

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

IN RE: THE IMPLEMENTATION OF THE
PUERTO RICO ELECTRIC POWER
AUTHORITY INTEGRATED RESOURCE
PLAN AND MODIFIED ACTION PLAN

CASE NO.: NEPR-MI-2020-0012

SUBJECT: Request for Extension of Time to
File Updated Procurement Plan Required by
December 8, 2020 Resolution and Order.

RESOLUTION AND ORDER

On August 24, 2020, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued its Final Resolution and Order in Case No. CEPR-AP-2018-0001 ("IRP Order") regarding the Integrated Resource Plan ("IRP") of the Puerto Rico Energy Power Authority ("PREPA"). In the IRP Order, among other things, the Energy Bureau ordered PREPA to submit a Draft Procurement Plan within sixty (60) days of the notification of the IRP Order.¹

On December 8, 2020, the Energy Bureau issued a Resolution and Order ("December 8 Resolution") whereby, among other aspects, the Energy Bureau ordered PREPA to adopt a Final Procurement Plan and implement a Request for Proposals ("RFP") process to govern PREPA's procurement of new renewable generation and energy storage resources through a series of procurement tranches.² The December 8 Resolution is targeted to ensuring that the procurement of the first tranche of renewable energy and storage is successful and meets the goals of the Approved IRP.³ The Energy Bureau determined that PREPA shall consider the Procurement Plan to be a living document subject to continued revision and application of lessons learned from each tranche of procurement and for other proceedings.⁴ Accordingly, the Energy Bureau directed PREPA to file an updated Procurement Plan reflecting the specific plans for the second tranche **on or before May 1, 2021** and incorporate into that document both, lessons learned from the first tranche and any requirements that originate from the Optimization Proceeding or any other pertinent Resolutions or Orders by the Energy Bureau.⁵

¹ See IRP Order, ¶ 860, p. 266.

² See December 8 Resolution, Appendix A, Part I. 2, page 1.

³ *Id.* at p 5.

⁴ *Id.*

⁵ *Id.*



On April 30, 2021⁶, PREPA filed a document titled *Request of the Puerto Rico Electric Power Authority for Extension of Time to File an Updated Procurement Plan Addressing Plans for the Second Renewable Generation and Energy Storage Resource Procurement Tranche* (“April 30 Request”), where PREPA seeks an extension of the May 1, 2021 deadline.

In the April 30 Request, PREPA states that it has been diligently working to implement the Energy Bureau’s IRP Order, but they have sustained among other issues, the following:

As of today, although it has received some feedback through the Tranche 1 RFP Request for Clarification process, PREPA and its advisors do not have the benefit of any formal market response to the Tranche 1 RFP and the commercial terms PREPA has proposed for the procurement of energy from renewable generation resources and capacity from energy storage resources and VPPs. PREPA will receive an initial formal market response on or around May 28, 2021, and PREPA and its advisors believe that they will be in a position to evaluate and report on that market response and the results of Phase I project evaluations by late June 2021. They would expect to be in a position to form tentative conclusions regarding the results achieved through the Tranche 1 RFP process and to offer their assessment of lessons learned through that process by late August-early September 2021.⁷

Also, PREPA states they have been solely responsible for managing the procurement process required by its Procurement Plan and the Approved IRP, but this could change with the transition of responsibilities for operation and maintenance of the PREPA system under the terms of the Puerto Rico Transmission System Operation and Maintenance Agreement (“OMA”) among PREPA, the P3 Authority, LUMA Energy, LLC and LUMA Energy Servco, LLC, dated as of June 22, 2020. In this regard, PREPA mention that Section 5.13(d) of the OMA provides that responsibility for implementation of the Approved IRP and the resource procurement processes it contemplates, including implementation of PREPA’s Procurement Plan, may shift from PREPA to LUMA, as Operator under the OMA, once LUMA assumes the responsibilities of Operator.⁸

In the April 30 Request, PREPA requested the Energy Bureau to grant additional time to complete an updated Procurement Plan that would incorporate lessons learned through the Tranche 1 RFP process. Therefore, PREPA requests an extension of time until August 31, 2021, for the filing of the updated Procurement Plan required by the December 8 Resolution.

Upon review of PREPA’s arguments, the Energy Bureau **PARTIALLY GRANTS** PREPA’s request and **ORDERS** PREPA to file the updated Procurement Plan **on or before**

⁶ Notwithstanding the Energy Bureau’s warnings to PREPA to file any requests for extensions in a timely manner, this request was filed at 5:25 pm, essentially precluding the Energy Bureau to exercise its discretion on granting or denying the request.

⁷ See April 30 Request, page 4, ¶1.

⁸ *Id.*, page 5.

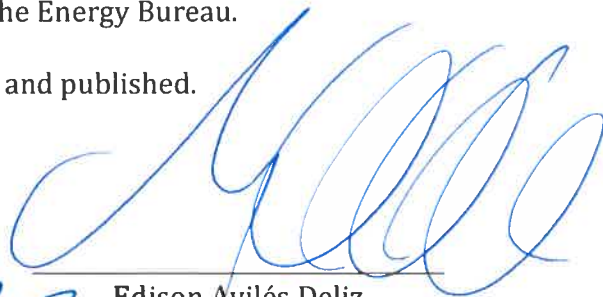


June 15, 2021. The Updated Procurement Plan shall be accompanied by a detailed report on the issues faced by PREPA during the current procurement process and the solutions implemented to address the same in the next procurement tranche.

Finally, filing an extension request almost at the end of the last day of the term, as PREPA did with the April 30 Request, is not conducive to proper case management. PREPA's actions essentially removed the Energy Bureau's discretion to evaluate the merits of the request. Therefore, in the future, the Energy Bureau will only entertain requests that are filed in a timely manner in this or any other procedure, unless there is just cause.

The Energy Bureau **WARNS** PREPA that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines pursuant to Act 57-2014⁹ and applicable Energy Bureau's regulations and any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be it hereby notified and published.



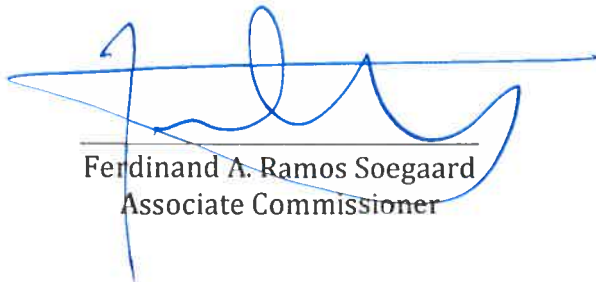
Edison Avilés Deliz
Chairman



Ángel R. Rivera de la Cruz
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia Ugarte Araujo
Associate Commissioner



⁹ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended.

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 11, 2021. I also certify that on May 11, 2021 a copy of this Resolution was notified by electronic mail to the following: mvazquez@diazvaz.law, kbolanos@diazvaz.law and jmarrero@diazvaz.law. I also certify that today, May 11, 2021, I have proceeded with the filing of the Resolution issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today May 11, 2021.



Sonia Seda Gaztambide
Clerk

