Preference will be given to proponents that can demonstrate an ability to achieve an earlier completion.
- Preference will be provided to proponents that propose a pricing adjustment to its proposed PPOA when PREPA’s credit position improves upon emergence from Title III.

Credit Risk Management



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PREPA's current credit rating results in higher Return on Equity (ROE) and Weighted Average Cost of Capital (WACC).

| | Investment Grade (used in IRP) | CAA Rating | PREPA Current Rating (CA) |
|---|-----------------------------------|------------|------------------------------|
| Return on Equity (ROE) | 12.9% | 16.1% | 18.9% |
| Weighted Average Cost of Capital (WACC) | 8.5% | 11% | 13.5% |

A higher ROE and WACC impacts the levelized cost of energy (LCOE), which is the premise for contract prices

| | Sample 2020 LCOE benchmark (\$2018/MWh) |
|------------------|--|
| Investment Grade | \$75 |
| CAA Rating | \$90 |
| CA Rating | \$106 |

PREPA is in the process of evaluating options that could be used to counter some of the credit risk and potentially reduce contract prices. This includes:

- Indicate in the RFP a preference to proponents that propose a pricing adjustment when credit position improves upon emergence from Title III
- Careful staging of contract execution to push the commercial operation date to emergence from Title III
- PREPA line of credit or Credit Risk Escrow account (could go away upon completion of Title III)
- Seek a Sovereign guarantee



Negotiation and Execution of Agreements

After notification of shortlisted proponents from the Phase 1 evaluation, PREPA will move to Phase 2 evaluation and the negotiation and execution of agreements which is expected to take approximately 3-4 months:

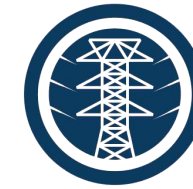
- Finalize Transmission Interconnect and System Impact analysis and cost estimate/schedule
- Final Negotiations of non-standard PPOA terms with Proponent, such as execution timeline and project specific requirements
- PREPA, PREB, FOMB approvals
- Execution of Agreements

Prior to execution of agreements, proponents must provide a verifiable plan and timeline to achieve:

- Completion of Transmission Interconnect Agreement requirements
- Resolution of associated required Right of Way agreements
- All required permits and environmental assessments
- Final agreement for site property control
- Engineering, procurement and construction (EPC) contract for project
- Agreements for project finance
- Achievement of Full Notice to Proceed

From execution of agreements to full notice to proceed is expected to require about 1 year

PPOA Template



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PREPA is in the process of preparing a draft Power Purchase and Operating agreement (PPOA) template that will be submitted together with the Procurement Plan by the October 23, 2020 deadline.

- This template is based on the draft PPOA used under the renegotiation process with the shovel ready legacy PPOAs. However, it will be modified accordingly to meet the requirements established under the Order.
- It will cover the purchase of energy and RECs from the renewable energy projects, as well as the product of the energy storage systems.

Please refer to document titled *Draft Table of Contents PPOA* that provides an overview of the structure of the Draft PPOA under development.

Interconnection and T&D System Impacts



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A critical component to PREPA's project selection criteria is the cost of the electrical interconnection and associated transmission & distribution system upgrades. PREPA will require that Respondents estimate such costs in their proposal and will institute industry standard study processes to confirm such costs.

Proposal: A Respondent shall estimate impacts to pricing associated with interconnection and system upgrades. Respondents must consider the following factors and provide a detailed transmission system interconnection plan with their proposal:

- PREPA's current MTRs and Interconnection Standards
- Interconnection facilities costs
- System upgrade costs
- Rights-of-way and associated costs

The detailed transmission system interconnection plan shall clearly identify all assumptions, rights-of-way, and estimated costs.

Interconnection and T&D System Impacts (cont.)

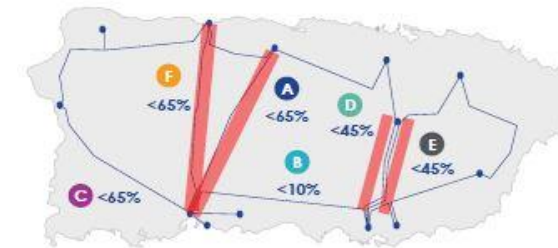


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During the proposal evaluation, PREPA will independently model interconnection and system upgrade costs:

- A Feasibility Study will be performed for short-list candidate projects to assess order-of-magnitude costs
- Respondents will be allowed to adjust pricing to reflect study results
- Feasibility Study results will influence the selection of a final short-list of projects and may be iterative.

A System Impact Study followed by a Facilities Study will be required for short-listed projects.



Critical North / South 230 kV backbone

A 230 kV Line 50200: operate below 65% stated capacity

B 230 kV Line 50300: operate below 10% stated capacity

C 230 kV Line 50400: operate below 65% stated capacity

D 230 kV Line 50900: operate below 45% stated capacity

E 230 kV Line 51000: operate below 45% stated capacity

F 230 kV Line 51200: operate below 65% stated capacity

PREPA's study costs shall be born by the Respondent. Additionally, the Respondent will be responsible for the procurement and installation of all equipment necessary to interconnect the proposed facility to PREPA's transmission system. PREPA will assist the Respondent, as appropriate, in reviewing necessary rights-of-way. PREPA and the Respondent shall execute a Transmission Interconnect Agreement that reflects study results in coordination with the execution of the PPOA.

Project Execution and Construction



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Project Execution and Construction is expected to take approximately 3 years:

Phase 1 (1 year):

- Finalize all agreements for site control
- Transmission Interconnect Agreement
- Transmission corridor Right of Way control
- Permitting
- Environmental assessment
- EPC contract
- Execute finance agreements

Full Notice to Proceed



Phase 2 (for generation and BESS facilities)(2 years):

- Final engineering/design
- Equipment Fabrication and delivery
- Construction
- Startup/Commissioning/Testing

Commercial Operation

Other Discussion Points



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PREPA staffing shortfall:

- Through attrition, PREPA has no internal capacity to perform interconnection and system impact studies.
- For Procurement Tranche 1, PREPA intends to engage the capabilities of its technical advisor, Sargent & Lundy, to perform Feasibility, System Impact, and Facilities Studies.

T&D System Operations:

- The P3A awarded Luma Energy with a contract for the management, operation, maintenance, repair, restoration, and replacement of the T&D system.
- PPOA and Interconnection terms and conditions will require collaboration with Luma Energy.

Procurement Authority:

- As previously stated, PREPA will conform the Procurement Plant with Joint Regulations 8815.



REQUEST FOR QUALIFICATIONS

Renewable Energy Generation Resources and Energy Storage Systems

Puerto Rico Electric Power Authority

Issued By:

Puerto Rico Public-Private Partnerships Authority

DATE ISSUED: [INSERT DATE]

RESPONSES DUE DATE: [INSERT DATE]

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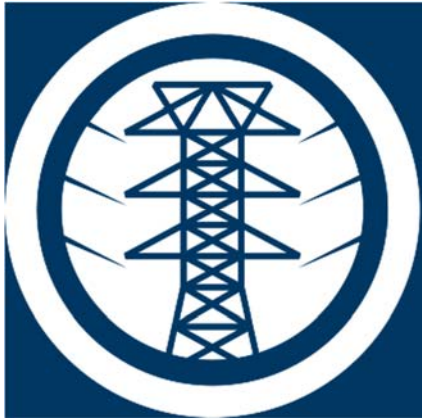
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**Autoridad de
Energía Eléctrica**

REQUEST FOR PROPOSALS

Renewable Energy Generation Resources and Energy Storage Systems

Puerto Rico Electric Power Authority

Issued By:

Puerto Rico Public-Private Partnerships Authority

DATE ISSUED: [INSERT DATE]

RESPONSES DUE DATE: [INSERT DATE]

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