

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

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

CASE NO.: NEPR-MI-2020-0012

SUBJECT: Renewable Energy Generation and Energy Storage Resource Procurement Plan – First Tranche Projects for Phase III Contract Negotiation and Final Interconnection Plan Approvals.

RESOLUTION AND ORDER

On August 24, 2020, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued the IRP Order, with respect to the Puerto Rico Electric Power Authority (“PREPA”) Integrated Resource Plan (“IRP”). The IRP Order¹ approved a Modified Preferred Resource Plan that included a plan for six (6) tranches of procurement of renewable energy and battery storage resources.²

On December 16, 2021, PREPA submitted a document titled *Motion Submitting 733 MW of PV Renewable Energy Draft Power Purchase and Operating Agreements Offered in Tranche 1 of PREPA’s Renewable Generation and Energy Storage Resources RFP for Energy Bureau Evaluation and Approval* (“December 16 Motion”). In that December 16 Motion, PREPA identified fifteen solar PV projects totaling 732.7 MW and submitted draft bespoke power purchase and operating agreements (“PPOAs”) pertaining to those projects, for evaluation and approval by the Energy Bureau. In the submission, PREPA also identified three energy storage resource projects (4-hour duration) totaling 220 MW, for which PREPA indicated planned submission of bespoke energy storage services agreements (“ESSAs”) was intended by or before December 23, 2021. PREPA included in its December 16 Motion submission of Attachment A, a memorandum from PREPA’s Tranche 1 Evaluation Committee describing the detailed evaluation approach taken to arrive at its selection of project offerings for approval.

On December 23, 2021, PREPA submitted a document titled *Supplemental Motion Submitting PV Renewable Energy Draft Power Purchase and Operating Agreements (PPOAs) As Well As Energy Storage Service Agreements (ESSAs) As Part of PREPA’s Tranche 1 Renewable Generation and Energy Storage Resources RFP For Energy Bureau Evaluation and Approval* (“December 23 Motion”). PREPA submitted three bespoke ESSA contracts totaling 220 MW reflecting the projects indicated in the December 16 Motion and three solar PV bespoke contracts totaling 112.1 MW. These solar PV contracts are an addition to the 732.72 MW of solar PV projects submitted for approval in the December 16 Motion. In total, the combined solar PV resource procurements for which approval is sought by PREPA at this time is 844.82 MW.

On December 28, 2021, the Energy Bureau issued a Resolution and Order (“December 28 Resolution”) seeking additional information regarding the December 16 Motion. The December 28 Resolution included an Attachment A that contained a set of questions, to which PREPA was ordered to respond by January 7, 2022.

The December 28 Resolution requested submission by PREPA of four project offerings totaling 130 MW of solar PV, in addition to the 732.72 MW for which approval was requested in the December 16 Motion, based on the full set of solar PV projects identified in PREPA’s Attachment A to its December 16 Motion. These “Four Additional PV” projects were initially

¹ Final Resolution and Order on the Puerto Rico Electric Power Authority’s Integrated Resource Plan, *In re Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001, August 24, 2020 (“IRP Order”).

² IRP Order, pp. 266-268, ¶ 860.



assessed by the Energy Bureau as in alignment with the intentions of the IRP Modified Action Plan and as meeting the \$105/MWh threshold when their Levelized Cost of Energy ("LCOE") (IEA metric) is estimated in real currency terms. The December 28 Resolution further requested submission by PREPA of "Six Additional Storage" projects in addition to the 220 MW of 4-hour duration project offerings contained in the December 16 Motion.

On January 6, 2022, PREPA submitted a document titled *Request for Clarification, Partial Reconsideration of the December 28 Order, Confidential Meeting, and for Extension of Time* ("January 6 Request")³. In its January 6 Request, PREPA noted that the December 23 Motion included a PREPA Tranche 1 Committee recommendation that, based on meeting the LCOE thresholds, additional solar PV procurement totaling 112.1 MW should be approved, for a total solar PV Tranche 1 capacity of 844 MW. PREPA further requested a confidential meeting to discuss energy storage proposal selection processes and to extend the deadline for submitting responses to the December 28 Resolution questions. PREPA also requested to be relieved from providing FOMB⁴ approvals for projects since FOMB will not be in position to review the PPOAs and ESSAs until the Energy Bureau approves those projects. PREPA requested clarification or reconsideration of the December 28 Resolution, and to set aside the Energy Bureau's request to submit additional solar PV offerings.

On January 12, 2022, PREPA filed a document titled *Motion in Compliance with the December 28 Order Submitting 167 MW of VPP Resources and Reiterating Request for Confidential Meeting and Extension of Time* ("January 12 Motion")⁵. In the January 12 Motion PREPA reiterates the request for a confidential meeting and filed drafts of Bespoke Contracts for Virtual Power Plants ("VPP") Resources ("Draft GSAs") with two VPP Proponents.

On January 26, 2022, PREPA filed a document titled *Motion Reiterating Request for Meeting to Discuss Responses to Attachment A of the December 28 Order and Energy Storage Resources* ("January 26 Request")⁶. In the January 26 Request PREPA reiterates its request for a confidential meeting to discuss the energy storage information as well as the questions in Attachment A to the December 28 Resolution and to grant ten (10) business days after the requested meeting to submit the information required.

Upon review of the January 12 Motion and the January 26 Request, the Energy Bureau **DETERMINES** that PREPA shall respond, **without further delay**, to the questions of Attachment A to the December 28 Resolution. Therefore, the Energy Bureau **ORDERS** PREPA to submit on or before **Monday January 31, 2022, at 12:00 pm**, the responses that PREPA has already prepared. For any questions that PREPA has not yet prepared responses to, PREPA must submit those answers no later than **Wednesday February 2, 2022**. The Energy Bureau will address PREPA's several requests⁷ for a meeting⁸ after receiving and reviewing the responses to the Attachment A questions.

³ PREPA filed the January 6 Request as confidential without filing a public version as required by Resolution in case number CEPR-MI-2016-0009 dated August 31, 2016.

⁴ Financial Oversight and Management Board for Puerto Rico ("FOMB").

⁵ PREPA filed the January 12 Motion as confidential without filing a public version as required by Resolution in case number CEPR-MI-2016-0009 dated August 31, 2016.

⁶ PREPA filed the January 26 Request as confidential without filing a public version as required by Resolution in case number CEPR-MI-2016-0009 dated August 31, 2016.

⁷ PREPA Motions in this matter, January 6, 2022; January 12, 2022; January 26, 2022.

⁸ All information discussed in the requested meeting regarding the energy storage proposals shall be maintained confidential in compliance with Section 4.8(g) and 10.2 of the *Joint Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Contracts for the Purchase of Energy and for the Procurement, Evaluation, Selection, Negotiation and Award Process for the Modernization of the Generation Fleet*, October 11, 2016 ("Regulation 8815"). Such information shall be made public once the RFP process concludes as per Section 4.8(g) of Regulation 8815.



The Energy Bureau **CLARIFIES** that its findings in the December 28 Resolution did not account for the December 23 Motion requesting approval for a further 112.1 MW of solar PV project offerings.

The Energy Bureau **GRANTS** PREPA's request in its January 6 Request to not refile the "Four Additional PV" projects as stated in the December 28 Resolution.

However, the Energy Bureau **ORDERS** PREPA to further file the two projects totaling 50 MW of solar PV resource that was contained in the original "Four Additional PV" projects noted in the December 28 Resolution. Those two projects may also be in alignment with the intentions of the IRP Modified Action Plan including a need for further evaluation considering their LCOE in real currency terms and considering their regional locations in Puerto Rico.

The Energy Bureau **REMINDS** PREPA that the Energy Bureau order from the December 28 Resolution regarding filing of the next six battery energy storage projects in addition to the 220 MW contained in PREPA's December 16 Motion stands.

The Energy Bureau **GRANTS** PREPA's request to be relieved from the December 28 Resolution directive to provide FOMB approval for the projects filed in the December 16 Motion and the December 23 Motion.

PREPA filed the January 6 Request, January 12 Motion, and the January 26 Request as confidential in its totality. The Energy Bureau **REMINDS** PREPA that a public version must always be filed together with any request of confidential treatment.⁹ Therefore, the Energy Bureau **ORDERS** PREPA to file a public version of the January 6 Request, January 12 Motion, and January 26 Request **on or before January 31, 2022**.

The Energy Bureau **WARNS** PREPA that noncompliance with the Energy Bureau's orders or applicable legal requirements may carry the imposition of administrative fines of up to twenty-five thousand dollars (\$25,000.00) per day, per violation and/or other sanctions that the Energy Bureau may deem appropriate.

Be it notified and published.



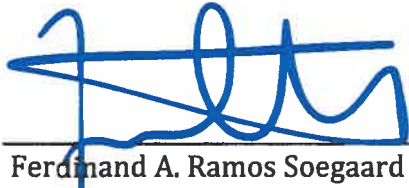
Edison Aviles Deliz
Chairman



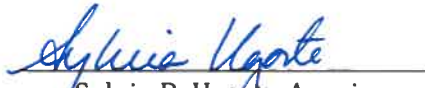
Ángel R. Rivera de la Cruz
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



⁹ Resolution, *In re: Management of Confidential Information Policy in Procedures before the Energy Bureau*, Case No. CEPR-MI-2016-0009, August 31, 2016.

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on January 28, 2022. I also certify that on January 28, 2022 a copy of this Resolution and Order was notified by electronic mail to the following: laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com, kbolanos@diazvaz.law; mvazquez@diazvaz.law; and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today January 28, 2022.



Sonia Seda Gaztambide
Clerk

