

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

NEPR

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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 Status Update on Technical
Consultant Contracting Process and Early Stages of
2024 IRP Preparation in Compliance with Energy
Bureau Resolution and Order of April 22, 2022**

**MOTION TO SUBMIT STATUS UPDATE ON TECHNICAL CONSULTANT
CONTRACTING PROCESS AND EARLY STAGES OF 2024 IRP PREPARATION
IN COMPLIANCE WITH ENERGY BUREAU RESOLUTION AND ORDER
OF APRIL 22, 2022**

TO THE PUERTO RICO ENERGY BUREAU:

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

I. Factual and Procedural Background

1. On October 6, 2020, the Energy Bureau issued a Resolution and Order (the “October 6th Resolution”) opening this docket to “manage the implementation phase of the Approved IRP and Modified Action Plan¹.” *See* October 6th Resolution at page 1 (footnote added).

2. On November 5, 2021, LUMA informed the Energy Bureau of the status of LUMA’s activities to meet the requirements for the procurement of the technical consultant to be engaged for the 2024 IRP-related services (“IRP Technical Consultant”) under Section V(B)(2) of

¹ The term Approved 2020 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 24th Resolution”), and the modified action plan established by the Energy Bureau in the August 24th Resolution which includes requirements related to the preparation of the 2024 IRP. *See id.*

the August 24th Resolution (“IRP Consultant Contracting Process”), among others. *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 that date.

3. On November 30, 2021, LUMA informed the Energy Bureau on the timeline to file with the Energy Bureau the first submittal required under the IRP Consultant Contracting Process, in the form of a single document combining a proposed Request for Qualifications (“RFQ”) and a Request for Proposals (“RFP”) and requested the Energy Bureau to grant LUMA until December 17, 2021, to submit this document. *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* of that date.

4. After other procedural events, on December 15, 2021, this Energy Bureau issued a Resolution and Order granting LUMA until December 17, 2021 to submit the proposed RFQ and RFP, and scheduling a Technical Conference for January 25, 2022.

5. On December 17, 2021, LUMA filed with the Energy Bureau the proposed RFQ and RFP with a first draft of the proposed contract to engage the IRP Consultant (together, the “RFQ/RFP Package”) (*see* Exhibit 3 of LUMA’s *Motion to Submit Report on Resource Planning Process for Next IRP Cycle and Draft RFQ/RFP for IRP Consultant and Request for Confidential Treatment* of that date (“December 17th Motion”))², and described a proposed streamlined IRP Consultant Contracting Process (the “Streamlined IRP Consultant Contracting Process”), which would reduce the steps and shorten the timeframe for the Energy Bureau to review and approve the procurement documents and for meeting other requirements under the IRP Consultant

² LUMA requested that Exhibit 3 be maintained under seal of confidentiality (*see id.* at page 6) and subsequently, on December 27, 2021, filed with the Energy Bureau, in support of such request, a *Memorandum of Law in Support of Request for Confidential Treatment of Draft RFQ/RFP for IRP Consultant and Draft Contract*.

Contracting Process in Section V(B)(2) of the August 24th Resolution (*see* December 17th Motion at pages 2-6).

6. On January 25, 2022, the Energy Bureau held a Technical Conference (the “January 25th Technical Conference”), wherein LUMA gave a presentation regarding, among others, the 2024 IRP development process and status, the proposed Streamlined IRP Consultant Contracting Process, and LUMA’s planned 2024 IRP Schedule. *See* LUMA’s presentation attached as Exhibit 1 to LUMA’s *Motion to Submit LUMA’s Presentation for Technical Conference Scheduled for January 25, 2022*, filed with the Energy Bureau on January 20, 2022.

7. During the January 25th Technical Conference, LUMA raised the possibility that given that the PR100 Study being conducted by the U.S. Department of Energy (“DOE”) may not be completed by the 2024 IRP filing deadline (at that time understood to be August 23, 2003), the extent of the contribution of this study to the 2024 IRP may be affected based on the final scope and schedule of this study. LUMA also indicated in its presentation that, in order to preserve the Planned Schedule for the 2024 IRP, LUMA needed to proceed with the process of selecting the 2024 IRP Technical Consultant as soon as possible, recognizing the short time frame available for completing the required steps to prepare the 2024 IRP.

8. During the Technical Conference, the Energy Bureau’s consultant suggested that LUMA should fully utilize the results of the DOE onshore and offshore wind study and the energy efficiency (“EE”) baseline and potential study to be conducted by the Energy Bureau as inputs in the preparation of the 2024 IRP. In addition, Commissioner Ángel Rivera indicated during the Technical Conference that the deadline to file the 2024 IRP should be computed based on the Energy Bureau’s directives on the subject on a Resolution and Order issued by the Energy Bureau

in 2018 in Case CEPR-AP-2018-0001, *In Re: Puerto Rico Electric Power Authority Integrated Resource Plan*.

9. On March 21, 2022, LUMA submitted an *Informative Motion and Request for Approval of RFQ/RFP for IRP Consultant Contracting Process* (“March 21st Motion”). In it, following the comments by Associate Commissioner Ángel Rivera during the Technical Conference regarding the determination of the deadline to file the 2024 IRP, LUMA informed that it had computed the deadline to file the 2024 IRP with the Energy Bureau to be January 3, 2024, pursuant to the provisions of the Resolution and Order issued by the Energy Bureau on March 15, 2018, in Case CEPR-AP-2018-0001, *In Re: Puerto Rico Electric Power Authority Integrated Resource Plan*. See March 21st Motion at pages 3-4. In the March 21st Motion, LUMA also respectfully informed that, notwithstanding the revised deadline to file the IRP, the timeframe to prepare and complete the 2024 IRP was still very limited given that the process to procure the IRP Technical Consultant had not commenced and that certain milestones in LUMA’s planned 2024 IRP schedule would likely require postponing. See *id.* at page 4. LUMA also respectfully informed that it planned to use any useful information arising from the DOE’s onshore and offshore wind study and the Energy Bureau’s, energy efficiency baseline and potential study that LUMA receives in sufficient time to incorporate into the 2024 IRP analysis given the January 2024 IRP filing deadline. See *id.* at page 5. LUMA then respectfully requested the Energy Bureau to proceed with the approval of the proposed RFQ/RFP submitted the December 17th Motion. See *id.* at pages 5 and 6.

10. On April 22, 2022, the Energy Bureau issued a Resolution and Order (the “April 22nd Order”) approving “the requests of LUMA to streamline the contracting process for an IRP technical consultant” (i.e., the Streamlined IRP Consultant Contracting Process; now, “Approved

IRP Consultant Contracting Process”) and “LUMA’s use of a draft RFQ/RFP/contract form” (i.e., the RFQ/RFP Package). *See* April 22nd Order at page 5.³

II. Energy Bureau April 22nd Order

11. In the April 22nd Order, the Energy Bureau also issued several determinations and directives regarding the 2024 IRP development process. Specifically, the Energy Bureau determined that “LUMA shall follow Regulation 9021 in its development of an IRP” and ordered “LUMA to do so under the tenets of the Regulation”. *Id.* at page 3. The Energy Bureau also determined that “LUMA shall file an IRP by no later than March 1, 2024” (*see id.* at page 4) and direct[ed] “LUMA to update its milestone schedules as necessary during its ongoing process for securing the [IRP Technical Consultant] [...] and setting out any related timelines for IRP analysis efforts” (*see id.*). The foregoing determination was made in consideration of the “complexities involved with finalizing a formal IRP filing during late December [2023]/ early January [2024] timeframe” and of the ongoing PR100 process, the commencement of the establishment of the EE framework, and the PREPA procurement of renewable energy resources and storage. *See id.* The Energy Bureau also recognized that these processes “will affect the data and assumptions considered by LUMA as part of the IRP process” (*see id.*) and “direct[ed] LUMA to continue to carefully follow the progress made in each [of these areas] and utilize the most recently available information arising from these processes to inform its IRP modeling” (*see id.*).

12. In addition, in the April 22nd Order, the Energy Bureau discussed some of its expectations regarding the 2024 IRP development process, including that “LUMA and LUMA’s

³ In connection with this process, the Energy Bureau also directs LUMA “to incorporate into its contracting details for a technical consultant the understanding that all data, assumptions, algorithms, constraints, objectives and related processes and procedures involved in the modeling of the Puerto Rico electric system must be fully transparent, and access to such details must be made available to all stakeholders, in analytically friendly form (such as with Excel files) pursuant to Regulation 9021 at Section 2.02 F) 2) and as necessary based on further direction from the Energy Bureau.” *Id.*

[IRP Technical Consultant], once selected, [would] describe at the outset of the IRP process how the specific technical elements in the [August 24th Resolution] will be addressed”⁴ (*see id.* at page 3) and that the Energy Bureau would “schedule[e] an initial technical conference in March 2023 to gather information regarding the methodologies and contents contemplated by LUMA for its 2024 IRP” (*see id.* at page 4).⁵ Furthermore, the Energy Bureau indicated that “much of the detail associated with specifying the analytical methodologies and IRP content such as scenario specification and details around the forms of transmission and distribution analysis will be guided in part by ongoing technical conferences initiated either by LUMA or the Energy Bureau before the pre-IRP phase that commences in March 2023, and after the pre-IRP phase as required by the Energy Bureau”. *Id.* at page 5.

13. Finally in the April 22nd Order, the Energy Bureau directed LUMA to “file status updates on the technical consultant contracting process” (i.e., the Approved Technical Consultant Contracting Process”) “and the early stages of IRP preparation on July 1, 2022, and October 1[,] 2022”. *See id.* at page 5.

III. Status Update in Compliance with April 22nd Order

14. In compliance with the directive in the April 22nd Order regarding the filing of status updates, LUMA provides the following status update on the Approved Technical Consultant Contracting Process and the initial stages of the 2024 IRP preparation as of the date hereof.

⁴ In this regard, the Energy Bureau noted “that Exhibit 3 from the December 17 Motion, the draft RFQ/RFQ/Contract for a technical consultant, includes reference to - generally and in some instances specifically - these elements.” *Id.* at page 3. The Energy Bureau added that it anticipates that “technical discussions with LUMA and its selected contractor, once determined, will focus in part on the planned treatment of these elements, both before and as part of the formal pre-IRP process”. *Id.* at pages 3 and 4.

⁵ The Energy Bureau also mentioned that it expected “LUMA and its technical consultant will spend the period preceding this pre-IRP initial technical conference conducting preliminary activities to best position LUMA to continue with rigorous analysis under the IRP modeling framework during the period from March 2023 through to its filing date in March 2024” *See id.*

a. Technical Consultant Procurement

i. On May 18, 2022, LUMA issued the RFQ/RFP for the IRP Technical Consultant publicly for bid. The deadline to submit the Statements of Qualifications portion of the RFQ/RFP was June 3, 2022. Multiple proponents submitted Statements of Qualification by that date which are in the process of being evaluated by LUMA. Once LUMA completes this evaluation, it will submit to the Energy Bureau the list of qualified bidders for the Energy Bureau’s review and approval in accordance with the Approved Technical Consultant Contracting Process.

ii. The following table summarizes the current schedule for the remaining milestones in the Approved Technical Consultant Contracting Process and the 2024 IRP development process:

Key RFQ/RFP Process Events	Target Date
File list of Qualified Proponents with Energy Bureau for approval	July 2022
File negotiated contract with Preferred Bidder with Energy Bureau for approval	August 2022
Develop 2024 IRP (date modified based on April 22nd Resolution and Order)	Aug. 2022 - Feb. 2024
File contracting status report with Energy Bureau	October 1, 2022
2024 IRP Technical Conference	March 2023
File 2024 IRP with Energy Bureau (due date modified based on April 22nd Resolution and Order)	March 1, 2024

b. 2024 IRP Status Update

i. LUMA has prepared a 2024 IRP Status Report which is attached to this motion as *Exhibit I* and incorporated herein by reference, which includes the key milestones, summary of key activities, near-term (Pre-IRP activities) and medium-term (IRP activities) and potential risks or

issues that could affect the timeline. As can be viewed in more detail in *Exhibit 1*, as of this date, some key milestones have been completed while the remaining key milestones are currently on target.

WHEREFORE, LUMA respectfully requests the Energy Bureau to **take notice** of the aforementioned, **accept** the Status Update provided in this motion and in *Exhibit 1* herein, and **find** LUMA in compliance with the directive associated with the filing of Status Updates in the April 22nd Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 1st day of July 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 and kbolanos@diazvaz.law.



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Exhibit 1

2024 IRP Status Report



Integrated Resource Plan Status Report

NEPR-MI-2020-0012

July 1, 2022

2024 IRP Status Update

G On target
 Y Caution
 R Off plan
 C Complete

Key Activity Summary

Near-term, Pre-IRP Activities

- Issued combined RFQ/RFP to select, contract, and mobilize 2024 IRP Consultant.
- Received statement of qualifications to RFQ/RFP for 2024 IRP Consultant from multiple proponents, in evaluation process.
- Defined scope and initiated analysis of distribution system requirements to incrementally increase DER hosting capacity for input to the 2024 IRP analysis.
- Defined scope and initiated analysis of baseline inter-region transmission inter-tie capacity to be used as input to the 2024 IRP analysis.
- Monitoring renewable RFPs as inputs to 2024 IRP.
- LUMA supporting DOE PR100 study, which will contribute to 2024 IRP.
- LUMA and PR100 both conducting parallel processes to develop load and energy forecasts, both of which will be considered as potential input to the 2024 IRP.

Medium-term, IRP Activities

- Select, contract, and mobilize independent facilitator for stakeholder engagement processes.
- Begin engagement with stakeholders.

Key Milestones

	Date	Status
File draft RFQ/RFP and contract with Energy Bureau	December 2021	C
Issue RFQ/RFP	May 2022	C
File list of Qualified Proponents with Energy Bureau for approval	July 2022	G
File negotiated contract with Preferred Bidder with Energy Bureau for approval	August 2022	G
Develop 2024 IRP (date modified based on April 22nd Resolution and Order)	Aug. 2022 - Feb. 2024	G
File contracting status report with Energy Bureau	October 1, 2022	G
2024 IRP Technical Conference	March 2023	G
File 2024 IRP with Energy Bureau (due date modified based on April 22nd Resolution and Order)	March 1, 2024	G

Risks / Issues:

- Completion of Market Baseline and Potential Studies for EE and DR unlikely completed in time to incorporate results in 2024 IRP forecasts.
- Estimations and assumptions may be required where system and market data are not available.