



SESA SOLAR AND ENERGY STORAGE
ASSOCIATION
OF PUERTO RICO

NEPR

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July 1, 2021

Hon. Edison Avilés-Deliz
Chairman
Puerto Rico Energy Bureau
World Plaza Building
268 Ave. Muñoz Rivera
Nivel Plaza Suite 202
Hato Rey, PR 00918

RE: SESA Comments and Requests on PREPA's Motions Regarding Tranche 1 and Tranche 2 Renewable Generation and Energy Storage Resource Procurement; NEPR-MI-2020-0012

Dear Chairman Avilés-Deliz and Honorable Commissioners:

The Puerto Rico Solar Energy Industries Association Corp., d/b/a/ Solar and Energy Storage Association of Puerto Rico (hereinafter, "SESA") is an association that represents Puerto Rico's solar and energy storage industries. It advocates for solar and storage technologies as a central solution to the energy needs of Puerto Rico and promotes public policy that results in the acceleration of deployment of these important, life-saving technologies. It brings awareness and understanding of these technologies to both government policymakers, the public, and other stakeholders, and facilitates collectively beneficial collaboration.

We come before this Honorable Bureau in response to recent filings in this docket pertaining to Tranche 1 and Tranche 2 of the required RFPs for renewable energy and storage, with an urgent request for strong PREB oversight for an important pending issue regarding the VPP component of the RFP.

Pertinent Background

- May 24th PREPA filing: Affirmed "PREPA expects that it will work collaboratively with Proponents that advance in the process on the development of applicable MTRs." (Page 5)
- May 27th PREB Order: Established "Selection of Proposals for Phase II Evaluation until July 15, 2021" (P. 3)

- June 15th PREPA filing: “For the foregoing reasons, **PREPA recommends suspending the procurement of VPP resources as part of the RFPs for Tranche 1 and Tranche 2** until such time as PREPA purchases the GCCC System.” (Page 6, emphases added)
- June 24th PREB Order: “In the Updated Procurement Plan, PREPA makes several recommendations that raise potentially significant concerns which the Energy Bureau understand warrant further explanation and/or clarification by PREPA before the Energy Bureau completes its evaluation of the Updated Procurement Plan and related documents.” (Page 1)
- June 28th PREPA filing: Repeats sentence from the June 15th PREPA filing of: “For the foregoing reasons, **PREPA recommends suspending the procurement of VPP resources as part of the RFPs for Tranche 1 and Tranche 2** until such time as PREPA purchases the GCCC System. (Page 6, emphases added)
- June 29th PREPA filing: “PREPA personnel and technical advisors from the firm Sargent & Lundy are currently working around the clock to complete the initial technical evaluation of the 70 project proposals PREPA received on June 18, 2021 in response to its Tranche 1 RFP. (Page 6)

Explanation

Because there has apparently been no direct response to PREPA’s “recommendation” of “suspending the procurement of VPP resources as part of the RFPs for Tranche and Tranche 2”, it potentially draws into question whether any of the 70 project proposals submitted, particularly those which focus on VPPs are currently being reviewed or not, which then further draws into question whether the July 15th date is realistic for completing Phase 1 review.

Furthermore, throughout the RFP process for Tranche 1, PREPA missed several of their own deadlines in supplying information bidders were expecting, including:

- Minimum MTRs were never posted.
- Many requirements of the Tranche 1 bid are potentially irrelevant.
- Lack of sufficient time for negotiating contract exceptions before bid bond posting is required.
- RFP proposal form inapplicable for VPPs, requirements (like site control, IX agreements, etc.) not relevant to VPPs, etc.

- There is a risk that PREPA's own mishandling of key components of the bid regarding VPPs could result in some bids being deemed incomplete by PREPA, for reasons created solely by PREPA.

Actions Requested

For the foregoing reasons, SESA requests that PREB:

- Issue an order responding directly to PREPA's "recommendation" of **"suspending the procurement of VPP resources as part of the RFPs for Tranche and Tranche 2"**.
- Reconsider whether the July 15th date is realistic for Phase 1 Evaluation, and if not, order or approve a later date.

Conclusion

PREPA has stated many times, particularly in their May 24th 2021 filing, on their lack of confidence in being able to administer the VPP portion of these RFPs. We request PREB consider the specific actions requested in this filing by SESA, and also consider close scrutiny of PREPA's handling of the VPP portions of the Tranche 1 RFP at this time, and of Tranche 2 and all future tranches, to encourage maximum confidence in the ability of potential VPP bidders evaluating and participating in the bid process.

Respectfully submitted,

[signed]

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