

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

NEPR

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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 for extension of time to
comply with April 11 Order

**MOTION FOR EXTENSION OF TIME UNTIL APRIL 25, 2022, TO COMPLY WITH
RESPONSES REQUIRED BY THE APRIL 11, 2022, RESOLUTION AND ORDER**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

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

1. On April 11, 2022 the Energy Bureau of the Public Service Regulatory Board (the “Energy Bureau”) entered Resolution and Order (the “April 11 Order”) whereby it ordered PREPA and LUMA Energy, LLC and LUMA *ServCo*, LLC (collectively, “LUMA”) to respond to certain questions related to the levelized cost of storage (“LCOS”), virtual power plants (“VPP’s) and minimum technical requirements (“MTR’s”) as relevant to the Tranche 1 RFP published by PREPA on February 22, 2021.

2. More specifically, the questions relate back to the Energy Bureau’s Resolution and Order addressing PREPA’s Draft Procurement Plan issued on December 8, 2020 (the “December 8 Order”) by which the Energy Bureau directed PREPA to “procure [among others] at least 1,000 MW of renewable energy resources and a minimum of 500 MW of battery storage resources with an effective duration of four (4) hours” in the Tranche 1 RFP. December 8 Order at Appendix A, p. 2, Section II ¶ 4.

3. After various procedural milestones related to the Tranche 1 RFP, including the filing with

the Energy Bureau by PREPA of the draft Power Purchase and Operating Agreements (“PPOAs”) with Proponents of Renewable Generation Resources¹ as well as three draft ESSAs with Proponents of BESS Resources², the Energy Bureau responded by *Resolution and Order* issued on December 28, 2021 (the “December 28 Order”)³ by, among others, ordering PREPA to file for Energy Bureau review at least an additional six battery energy storage proposals (representing 445 MW in energy storage capacity) beyond the three energy storage proposals PREPA had identified in its December 16 Motion.⁴

4. Thereafter, PREPA responded to the Energy Bureau’s December 28 Order in pleadings filed on January 6, 2022⁵, January 12, 2022,⁶ January 26, 2022⁷, January 31, 2022⁸ and February 2, 2022,⁹

5. In furtherance of the above filings and in response to the same, the Energy Bureau conducted a meeting with PREPA personnel and advisors on February 3, 2022, (“February 3 meeting”) to discuss aspects of the Tranche 1 renewable energy and battery

¹ *Motion Submitting Draft Power Purchase and Operating Agreements Offered in Tranche 1 of PREPA’s Renewable Generation and Energy Storage Resources RFP for Energy Bureau Evaluation*, Case No. NEPR-2020-0012 (filed Dec. 16, 2021) (“December 16 Motion”).

² *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*, Case No. NEPR-MI-2020-0012 (filed Dec. 23, 2021) (the “December 23 Motion”).

³ *Resolution and Order re: Renewable Energy Generation and Energy Storage Resource Procurement Plan – First Tranche Projects for Phase III Contract Negotiation and Final Interconnection Plan*, Case No. NEPR-MI-2020-0012 (Dec. 28, 2021).

⁴ *Id.* at p. 4.

⁵ *Request For Clarification, Partial Reconsideration Of The December 28 Order, Confidential Meeting, And For Extension Of Time*, Case No. NEPR-MI-2020-0012 (filed Jan. 6, 2022).

⁶ *Motion in Compliance with the December 28 Order Submitting 167 MW of VPP Resources and Reiterating Request for Confidential Meeting and Extension of Time*, Case No. NEPR-MI-2020-0012 (filed Jan. 12, 2022).

⁷ *Motion Reiterating Request for Meeting to Discuss Responses to Attachment A of the December 28 Order and Energy Storage Resources*, Case No. NEPR-MI-2020-0012 (filed Jan. 26, 2022).

⁸ *Motion in Compliance with the January 28 Order Submitting Responses to Attachment A of the December 28 Order and Memorandum of Law Requesting Confidential Treatment*, Case No. NEPR-MI-2020-0012 (filed Jan. 31, 2022).

⁹ *Motion in Compliance with the January 28 Order Submitting Energy Storage Resources Information, the Next Two Projects Totaling 50 MW of Solar PV Resources and Memorandum of Law Requesting Confidential Treatment*, Case No. NEPR-MI-2020-0012 (filed Feb. 2, 2022).

storage procurement submittals and PREPA's evaluation of those submittals. As a result of the February 3 meeting and PREPA's willingness to provide additional information to the questions formulated by the Energy Bureau, the April 11 Order required that PREPA respond to the following questions on or before April 19, 2022:

1. The threshold used by PREPA's Evaluation Committee to evaluate the levelized cost of storage ("LCOS") metric for respondent submittals to the Tranche 1 RFP for battery storage resources was \$120/MWh. PREPA further stated in its responses to Energy Bureau questions that an update to this threshold value was being considered.
 - a. Provide PREPA's Evaluation Committee update to the LCOS threshold value. Include a specific value in \$/MWh and clearly explain how this threshold value was determined by PREPA or PREPA's Evaluation Committee.
 - b. Provide in Excel file format all workpapers and computations used, including all assumptions and with all formulae intact, for PREPA's derivation of the updated threshold value. Include the specific source of all input assumptions used.
2. On November 9, 2021, PREPA filed the levelized cost evaluation information for all solar PV and battery energy storage proposals received by PREPA for Tranche 1 battery energy storage procurement. On January 31, 2022, PREPA filed as "Confidential Attachment A" an excel file with the data summaries, levelized cost of energy discussion, and levelized cost of energy calculations for the solar PV projects offered into the Tranche 1 RFP.
 - a. Using PREPA's current best and final offer information for all battery energy storage projects submitted in response to the Tranche 1 RFP, file a data summary and levelized cost of storage calculation for all battery energy storage projects, in the same or an equivalent excel file structure as used for the January 31, 2022 Attachment A submission of information for the solar PV projects.
 - b. Confirm or explain otherwise this information reflects in part the information on screen and

discussed during the February 3, 2022 meeting, regarding battery energy storage project costs and ranking, and other considerations if or as relevant.

3. Confirm or explain otherwise that the information provided in response to question 2 above reflects best and final offer information received (if applicable) after PREPA's request of respondents during February 2022 to provide such best and final offer information.
4. PREPA indicated that "Facility Studies: POI Upgrades" information would be filed on March 15, 2022. As of March 30, 2022, the Energy Bureau has yet to receive that information. Provide that information or otherwise explain the status of the facility studies POI upgrade analysis.
5. PREPA has received two respondent offers for potential virtual power plants (VPP). A template Grid Services Agreement was filed in association with one offering, "Proponent 1", on March 1, 2022. PREPA stated in a filing in mid-March that other concerns exist.
 - a. Provide a draft grid services agreement for the second of the two VPPs, for "Proponent 2".
 - b. Provide a status update on the LUMA operating procedure and testing protocols for VPPs, referenced in the March 17 Informative Motion.
 - c. For the second of the two VPPs, "Proponent 2", for which a GSA has not yet been submitted (but will be, in response to subpart a of this question), provide additional information on PREPA's concerns regarding the overall availability of the potential VPP resource to provide energy during times of need, in comparison with utility scale battery resources, specifically addressing overall availability limitations in place for the VPP resource and also effectively in place in different forms for the utility scale resource, and how these will affect PREPA's need for dispatchable capacity during normal peak periods.
 - d. Provide and explain the specific pricing offers received by VPP proponents, including how the price offers are similar to or different from utility scale battery storage offers across all metrics that will serve as inputs to a levelized cost of storage computation, including annual pricing, escalation rates, degradation rates, interconnection costs, availability, and any other relevant parameters.
 - e. For the VPP GSA templates for both VPP

proponents, provide a summary excel file with all pricing parameters in similar format and content as that filed on January 31, 2022 for the solar PV offerings.

- f. Provide a status update on all ongoing negotiations with VPP proponents for availability parameters or other GSA terms.
- g. Confirm or explain otherwise that any concerns with VPP offerings do not include bulk system interconnection agreement concerns, since the resources would be connected at the distribution system level.

6. PREPA is actively and diligently working with its personnel and advisors to gather all the relevant information and submit the responses required by the Energy Bureau. However, it has not been able to finalize the required responses in the time allotted and needs additional time to gather and submit the information and responses required.

7. Accordingly, PREPA respectfully requests that it be granted six (6) additional days or until April 25, 2022, to comply with the April 11 Order and submit all the information required by the Energy Bureau.

WHEREFORE, for the reasons stated above, PREPA respectfully requests that the Energy Bureau GRANT PREPA until Monday April 25, 2022 to submit the information requested in the April 11 Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 19th day of April 2022.

s/ Maralíz Vázquez-Marrero
Maralíz Vázquez-Marrero
TSPR 16,187
mvazquez@diazvaz.law

s/ Katuska Bolaños-Lugo
Katuska Bolaños-Lugo
TSPR 18,888
kbolanos@diazvaz.law

DÍAZ & VÁZQUEZ LAW FIRM, P.S.C.
290 Jesús T. Piñero Ave.
Oriental Tower, Suite 803
San Juan, PR 00918
Tel.: (787) 395-7133
Fax. (787) 497-9664

CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, I have filed the above motion with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filing was sent to LUMA through its legal representatives at margarita.mercado@us.dlapiper.com and laura.rozas@us.dlapiper.com.

In San Juan, Puerto Rico, this 19th day of April 2022.

s/ Maralíz Vázquez-Marrero
Maralíz Vázquez-Marrero