

**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: PREPA's Response to May 21,  
2021 Resolution and Order Addressing  
SESA Comments Request and Extension of  
Time for Submission of Proposals to  
Renewable Generation and Energy Storage  
Tranche 1 RFP.**

**RESOLUTION AND ORDER**

On May 21, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("May 21 Resolution") through which it ordered the Puerto Rico Electric Power Authority ("PREPA") to respond to SESA's<sup>1</sup> Request<sup>2</sup> on or before May 24, 2021. Additionally, the Energy Bureau required PREPA to address as part of its response, but not be limited to, the three examples provided by SESA and provide sample calculations for Performance Security and Performance Bond requirements for a typical project size.

On May 24, 2021, PREPA filed before the Energy Bureau a document titled *Response of the Puerto Rico Electric Power Authority to May 21, 2021 Resolution and Order Addressing Comments Presented by the Solar and Energy Storage Association of Puerto Rico and Statement of Support for Extension of Time for Submission of Proposals in Renewable Generation and Energy Storage Resource RFP Tranche 1* ("Response"). Through its Response, PREPA states that the Tranche 1 RFP seeks market participant proposals to provide 1,000 MW of renewable energy resource capacity and 500MW of energy storage resource capacity, including 150 MW of capacity to be provided by virtual power plants ("VPP"). PREPA indicates that it has responded to over three hundred fifty Requests for Clarification, offered clarifications and modifications to the RFP, and issued revised forms of Power Purchase and Operating Agreement ("PPOA"), Energy Storage Services Agreement ("ESSA") and Grid Services Agreement ("GSA").

PREPA alleges that it has had difficulty responding to some requests for clarification posted by prospective bidders relating to the integration of storage and VPP resources because it does not have the tools with which to model and manage the integration of such

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<sup>1</sup> Solar and Energy Storage Association of Puerto Rico.

<sup>2</sup> See Letter, RE: SESA's Further Comments on Implementation of PREPA's Procurement Plan NEPR-MI-2020-0012, including request for considering content & schedule changes, Case No. NEPR-MI-2020-0012, May 19, 2021.



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resources.<sup>3</sup> With respect to the establishment of Minimum Technical Requirements (“MTR”) for VPPs, PREPA states that it has no experience with such technical requirements and that since VPPs of similar scale have been implemented in only a handful of U.S. utility systems to date and that it has little technical bases on which to formulate MTRs for VPPs.<sup>4</sup>

PREPA indicates that while MTRs for VPPs have not yet been made available, as pointed out by SESA, it has informed proponents they may propose MTRs for the VPP resources they offer in response to the Tranche 1 RFP.<sup>5</sup>

Regarding the Performance Security requirement, PREPA informs that, given multiple participant comments and further review of industry precedent, it reduced the amounts of Performance Security that proponents will be required to furnish. PREPA further summarized the information it considered in establishing a reduction in the required security amounts.<sup>6</sup> PREPA also provided examples of the calculation of pre-COD<sup>7</sup> and post-COD security amounts under a PPOA and an ESSA, considering a typical solar PV project (50 MW capacity) and battery energy storage project (50 MW capacity, 4-hour discharge duration).<sup>8</sup>

Further, as part of its Response, PREPA states that a total of five participants have requested, individually as part of their Requests for Clarification, that additional time be provided for submission of bids. PREPA agrees with SESA in that providing additional time for the completion of bid submissions is likely to generate greater bidder participation and better bid pricing, assuming that PREPA will be afforded an identical extension of time to complete its evaluation of bidder submission.<sup>9</sup> PREPA argues that it would support an extension of time of twenty-one (21) days from the deadline of May 28, 2021, until June 18, 2021, for the submission of bidder responses to the Tranche 1 RFP.<sup>10</sup> PREPA states this extension would permit the evaluation to commence after the planned June 1, 2021 transition of responsibility from PREPA to LUMA,<sup>11</sup> which would permit the bid evaluation process to proceed much more efficiently.

<sup>3</sup> Response, p. 4.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*, pp. 4-5.

<sup>6</sup> *Id.*, p. 7.

<sup>7</sup> Commercial Operation Date.

<sup>8</sup> *Id.*, p. 8.

<sup>9</sup> *Id.*, p. 9.

<sup>10</sup> *Id.*, pp. 9-10.

<sup>11</sup> LUMA Energy, LLC and LUMA Energy ServCo, LLC (“LUMA”).

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Upon review of the arguments posed in PREPA's Response, the Energy Bureau **DETERMINES** that it is reasonable to extend the deadline for the submission of bids for the Tranche 1 RFP and an extension of time for PREPA to complete its evaluation of bidder submission. Therefore, the Energy Bureau **GRANTS** PREPA's request to extend the bidder response submission deadline **until June 18, 2021** and the Selection of Proposals for Phase II Evaluation **until July 15, 2021**.

This Resolution and Order does not affect the determination stated as part of the May 11, 2021 Resolution and Order<sup>12</sup> in the instant case, regarding the submission of the updated Procurement Plan.

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



<sup>12</sup> Resolution and Order, Case No. NEPR-MI-2020-0012, May 11, 2021.

**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 27, 2021. I also certify that on May 27, 2021 a copy of this Resolution was notified by electronic mail to the following: info@sesapr.org, mvazquez@diazvaz.law, kbolanos@diazvaz.law and jmarrero@diazvaz.law. I also certify that today, May 27, 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 27, 2021.

  
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Sonia Seda Gaztambide  
Clerk

