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

IN RE: HIGHLY EFFICIENT FOSSIL GENERATION DEFINITION

CASE NO.: CEPR -MI-2016-0001

SUBJECT: Resolution and Order to the Puerto Rico Electric Power Authority to submit its compliance report for the year 2019; Order to show cause.

RESOLUTION AND ORDER

On March 20, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution in the instant case ("March 20 Resolution") through which it adopted the definition of the term "Highly Efficient Fossil Generation", as required by Article 6.29 of Act 57-2014. The Energy Bureau also established a reporting mechanism to demonstrate compliance.¹

The March 20 Resolution established that the Puerto Rico Electric Power Authority ("PREPA") and any party who owns and operates any fossil-fueled generation units that inject power to PREPA's grid, must file its compliance report with the Energy Bureau on or before March 31 of the year following the reporting year ("HEG Compliance Report").² In such compliance filing, PREPA is required to include the report for AES Puerto Rico, L.P. and EcoEléctrica, L.P., as well as any other independent power producer that generates electricity based on fossil fuels and sells its output to PREPA.³

The HEG Compliance Report for the natural year 2019, mandated in the March 20 Resolution, was due on or before March 31, 2020 ("2019 HEG Compliance Report"). PREPA did not comply with this requirement.

Following said non-compliance, on November 9, 2020, the Energy Bureau issued a Resolution and Order ("November 9 Order"), through which it ordered PREPA to, within thirty (30) days of the notification date of the November 9 Order, file the 2019 HEG Compliance Report.⁴ Furthermore, the Energy Bureau ordered PREPA to, within the same thirty-day term, show cause as to why the Energy Bureau should not impose a \$25,000.00

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¹ March 20, 2019 Resolution, pp. 7 - 8.

² *Id.*, p. 7.

³ Id., n. 24.

⁴ November 9 Order, pp. 1-2.

fine and any other appropriate administrative sanctions, due to PREPA's non-compliance with the March 20 Resolution. ⁵

The thirty-day term established in the November 9 Order expired on December 9, 2020. PREPA neither filed 2019 HEG Compliance Report nor did it show cause as to why the Energy Bureau should not impose a \$25,000.00 fine and any other appropriate administrative sanctions, as required by the November 9 Order.

In light of PREPA's continuous violations to the Energy Bureau's orders in the instant case, the Energy Bureau **ORDERS** PREPA to, within a term of five (5) days from the notification date of this Resolution and Order, show cause as to why the Energy Bureau should not impose a **\$5,000.00** fine for each day that PREPA fails to file the 2019 HEG Compliance Report.

Be it notified and published.

Edison Avilés Deliz

Chair

Ángel R. Rivera de la Cruz Associate Commissioner

Ferdinand A. Ramos Soegaard

Associate Commissioner

Lillian Mateo Santos Associate Commissioner

Sylvia B. Ugarte Araujo Associate Commissioner

⁵ *Id.*, p. 2.



CERTIFICATION

For the record, I sign this in San Juan, Puerto Rico, today January <u>4</u>, 2021.

Wanda I. Cordero Morales

Clerk