

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

**NEPR**

**Received:**

**Aug 11, 2021**

**4:50 PM**

**IN RE:** REVIEW OF THE PUERTO RICO  
ELECTRIC POWER AUTHORITY'S 10-  
YEAR INFRASTRUCTURE PLAN –  
DECEMBER 2020

**CASE NO.:** NEPR-MI-2021-0002

**SUBJECT:** Motion in Compliance with  
Order Entered on August 9, 2021

**MOTION IN COMPLIANCE WITH ORDER ENTERED ON AUGUST 9, 2021**

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

1. On August 3, 2021, PREPA filed before the Puerto Rico Energy Bureau of the Public Service Regulatory Board (the "Energy Bureau" or "Bureau") a *Request for Technical Conference to Update the Energy Bureau on the Status of Generation Project and FEMA Section 404 Hazard Mitigation Program* (the "August 3 Motion"). In the August 3 Motion, PREPA, *motu proprio*, requested the Energy Bureau to enter an order scheduling a Technical Conference to report on certain PREPA generation projects before sending a letter to the Federal Emergency Management Agency (FEMA) that was due on August 12, 2021 ("Written Request"). August 3 Motion at p. 4.
2. On August 6, 2021, the Honorable Energy Bureau entered *Resolution and Order* granting PREPA's request and scheduling a Virtual Technical Conference to be held on August 10, 2021 (the "August 6 Order"). Additionally, PREPA was ordered to submit, on or before August 9, a report referenced in the August 3 Motion and a copy of the Power Point presentation to be projected during the Virtual Technical Conference. August 6 Order at p. 1.
3. On August 8, 2021, PREPA filed a *Request to Set Aside Order and for Cancellation of Technical Conference* (the "Cancellation Request"). In the Cancellation Request, PREPA informed the Energy Bureau that, as part of the preparation for the Technical Conference, PREPA

met with LUMA Energy, LLC (LUMA) representatives to discuss the generation projects that it planned to present to the Energy Bureau but, that due to time constraints, PREPA was not able to coordinate with LUMA for final input on the projects. Cancellation Request at p. 1, ¶ 3. Therefore, at that time, PREPA determined it was not prepared to present to the Energy Bureau the presentation offered. *Id.* For that reason, PREPA moved the Energy Bureau to set aside the August 6 Order and, therefore, to cancel the Virtual Technical Conference scheduled to be held on August 10, as well as related rulings. *Id.* at p. 3, ¶ 4.

4. In response, on August 9, 2021, the Energy Bureau entered *Resolution and Order* granting PREPA’s Cancellation Request (the “August 9 Order”). In the August 9 Order, the Energy Bureau directed PREPA to inform, on or before today at 5:00pm, on the following: “(i) the status of the Written Request; (ii) an estimated date upon which it will complete its coordination with LUMA; and (iii) an estimated date for rescheduling the Technical Conference requested in the [August 3 Motion].” August 9 Order at p. 2. In compliance with the August 9 Order, PREPA reports as follows.

5. The Written Request to be presented to FEMA is related to an extension of time for projects for which funds could be reimbursed under the Section 404 Hazard Mitigation Program. For example, one of these projects is related to the studies for new generation near the San Juan area (Palo Seco). In the Final IRP Order<sup>1</sup>, and confirmed in the March 26 Order<sup>2</sup>, the Energy Bureau determined that PREPA could conduct preliminary work as well as scoping and feasibility analysis on new generation and/or energy storage at Palo Seco.<sup>3</sup> Final IRP Order at p. 272-273, ¶

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<sup>1</sup> Final Resolution and Order on the Puerto Rico Electric Power Authority entered on August 24, 2020 in case no. CEPR-AP-2018-0001, *In Re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan* (the “Final IRP Order”).

<sup>2</sup> Resolution and Order entered on March 26, 2021 (the “March 26 Order”).

<sup>3</sup> Reports on these studies are presented monthly in the matter docketed as *In Re: Preliminary Studies for New Combined Cycle Power Plant in Palo Seco*, case no. NEPR-MI-2021, 0003.

880. These works are limited to a specific set of requirements set forth in the Final IRP Order and the expenses are capped at \$5 million. Id. at pp. 273-274, ¶ 880. PREPA included the preliminary works in the revised 10-Year Plan that the Energy Bureau approved on March 26, 2021. March 26 Order at p. 17, Sec. IV, ¶ 1. Should PREPA decide that it wishes to proceed to project development, PREPA must make such request to the Energy Bureau in writing and in compliance with the requirements set forth in the Final IRP Order. Id. at ¶ 883. Moreover, should PREPA decide that it wishes to move to a subsequent phase of studies, PREPA must report such decision to Central Office for Recovery, Reconstruction and Resiliency (COR3), who, in turn, would report to FEMA.

6. PREPA is still in the process of making a final determination on whether it wants to move to Phase II of the projects and, should that be the decision, PREPA would then seek leave from the Energy Bureau to do so.<sup>4</sup> The deadline to submit the Written Request to FEMA was August 12, 2021, but COR3 requested an extension of time to inform the decision. Should PREPA decide that moving forward with the project is feasible, PREPA will move the Energy Bureau for leave to continue with the project. Until then, PREPA continues to work within the limits set forth in the Final IRP Order and the 10-Year Plan approved by the Energy Bureau.

7. Further, and as PREPA stated in the August 8 Motion, it met with LUMA representatives to discuss the generation projects that could be submitted for reimbursement under *Section 404 Hazard Mitigation Program*. The last meeting was held on August 4, 2021. PREPA received comments and input from LUMA and is still in the process of analyzing such comments and also, coordinating with COR3 to further discuss. As of this date, PREPA cannot assert when it will complete coordination with LUMA. However, PREPA can state that, once it determines the path forward it will inform LUMA.

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<sup>4</sup> For the Palo Seco project, leave would be sought in compliance with the requirements included in the Final IRP Order. See e.g. Final IRP Order at p. 274, ¶ 883.

8. Lastly, at this time PREPA is not able to inform the Energy Bureau on an estimated date for rescheduling the Technical Conference requested in the August 3 Motion. However, and in compliance with all of the Energy Bureau's directives and orders, PREPA will seek approval of the Energy Bureau to proceed with any action that warrants such approval. If after all the discussions that are currently being held PREPA still thinks that the Technical Conference is warranted, it will timely request the Energy Bureau to schedule it.

WHEREFORE, PREPA respectfully requests the Energy Bureau to note PREPA's compliance with the August 9 Order

**RESPECTFULLY SUBMITTED.**

In San Juan Puerto Rico, 11<sup>th</sup> day of August 2021.

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**CERTIFICATE OF SERVICE**

It is hereby certified that I have filed the foregoing with the Clerk of the Energy Bureau using the electronic filing system using <https://radicacion.energia.pr.gov/login> and also, that I have served a copy on LUMA Energy, LLC and LUMA Energy ServCo, LLC through their counsel of record at [laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com) and [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com).

In San Juan Puerto Rico on this 11<sup>th</sup> day of August 2021.

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