

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

NEPR

Received:

Dec 17, 2021

10:26 PM

**IN RE:**

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

**CASE NO. NEPR-MI-2020-0012**

**SUBJECT: Submittal of Report on Resource Planning  
Process for Next IRP Cycle and Draft RFQ/RFP for IRP  
Consultant and Request for Confidential Treatment**

**MOTION TO SUBMIT REPORT ON RESOURCE PLANNING PROCESS FOR NEXT  
IRP CYCLE AND DRAFT RFQ/RFP FOR IRP CONSULTANT AND REQUEST FOR  
CONFIDENTIAL TREATMENT**

**TO THE PUERTO RICO ENERGY BUREAU:**

**COMES NOW LUMA Energy ServCo, LLC** (“LUMA”), through the undersigned legal counsel, and respectfully submits the following:

1. On October 6, 2020, the Energy Bureau issued a Resolution and Order (the “October 6<sup>th</sup> Resolution”) opening this docket to “manage the implementation phase of the Approved IRP and Modified Action Plan.” *See* October 6<sup>th</sup> Resolution at p. 1.<sup>1</sup> The term Approved IRP and Modified Action Plan refers to the Puerto Rico Electric Power Authority’s (“PREPA”) Integrated Resource Plan (“IRP”) as approved in part and rejected in part by the Energy Bureau by Final Resolution and order of August 24, 2020 in Case CEPR-AP-2018-0001, *In Re: Puerto Rico Electric Power Authority Integrated Resource Plan* (“August 24<sup>th</sup> Resolution”), and the modified action plan established by the Energy Bureau in the August 24<sup>th</sup> Resolution. *See id.*

---

<sup>1</sup> In the October 6<sup>th</sup> Resolution, the Energy Bureau also indicated that it “may open in the future additional dockets related to the implementation of the Approved IRP and Modified Action Plan, as necessary.” *See id.*

2. On November 5, 2021, LUMA submitted a motion in this proceeding (“November 5<sup>th</sup> Motion”) acknowledging LUMA’s role in connection with the preparation of the next IRP<sup>2</sup>, informing the Energy Bureau of the status of LUMA’s efforts with respect to the process to prepare for the next IRP cycle, and requesting until November 30, 2021 to submit: (a) the report describing the resource planning process for the next IRP cycle required under Section V(B)(1) of the August 24<sup>th</sup> Resolution (“IRP Process Review Report”); and (b) the first submittal required under the IRP consultant contracting process established in Section V(B)(2) of the August 24<sup>th</sup> Resolution (“IRP Consultant Contracting Process”). *See* LUMA’s *Informative Motion on Status of Activities Related to Next IRP Cycle, Request for Extension to File Documents, and Request to Schedule Technical Conference* of November 5, 2021 at pp. 4-7. Among others, in the November 5<sup>th</sup> Motion, LUMA also requested the Energy Bureau to schedule a Technical Conference to discuss in more detail the subjects raised in that motion regarding the next IRP Cycle, including, among others, a request for streamlining the IRP Consultant Contracting Process. *See id.* at p. 7.

3. On November 30, 2021, LUMA informed the Energy Bureau that it had prepared a preliminary draft of the IRP Process Review Report required under Section V(B)(1) of the August 24<sup>th</sup> Resolution and a draft document to meet the Request for Qualifications (“RFQ”) and Request for Proposal (“RFP”) (“RFQ/RFP”) requirements under Section V(B)(2) of the August 24<sup>th</sup>

---

<sup>2</sup> LUMA explained that pursuant to the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed among PREPA, LUMA, LUMA Energy, LLC and the Puerto Rico Public Private Partnerships Authority dated as of June 22, 2020 (the “T&D OMA”), LUMA is responsible for “[f]rom time to time, or as otherwise required by [applicable law as defined in the T&D OMA] or ordered by [the Energy Bureau], [...] prepare a proposed [IRP] for review and approval by [the Energy Bureau]” (*See* T&D OMA, Section 5.6) *See* November 5<sup>th</sup> Motion at p. 4. *See also* Section I(A) of Annex I of the T&D OMA providing in pertinent part, that LUMA is responsible for “preparing, presenting, [and] defending current or future [IRPs], [...], as [PREPA’s] representative before the [Energy Bureau] and any other local, state or federal government agencies”.

Resolution, but needed additional time to complete these, and requested an extension until December 17, 2021 to file the completed documents with the Energy Bureau. *See* LUMA's *Informative Motion on Timeline to Submit the Report on Resource Planning for the Next IRP Cycle and the Draft RFQ and RFP for IRP Consultant and Request for Additional Time* filed on November 30, 2021.

4. On December 15, 2021, this Energy Bureau issued a Resolution and Order (the December 15<sup>th</sup> Resolution and Order") granting LUMA until December 17, 2021 to file the IRP Process Review Report and the RFQ/RFP document required under Sections V(B)(1) and V(B)(2) of the August 24<sup>th</sup> Resolution, respectively. In addition, the Energy Bureau scheduled a Technical Conference in the November 5<sup>th</sup> Motion, scheduling it for January 25, 2022 at 2:00 p.m.

5. In accordance with Section V(B)(1) of the August 24<sup>th</sup> Resolution and in compliance with the December 15<sup>th</sup> Resolution and Order, LUMA hereby submits the IRP Process Review Report. *See* **Exhibit 1**.

6. The IRP Consultant Contracting Process under Section V(B)(2) of the August 24<sup>th</sup> Resolution provides for at least four filings of documents with the Energy Bureau and the issuance of at least four approvals from the Energy Bureau. LUMA is proposing to consolidate some of these steps without affecting the Energy Bureau's ability to review and approve the specific elements of the RFQ, RFP, draft contract and final contract, in alignment with the August 24<sup>th</sup> Resolution, while making the process more time- and cost-efficient for both LUMA and the Energy Bureau.

7. Specifically, with this filing, LUMA is following the streamlined IRP Consultant Contracting Process below:

- i. LUMA is submitting to the Energy Bureau a draft of a single document combining an RFQ, RFP and a first draft of the proposed contract for IRP consulting services (together, the “RFQ/RFP”) for the Energy Bureau’s review and approval. The draft RFQ/RFP contains a description of the qualification requirements for providing IRP-related consulting services and a detailed scope of services. The RFQ/RFP requires proponents deliver a statement of qualifications to LUMA prior to delivering the technical and cost proposal.
- ii. LUMA proposes then to issue the RFQ/RFP as approved by the Energy Bureau.
- iii. After the RFQ/RFP is issued and statements of qualifications are submitted to LUMA, LUMA would then submit to the Energy Bureau (i) a list of potential consultants that LUMA determines meet the qualifications requirements in the RFQ/RFP, (ii) the rationale for such determination and (iii) copies of any documents relied upon to make such determination. In alignment with the August 24<sup>th</sup> Resolution, LUMA would recommend to the Energy Bureau one or more qualified consultants from the statements of qualifications received, in which case, the rationale for the selection of these consultants as qualified would also be provided to the Energy Bureau. (These steps consolidate the steps in paragraphs (c) and (d) and part of paragraph (f) under Section V(B)(2) of the August 24<sup>th</sup> Resolution.)
- iv. After obtaining approval from the Energy Bureau of the foregoing, LUMA would then commence negotiations with one or more qualified consultants whose Proposals were selected for negotiation.

- v. LUMA would file a report with the Energy Bureau regarding the negotiation process and demonstrate to the Energy Bureau's satisfaction the rationale for the final selection. This report would contain, for the Energy Bureau's approval, a final draft of the proposed contract and a detailed description of any deviations on the terms and conditions of the contract from the draft previously approved by the Energy Bureau and a redline version highlighting such deviations. (These steps consolidate the steps in part of paragraphs (e) and (f) and all of paragraph (g) under Section V(B)(2) of the August 24<sup>th</sup> Resolution.)
- vi. LUMA would then execute the contract with the chosen consultant after obtaining approval from the Energy Bureau. (This step meets the requirements of paragraph (h) under Section V(B)(2) of the August 24<sup>th</sup> Resolution.)

8. A diagram illustrating the steps above and comparing these with the steps in Section V(B)(2) is included in **Exhibit 2**. As can be noted, this streamlined IRP Consultant Contracting Process would reduce the need to file documents with the Energy Bureau to at least three instances and the issuance of approvals from the Energy Bureau to three, instead of the four instances in each case under the process described in Section V(B)(2) of the August 24<sup>th</sup> Resolution. This reduction should result in a more cost and time-efficient process for both LUMA and the Energy Bureau. Also, this Energy Bureau would be able to review the draft RFQ/RFP and proposed contract at an early stage, thereby allowing LUMA to incorporate the Energy Bureau's input prior to initiating the process of qualifying proponents.

9. LUMA hereby submits for the Energy Bureau's review and approval a draft RFQ/RFP document- that is, the draft of the single document combining an RFQ, an RFP and a draft of the

proposed contract for consulting services- for the Energy Bureau’s review and approval (*see Exhibit 3*), which RFQ/RFP document is intended to meet the requirements of paragraphs (a), (b) and (e) under Section V(B)(2) of the August 24<sup>th</sup> Resolution.

10. LUMA submits **Exhibit 3**, in its entirety, under seal of confidentiality and requests, pursuant to the Energy Bureau’s Policy on Management of Confidential Information<sup>3</sup>, that the Energy Bureau keep and maintain Exhibit 3 confidential. Among other things, this document is a draft which may in current or other form be part of a procurement process that has not commenced, and its disclosure may adversely impact the integrity of that process. Under separate cover and expediently, within the next ten days, as allowed by Section A.2 of the Energy Bureau’s Policy on Management of Confidential Information, LUMA will submit a memorandum of law in support of this request to file **Exhibit 3** under seal of confidentiality.

11. Given that with this filing, LUMA has submitted a single document combining an RFQ, RFP and a draft of the proposed contract for consulting services, for the Energy Bureau’s review and approval, a technical conference to discuss the streamlined IRP Consultant Contracting Process is not strictly necessary for this Energy Bureau to review and approve these documents. Accordingly, LUMA respectfully requests that this Energy Bureau not delay review and/or approval the RFQ/RFP and draft contract pending the Technical Conference, if possible. LUMA understands that the Technical Conference could be a useful tool to discuss any questions arising from this review or other matters covered in this motion, if any, that this Energy Bureau may have.

---

<sup>3</sup> See Energy Bureau’s Policy on Management of Confidential Information, CEPR-MI-2016-0009 (“Policy on Management of Confidential Information”), issued on August 31, 2016, as amended by the Resolution dated September 16, 2016.

**WHEREFORE**, LUMA respectfully requests the Energy Bureau to (i) **take notice** of the aforementioned, (ii) **accept Exhibit 1** of this Motion in compliance with Section V(B)(1) of the August 24<sup>th</sup> Resolution and the December 15<sup>th</sup> Resolution and Order, (iii) **approve** the draft RFQ/RFP document- that is, the draft of the single document combining an RFQ and RFP and including a draft of the proposed contract for consulting services- that is submitted for the Energy Bureau's review and approval as **Exhibit 3** of this Motion in compliance with Section V(B)(2) of the August 24<sup>th</sup> Resolution and the December 15<sup>th</sup> Resolution and Order, and (iv) **treat Exhibit 3** confidentially.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 17<sup>th</sup> day of December 2021.

We hereby certify that we filed this notice and request using the electronic filing system of this Puerto Rico Energy Bureau and that courtesy copy of this notice and request was notified to PREPA counsel [mvazquez@diazvaz.law](mailto:mvazquez@diazvaz.law) and [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law).



**DLA Piper (Puerto Rico) LLC**  
500 Calle de la Tanca, Suite 401  
San Juan, PR 00901-1969  
Tel. 787-945-9107  
Fax 939-697-6147

/s/ Margarita Mercado Echegaray  
Margarita Mercado Echegaray  
RUA NÚM. 16,266  
[margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com)

/s/ *Laura T. Rozas*  
Laura T. Rozas  
RUA Núm. 10,398  
[laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com)

**Exhibit 1**

*IRP Process Review Report*





# Exhibit 1: Integrated Resource Plan Process Report

NEPR-MI-2020-0012  
December 17, 2021

# IRP Status Update

G On target  
 Y Caution  
 R Off plan  
 C Complete

## Key Activity Summary

### Near-term, Pre-IRP Activities

- Select, contract, and mobilize IRP Consultant
- Continue to gather data and analyses on T&D system and historical customer consumption and generation capabilities as inputs to IRP
  - Complete hosting analysis approach
  - Update transmission system model and transfer capability analysis
- Finalize elements from DOE PR100, including stakeholder engagement, that may contribute to IRP based on DOE's final scope and schedule
- Monitor renewable RFPs as potential input to IRP

### Medium-term, IRP Activities

- Develop load, energy and DER forecasts inputs to IRP
- Review IRP related filings for findings to consider for incorporation in IRP
- Begin engagement with stakeholders
- Submit IRP with Energy Bureau and support IRP proceeding

## Key Milestones

	Date	Status
File Draft RFQ/RFP and contract with Energy Bureau	December 2021	C
Issue RFQ/RFP	January 2022	G
File List of Qualified Consultants with Energy Bureau	January 2022	G
File Final Contract with Energy Bureau for approval	March 2022	G
Develop IRP	March 2022 - August 2023	G
File IRP	August 2023	G

## Risks / Issues:

- Completion of Market Baseline and Potential Studies for EE and DR must be completed in a timely manner in order to incorporate associated data in the IRP forecasts. Estimations and assumptions may be required where system and market data are not available.

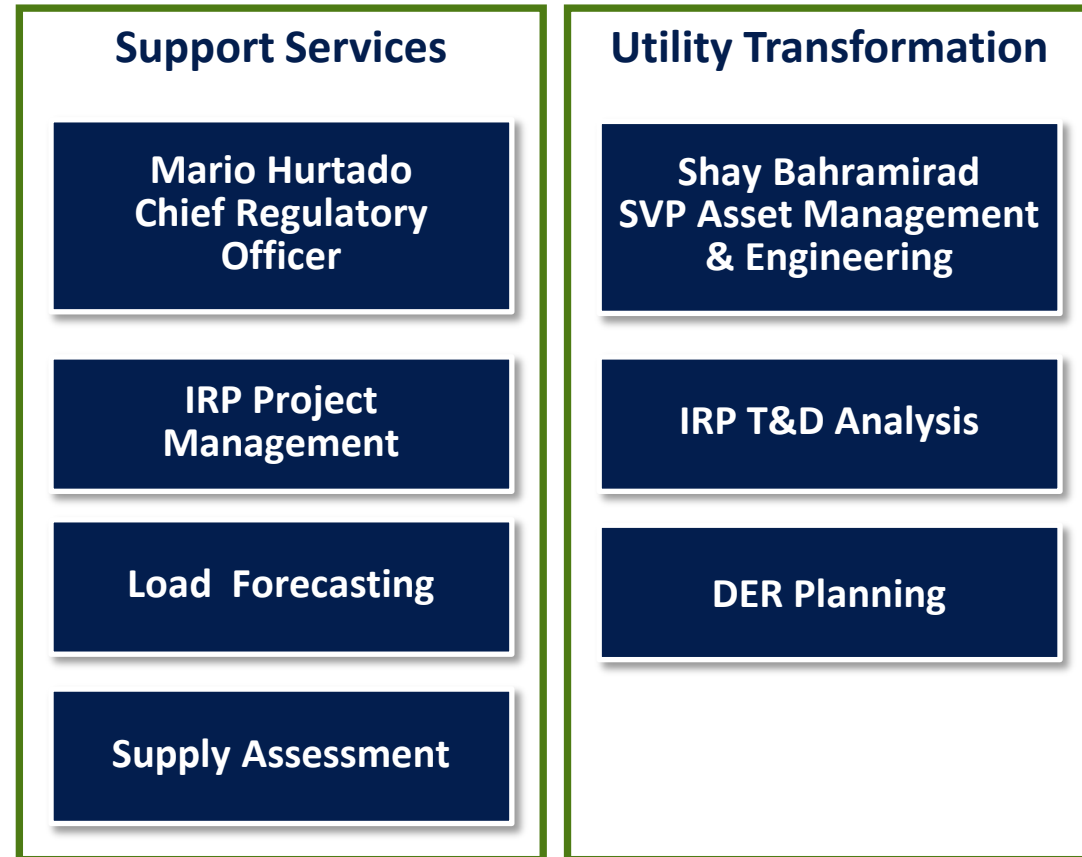
# GANTT Chart

Task	Description	Start Date	End Date	Status	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
1	Procurement Process & Contract	10/18/21	3/25/22	In Progress	█	█							
2	Forecasts for Load, EE, DER, EV	10/18/21	7/29/22	In Progress	█	█	█	█					
3	Define Scenarios and Metrics	4/1/22	7/27/22	Not Started			█	█					
4	Assess Generation Options	4/1/22	6/26/23	Not Started			█	█	█	█	█		
5	T&D Deliverability Assessment	5/2/22	6/26/23	Not Started			█	█	█	█	█		
6	Resource Portfolio Scoring	5/6/22	6/6/23	Not Started			█	█	█	█	█		
7	Study Report	6/19/23	8/11/23	Not Started							█	█	█
8	PREB IRP Filing	6/1/23	8/23/23	Not Started							█	█	█

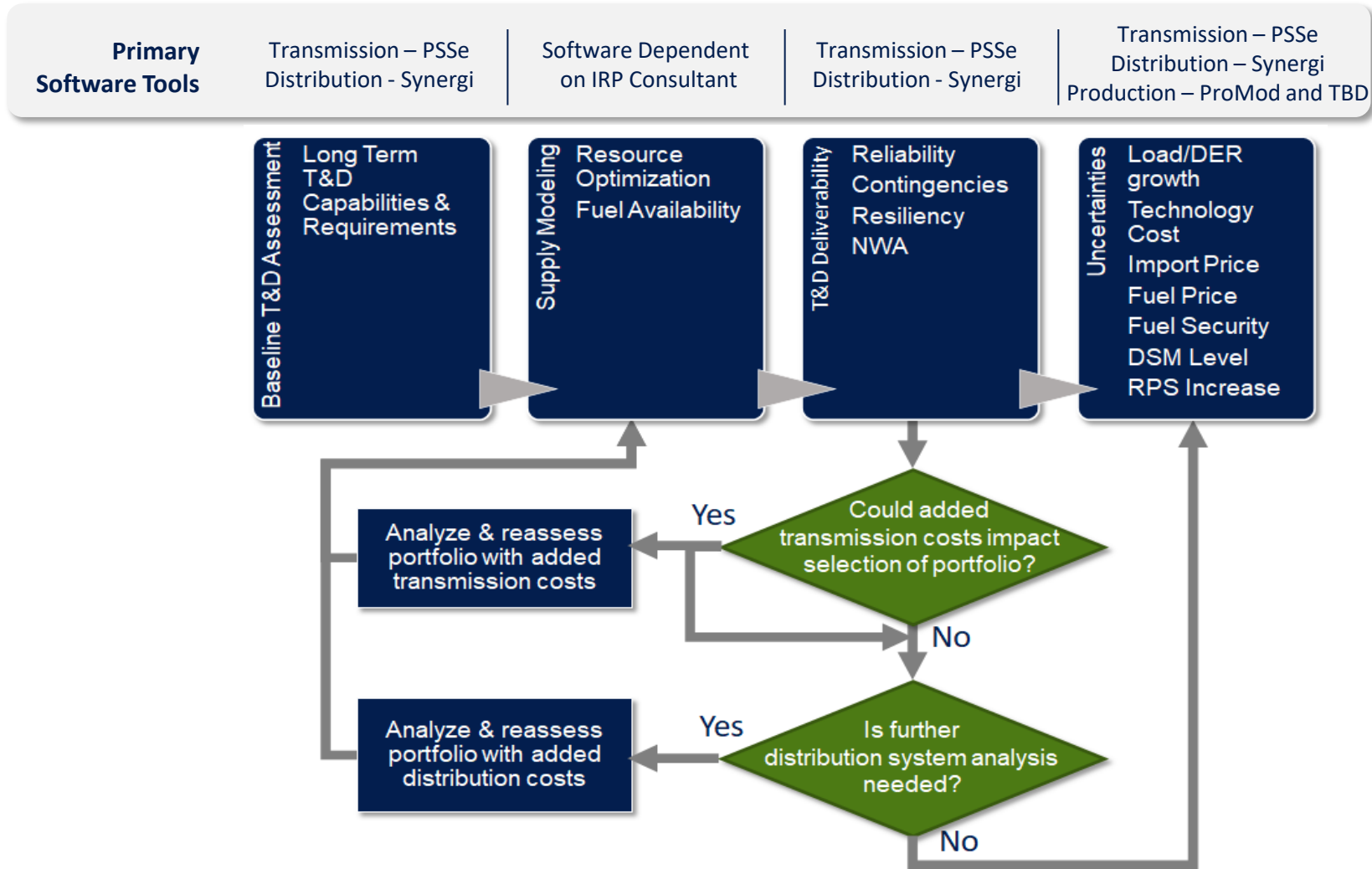


# LUMA's IRP Team

- LUMA's team of experienced and qualified personnel along with an external consultant will support the development of the IRP
- IRP development requires support from all departments within LUMA, however support services and utility transformation departments will lead LUMA's effort, specifically the IRP Project Management team, load forecasting, supply assessment, T&D analysis and DER planning
- LUMA will use the T&D System and market data where available and will use estimations and assumptions where required
- As outlined in LUMA's System Remediation Plan improvement programs, LUMA continues to make improvements to data collection and record keeping practices



# IRP Modeling Framework



# Stakeholder Involvement

## Approach

- LUMA supports a quality stakeholder input process to support the development of a practicable and comprehensive IRP.
- Stakeholder engagement will include engagement in Spanish and will be suitable for non-technical audiences.
- LUMA team has extensive experience with stakeholder engagement which will be reflected in the design and management of the process.

## Involvement with Department of Energy

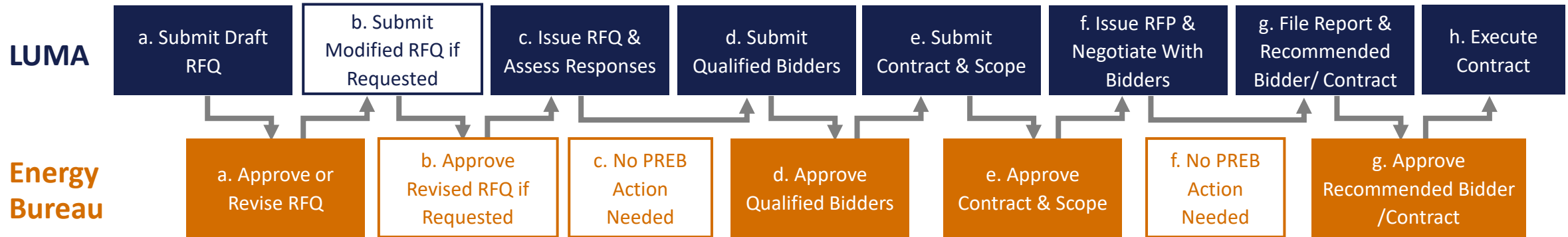
- LUMA currently plans to work with Department of Energy (DOE) to arrange and participate in stakeholder meetings that address the purposes of both the LUMA IRP and those of the DOE Puerto Rico 100% Renewable Energy Study (“PR100”).
- If the DOE’s final schedule and scope for the PR100 stakeholder sessions do not meet the needed content or schedule of the IRP, LUMA is prepared to conduct separate stakeholder sessions for the IRP.
- Whether the stakeholder sessions are held jointly or individually, LUMA and DOE will engage the facilitator to serve as the neutral host of the stakeholder meetings, encouraging and facilitating the sharing of information and opinions among the participants to achieve broad input and feedback to the process. LUMA and DOE recognize the need for a facilitator with a strong understanding of the energy issues facing Puerto Rico (preference for Puerto Rico-based organization).

**Exhibit 2**

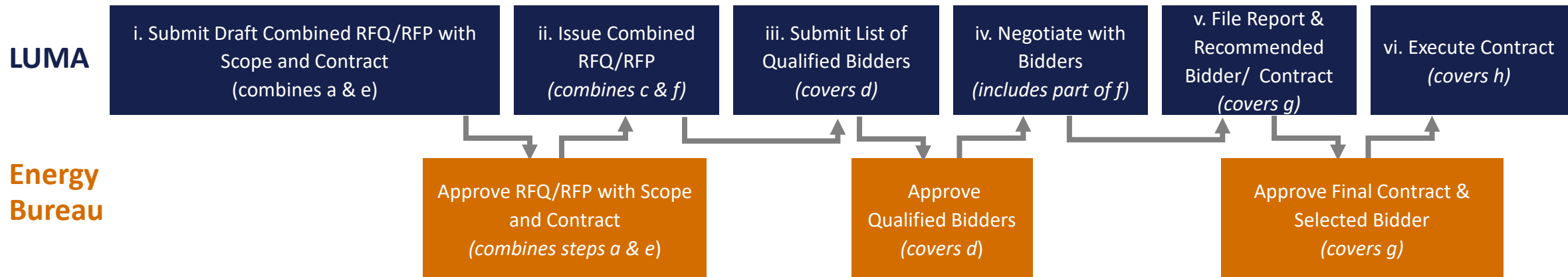
*Diagrams Comparing IRP Consultant Contracting Process under August 24<sup>th</sup> Resolution with the Streamlined Process*

# Exhibit 2: IRP Contracting Process

## CEPR-AP-2018-0001 August 24, 2020 Final Resolution & Order Process



## Proposed Consolidated Process *(letters refer to steps in the original process)*





**Exhibit 3**

*Draft RFQ/RFP*

*[Submitted under Seal of Confidentiality]*