

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

**NEPR**

**Received:**

**Jul 6, 2021**

**1:14 PM**

**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:** Motion to Submit Presentation to  
be Projected by PREPA During the July 6,  
2021 Technical Conference

**MOTION TO SUBMIT PRESENTATION TO BE PROJECTED BY PREPA  
DURING THE JULY 6, 2021 TECHNICAL CONFERENCE**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority, through its counsel of record and respectfully submits and prays as follows:

1. On June 24, 2021, the Honorable Energy Bureau of the Public Service Regulatory Board (the “Energy Bureau”) entered a Resolution and Order (the “June 24 Order”) through which it ordered the Puerto Rico Electric Power Authority to:

...

(ii) File, on or before July 1, 2021, “a presentation discussing the changes incorporated in the Updated Procurement Plan and related documents and the reasons for such changes, as well as PREPA’s proactive, effective and opportune solutions to overcome any challenges identified by PREPA that could affect PREPA’s timely compliance with the Renewable Energy Portfolio Requirements;” and

(iii) Arrange for “[a]ll PREPA representatives in charge of the preparation of the Updated Procurement Plan and related documents” to attend a Technical Conference on July 6, 2021, at 1:30 pm, at which these representatives are to “have available all relevant documents and to be ready to answer, under oath, questions that the Energy Bureau staff and/or Commissioners may have.”<sup>1 2</sup>

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<sup>1</sup> June 24 Order, at pp. 1-2.

<sup>2</sup> The June 24 Order also ordered PREPA to file, on or before June 28, 2021, a redline of the Updated Procurement Plan reflecting the changes to its Renewable Energy Generation and Energy Storage Procurement Plan which PREPA proposed through a submission made in this proceeding on June 15, 2021. On June 28, 2021, PREPA filed a *Motion in Compliance with Order Entered on June 14, 2021 Submitting Redline Version of the Updated Procurement Plan*

2. On June 29, 2021, PREPA filed a request to extend the deadline to file the presentation and to continue the Technical Conference scheduled to be held on July 6, 2021 (the “June 29 Motion”).<sup>3</sup> PREPA, acting in the most responsible manner, informed the Energy Bureau that its advisors required additional time beyond the dates established in the second and third of the directives listed in the June 24 Order to complete the necessary work to responsibly comply with the Energy Bureau’s requirements. It was further explained that PREPA personnel and technical advisors from the firm Sargent & Lundy were currently working around the clock to complete the initial technical evaluation of the 70 project proposals received by PREPA on June 18, 2021 in response to its Tranche 1 RFP. PREPA further informed that the “Phase 2 Project Committee Review and Recommendation” process will include, for projects passing the Phase 1 screening, a qualitative evaluation, a pricing evaluation and an interconnection feasibility evaluation. Under the RFP Evaluation Timeline PREPA has established, the Phase 1 review must be completed, and proposals selected for Phase 2 evaluation by July 15, 2021. The “Phase 2 Project Committee Review and Recommendation” cannot commence as to any project until the Phase 1 Quality Control Review is completed. Further, PREPA informed that the same individuals required to develop the presentation the Energy Bureau has requested, along with PREPA legal advisors from the firms Díaz & Vázquez and King & Spalding, are the “PREPA representatives in charge of the preparation of the Updated Procurement Plan and related documents.” June 24 Order at p. 2. As such, they are required to attend the Technical Conference established by the June 24 Order which is currently scheduled to be held on July 6, 2021.

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submitting a redlined version of the Updated Procurement Plan filed with the Energy Bureau on June 15, 2021. Therefore, PREPA has partially complied with the June 24 Order.

<sup>3</sup> *Request of [PREPA] for Extension of Time to File Presentation on Changes Incorporated in Updated Procurement Plan and for a Continuance of the Technical Conference Currently Schedules for July 6, 2021.*

3. PREPA requested the Energy Bureau to extend the deadline to file the presentation until June 22, 2021 and continue the Technical Conference until June 27, 2021. On June 30, 2021, the Energy Bureau entered a Resolution and Order denying the requests made by PREPA in the June 29 Motion. The Energy Bureau informed that the extensions of time requested were not reasonable (the “June 30 Order”).

4. On July 1, 2021, PREPA moved the Energy Bureau to reconsider the June 30 Order.<sup>4</sup> PREPA adopted by reference the statements made by PREPA in the June 29 Motion as those were still true that day. It was further informed that the efforts to complete the presentation and attending the Technical Conference were now more substantially altered because the King and Spalding and Sargent & Lundy firms’ professional services agreements with PREPA expired on June 30, 2021. The professional services agreements have been approved by the PREPA Governing Board, the draft agreements must be approved by the Federal Oversight and Management Board for Puerto Rico and the Puerto Rico Public-Private Partnerships Authority before they can be executed by the parties.<sup>5</sup> These processes, including the coordination with the Operator under the OMA, made it difficult for PREPA to complete the presentation that the Energy Bureau required PREPA to file on or before the July 1<sup>st</sup> deadline and to be responsibly prepared to attend the Technical Conference schedule to be held on July 6, 2021.

5. Accordingly, PREPA asked the Energy Bureau to reconsider the June 30 Order and grant an extension of time, until July 22, 2021, for the filing of the report on the updated Procurement Plan required by the June 24 Order, and (ii) to continue the date for the Technical Conference established by the June 24 Order from July 6, 2021 to July 27, 2021.

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<sup>4</sup> *Urgent Motion for Reconsideration of the June 30, 2021 Order.*

<sup>5</sup> Most government contracts expire at the end of each fiscal year and as the Energy Bureau knows, PREPA’s are no different. The audit and oversight of public funds is of the utmost importance to Puerto Rico and this makes the government contracting process very strict and therefore, complicated.

6. On July 1, 2021, the Energy Bureau entered a Resolution and Order eliminating PREPA's requirement of the presentation but sustaining the determination that the Technical Conference was going to be held on July 6, 2021.

7. PREPA appreciates the Energy Bureau's determination to eliminate the requirement of the presentation. However, even though PREPA was not able to complete the presentation by the deadline established on the June 24 Order, PREPA did complete the presentation during the weekend and the holidays. The preparation of the presentation came hand in hand with the preparation of the participants that will present and testify on behalf of PREPA during the Technical Conference.

WHEREFORE, PREPA herein respectfully requests the Energy Bureau (i) to accept the presentation attached as Exhibit A to this motion and also, (ii) to grant PREPA leave to project the presentation during the July 6, 2021 Technical Conference.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 6<sup>th</sup> day of July, 2021.

*s/ Maralíz Vázquez-Marrero*  
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TSPR 16,187

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## CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, I have filed the above motion with the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filling was sent via e-mail to [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com) and [laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com).

In San Juan, Puerto Rico, 6<sup>th</sup> day of July 2021.

*s/ Katuska Bolaños-Lugo*  
Katuska Bolaños-Lugo

**Exhibit A**



Autoridad de  
Energía Eléctrica

# **Puerto Rico Electric Power Authority**

## **Renewable Energy Generation and Energy Storage RFP**

# **Procurement Plan – Update No. 1**

**Presented to the Puerto Rico Energy Bureau**

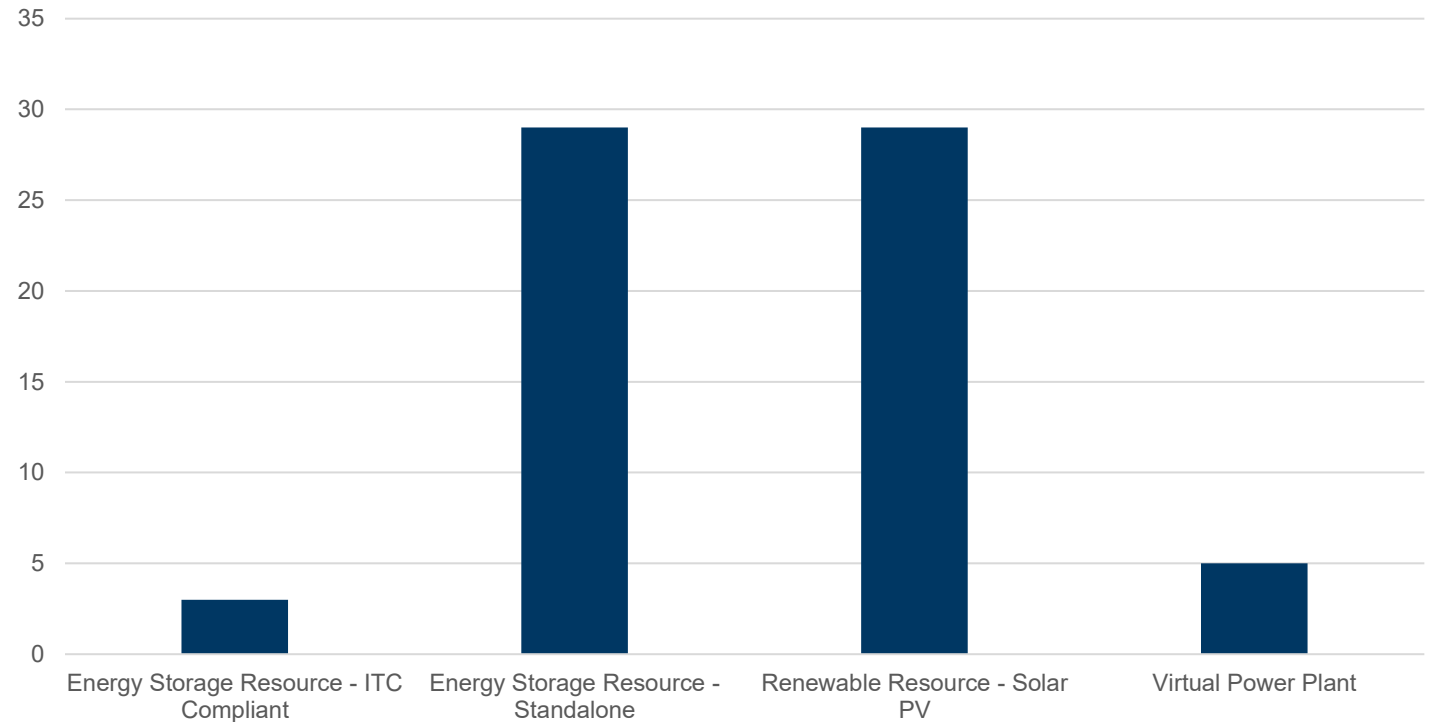
**July 6, 2021**

# Tranche 1 Proposal Summary



Proposal Technology	Quantity of Proposals
Energy Storage Resource - ITC Compliant	3
Energy Storage Resource - Standalone	29
Renewable Resource - Solar PV	30
Virtual Power Plant	4
<b>Total Proposals</b>	<b>66</b>

No. of Proposals By Contract Type



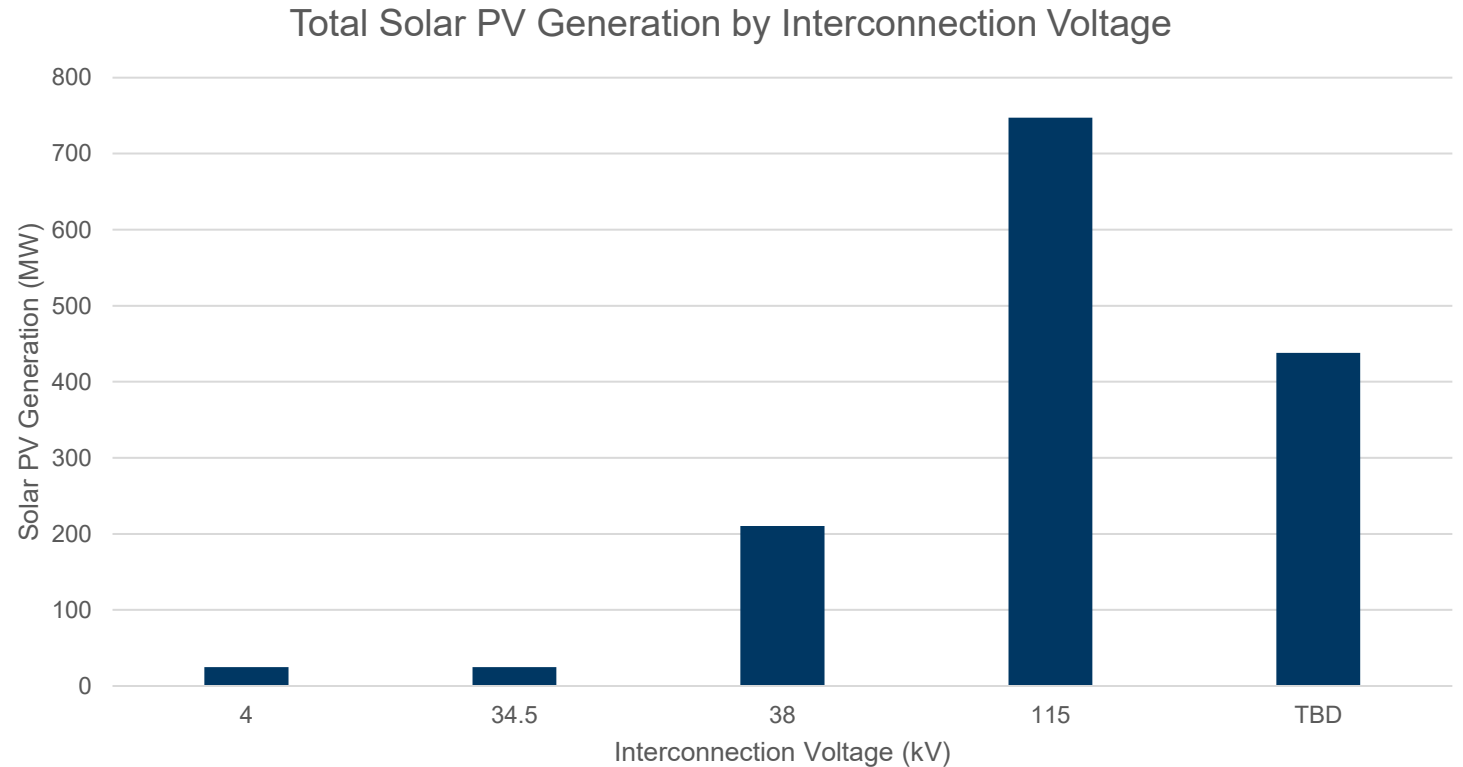




# Tranche 1 Proposal Summary – Solar PV

Interconnection Voltage (kV)	Generating Capacity (MWac)
4*	25
34.5*	25
38	210.5
115	747.1
TBD**	438.1
<b>Total</b>	<b>1445.7</b>

\*Under review. RFP requires projects to interconnect at 38kV or greater.  
\*\* Further clarification with Proponents required.



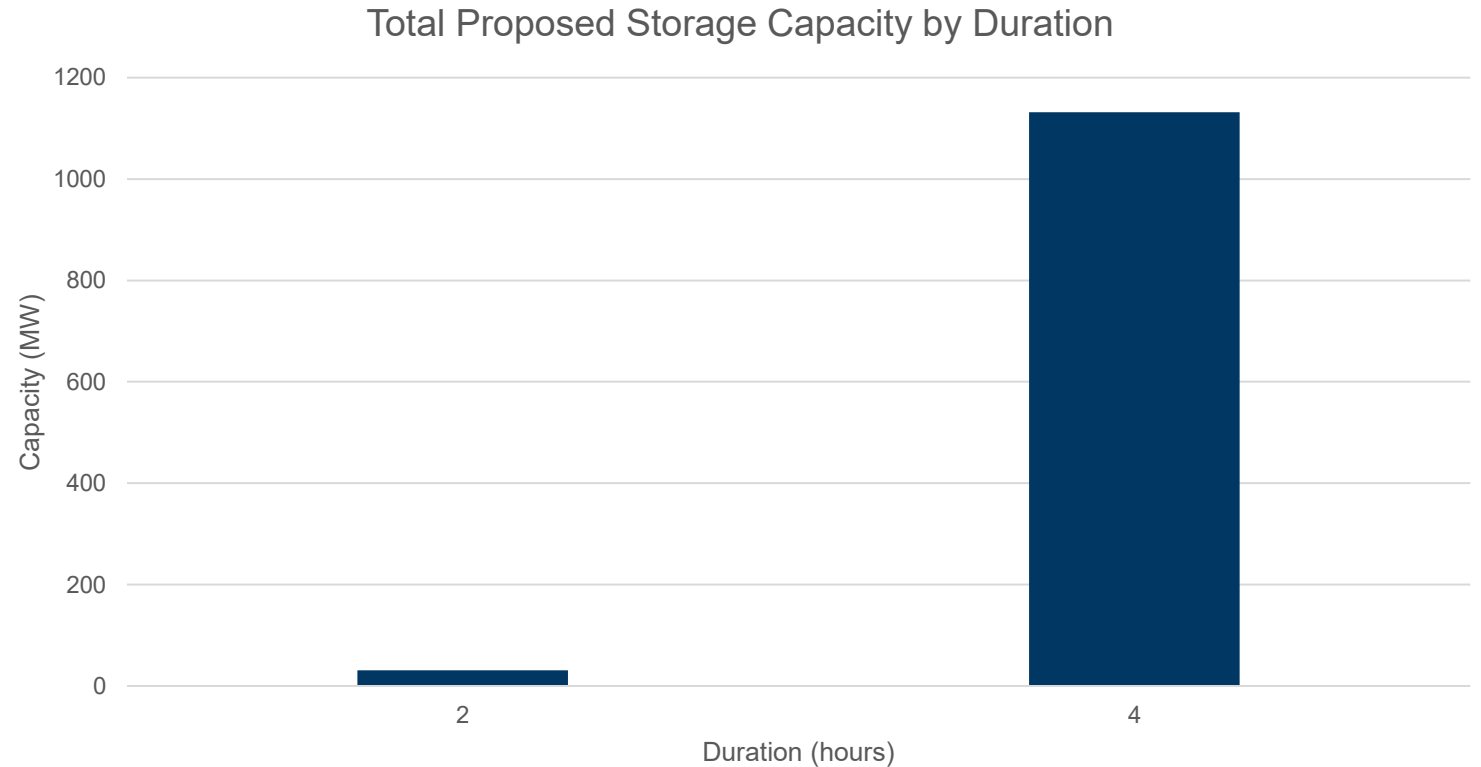
# Tranche 1 Proposal Summary

## Energy Storage



Duration (Hours)	Energy Storage Capacity (MW)
2	31
4	1131.5
<b>Total</b>	<b>1162.5*</b>

\*For project sites with multiple proposals, only the largest proposal is included



# Tranche 1 Proposal Summary

## Virtual Power Plants

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Three proponents submitted VPP proposals:

- Two proponents offered VPPs ranging from 15 – 25 MW
- One proponent offered a VPP up to 150 MW

# Tranche 1 Proposal Summary

## Proposed Project Site Locations



# Tranche 1 Proposal Summary

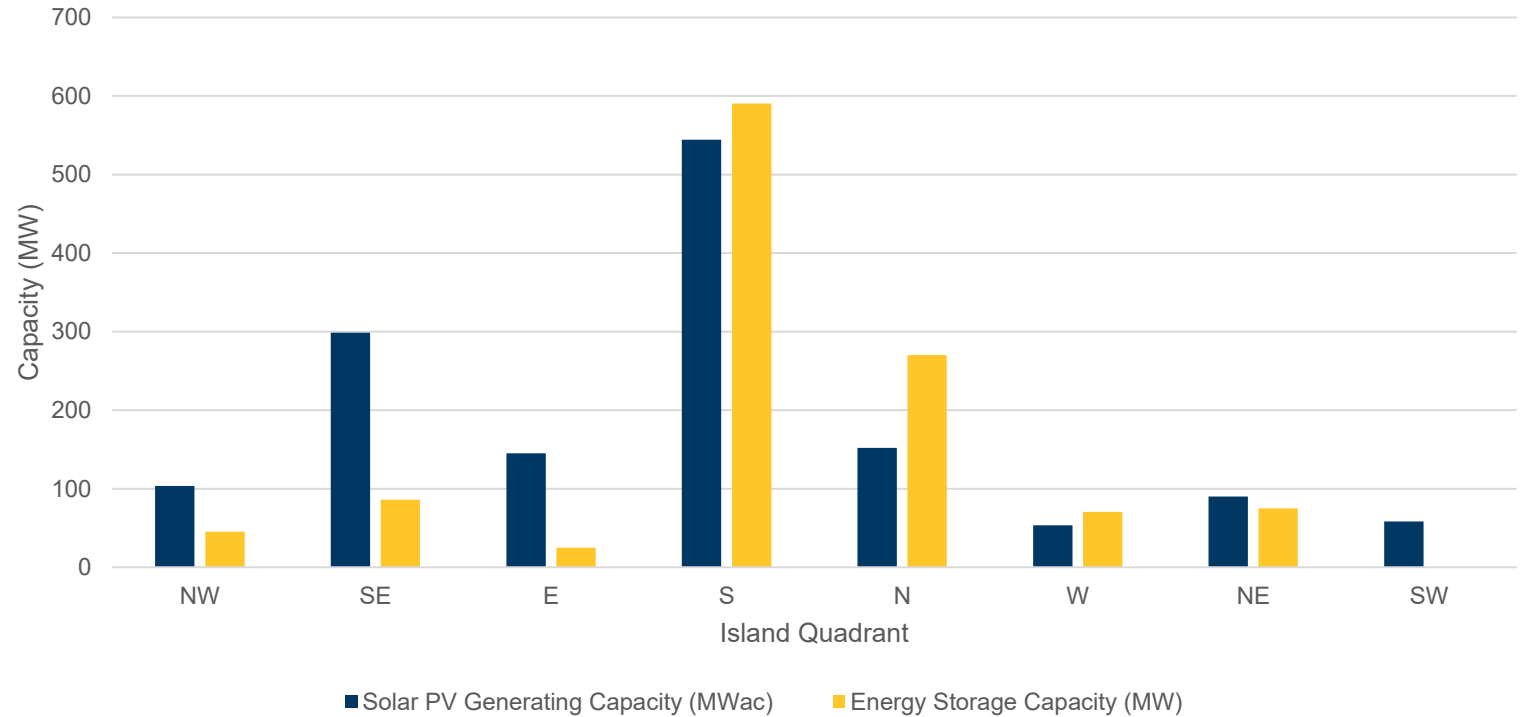
## Proposed Project Site Locations



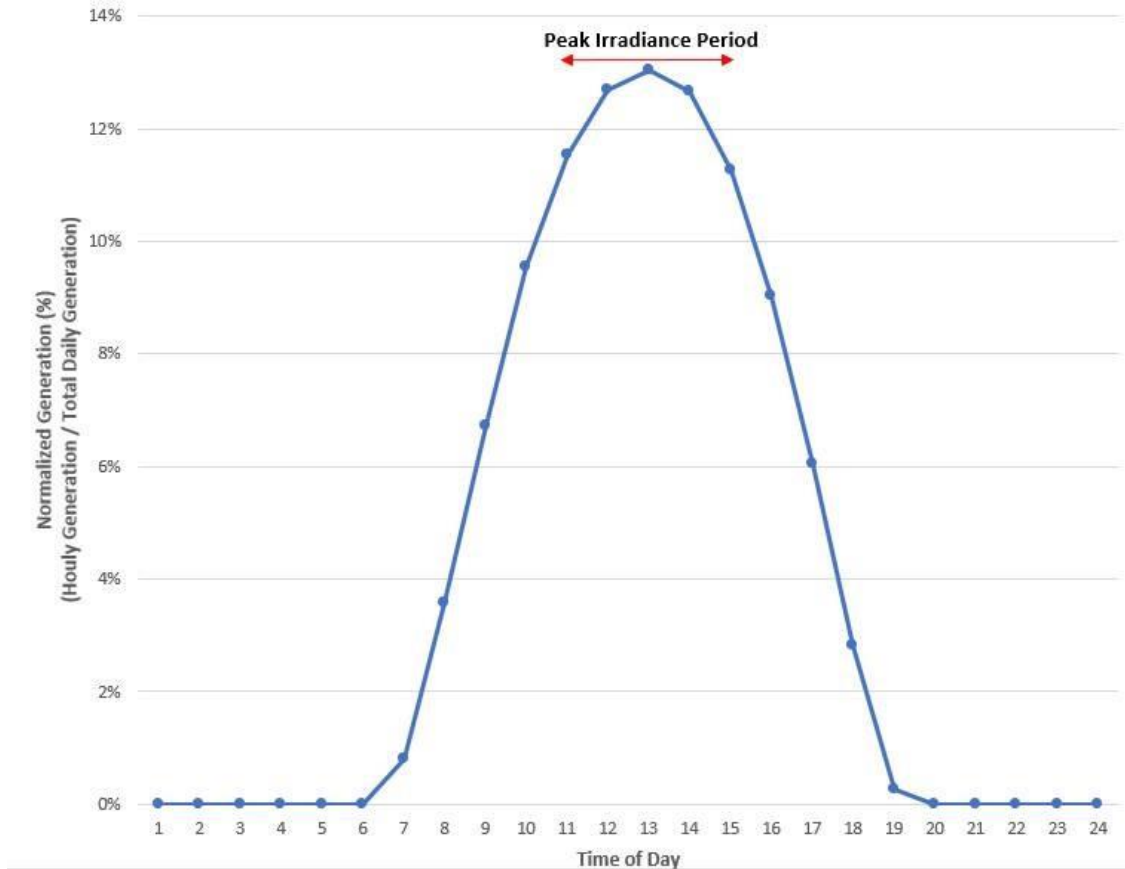
Island Quadrant	Solar PV Generation Capacity (MWac)	Energy Storage Capacity (MW)
NW	103.5	45.5
SE	298.7	86
E	145	25
S	544.5	590.5
N	152	270
W	53.5	70.5
NE	90	75
SW	58.5	
<b>Total</b>	<b>1445.7</b>	<b>1162.5*</b>

\*For project sites with multiple proposals, only the largest proposal is included

Generation Capacity by Island Quadrant



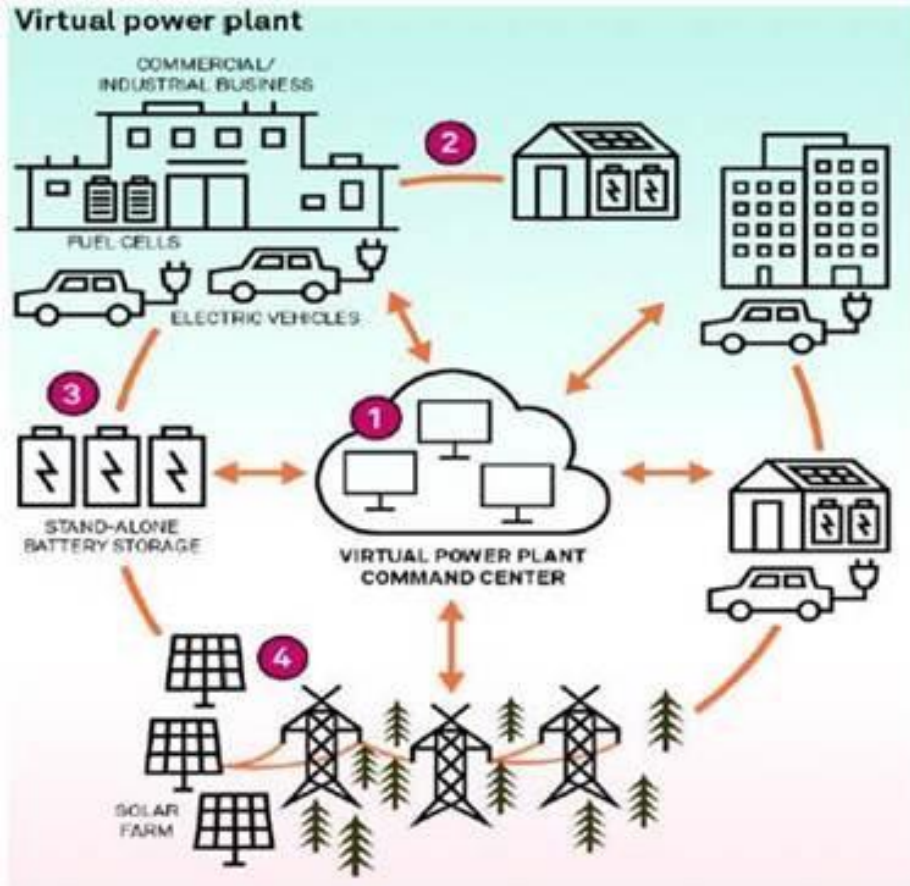
# Peak Irradiance Period- The Curtailment Problem



## Strategies for Mitigating PREPA's Take-or-Pay Liability

- ✓ Deployment of BESS Resources in accordance with Procurement Plan schedule
- ✓ Prioritization of non-PV Energy Resources
- ✓ Prioritization of VPP Resources, which provide Demand-Build Services, during Peak Irradiance Period
- ✓ Adoption of Time-of-Dispatch Pricing that incentivises Resource Providers to make Energy available outside Peak Irradiance Period.
- ✓ Coordination of T&D System capacity upgrades with the scale-up of new PV Resources.

# VPP Resources – The Parallel Procurement Problem



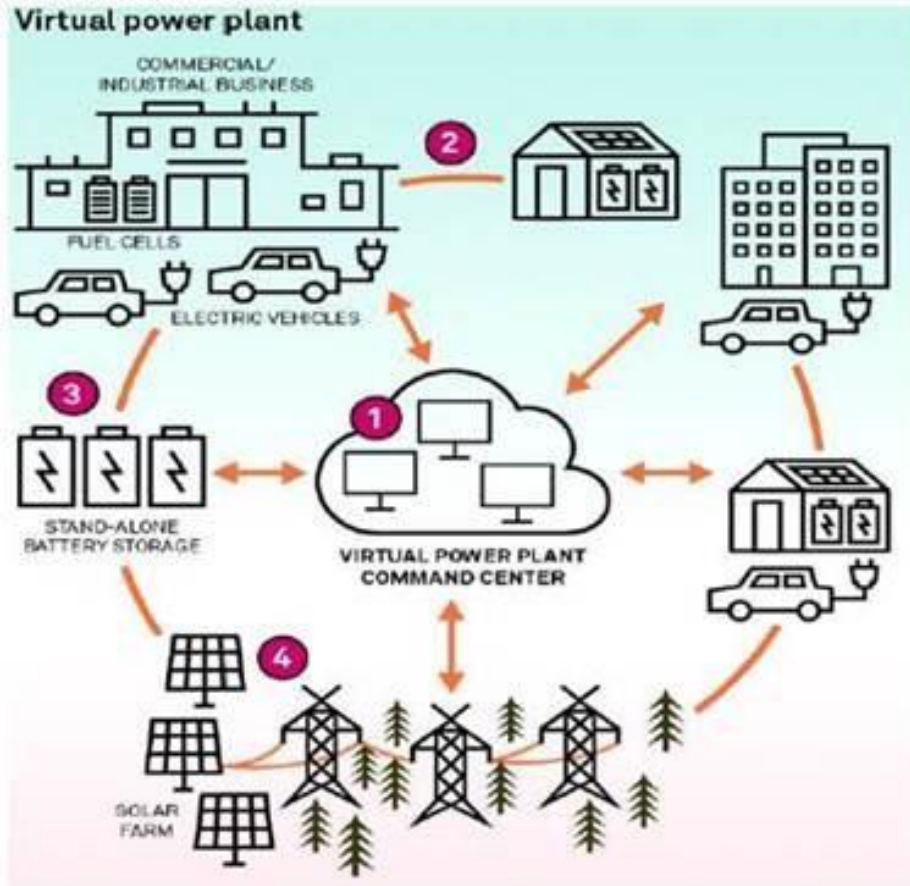
## Key Issues

1. To integrate VPP resources, PREPA must procure new GCCC System in parallel with such resources;
2. PREPA requires FEMA funding to purchase GCCC System and does not control timing of release of such funds;
3. Proceeding with procurement of Tranche 1 VPP Resources will expose PREPA to significant delay liability;

## Recommendation

Extend Milestone for Commercial Operation to 36 months from signing of Contract.

# VPP Resources – The Source Code Problem



## Key Issues

1. VPP Resources utilize numerous (up to 35) proprietary source codes for Grid Service Delivery System (GSDS).
2. While a VPP Aggregator obtains a license from each Source Code Owner to operate GSDS, third parties (such as PREPA) do not have the right to operate the GSDS.
3. A lack of access to Source Code prevents PREPA from stepping in and taking over the operation of a VPP Resource if either the VPP Aggregator or Source Code Owner enters into bankruptcy.

## Recommendation

For VPP Resources in excess of 100 MW, PREPA should (i) enter into license agreements directly with all Source Code Owners, and (ii) require each Source Code Owner to place a copy of its Source Code into Escrow, during the Supply Term.



# Revisions to Procurement Plan – General Changes

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From a high level, the other changes to the Procurement Plan generally fall into one of three buckets:

1. Updates to align with the final Tranche 1 RFP requirements
2. Reorganization to improve readability / clarity
3. Clean-up edits and corrections

The blackline appears to show more changes than are actually present due to these improvements.



**Thank You**