

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



IN RE: REQUEST FOR CERTIFICATION
NFE POWER PR, LLC.

CASE NO.: NEPR-CT-2022-0004

SUBJECT: Request for Certification as
Electric Service Providers.

RESOLUTION

I. Introduction and System Description

On February 25, 2022, the company NFE Power PR, LLC ("NFE") filed with the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a *Request for Certification as Electric Service Company* ("Request for Certification"), in accordance with Regulation 8701.¹

On May 13, 2022, the Energy Bureau issued a Resolution ("May 13 Resolution") in which it determined that the Request for Certification submitted by NFE was incomplete and should be reviewed and corrected.

By letter dated May 20, 2022 ("May 20 Letter"), NFE submitted a revised *Request for Certification as Electric Service Company* ("Revised Request"). Along with the Revised Request, NFE submitted the following documents:

- (1) *Request for Certification Electric Power Companies Form* (Form NEPR-B04, revised and corrected).
- (2) Copy of Official Payment Receipt No. 14197, Department of Natural and Environmental Resources (Receipt of Payment, Request for an Emission Source Permit, DNER).
- (3) Letter to Mr. Francisco Berrios Portela, Director, Energy Public Policy Program (EPPP) of the Department of Economic Development and Commerce, May 18, 2022.
- (4) Copy of the Operational Report with the postmark of the EPPP dated May 19, 2022.

NFE is a Limited Liability Company (for-profit), organized under the laws of Puerto Rico. According to the Certification Request submitted to the Energy Bureau, NFE proposes to provide a generation service based on fossil fuels or renewable energy with an aggregate capacity of one hundred (100) MW or less.² According to NFE, it will provide a generation service based on natural gas with an aggregate capacity of 2.8 MW.³ NFE signed a contract with only one customer: Boehringer Ingelheim Animal Health ("BIAH").⁴ The BIAH project is in the Arecibo region, Barceloneta PR.⁵ The BIAH project is described as a cogeneration project based on natural gas that will be connected in parallel to the network of the Puerto Rico Electric Power Authority ("PREPA").⁶ The proposed system will not export electrical

¹ *Amendment of Rule No. 8618, Certifications, Annual Fees y Electric Service Providers' Operational Plans*, February 17th 2016 ("Rule 8701").

² Request for Certification, p. 1.

³ *Id.*

⁴ Document titled: "*Annexes – Documents included with the Operational Report form*", p. 1.

⁵ *Id.*

⁶ Evaluation Report of the Boehringer-Ingelheim (BI) Cogeneration Project, September 27th 2021, p. 1. LUMA.

energy to the PREPA/LUMA system.⁷ NFE is a wholly owned subsidiary of NFEnergia LLC, which is an indirect wholly owned subsidiary of New Fortress Energy Inc.⁸

II. Regulation 8701 and Analysis

Act 57-2014⁹ requires that every Electric Service Company¹⁰ obtain a certification¹¹ to provide services in Puerto Rico, besides presenting specific information in accordance with the requirements established by the Energy Bureau. Regulation 8701 establishes the requirements that any electric service company must comply with to provide electric services in Puerto Rico

Sections 2.01 and 3.03 of Regulation 8701 describe the information that every electric service company to offer services in Puerto Rico must submit with its Request for Certification. Similarly, Section 2.02 of Regulation 8701 establishes the content requirements of the Operational Report to be submitted by the electric service companies.

A. Operational Report

In response to the May 13 Resolution, NFE submitted a copy of its Operational Report postmarked by the Energy Public Policy Program ("EPPP") on May 19, 2022. In the May 20 Letter, NFE explains that due to an involuntary mistake, the Report had not been submitted to the EPPP for its review. We found that NFE **corrected** the mistake and **complied** with the requirements of Section 2.02 of Regulation 8701. The EPPP has not file to the Energy Bureau any suggestion or comment about the Operational Report of NFE.

B. Request for Certification

In response to the May 13 Resolution, NFE submitted a Revised Request. NFE corrected Part B of Form NEPR-B04, specifically, the data related to the Physical Address of the place where the electric service will be provided and the Territorial Impact. The Physical Address of the place is: PR-2, Km 56.7, Barceloneta, Puerto Rico, 00617; and the Territorial Impact will be in the Municipality of Barceloneta. We found that NFE **did the corrections** to Form NEPR-B04 and **clarified** the discrepancies in its Request for Certification.

NFE also submitted a copy of the Official Receipt of Payment No. 14197, corresponding to a *Request for an Emission Source Permit* at the Department of Natural and Environmental Resources ("DNER"). We found that NFE submitted the minimum evidence required by the May 13 Resolution, regarding to the Emission Source Permits.¹²

⁷ *Id.*, p. 11.

⁸ Document titled: *NFE Power PR LLC – Form NEPR-B04 – CPA Statement Cover Letter*, p. 1.

⁹ Known as the *Transformation and Energetic RELIEF Act of Puerto Rico*, as amended ("Act 57-2014")

¹⁰ Section 1.3(l) of Act 57-2014 defines the term "Energy Company" or "Electric Service Company" as "any person or entity, natural or legal, energy cooperative, dedicated to offering generation services, transmission and distribution, billing, energy wheeling, network services ("grid services"), energy storage, resale of electricity, as well as any other electrical service as defined by the Bureau. The Electric Power Authority or its successor, as well as any Contractor under an Alliance Contract or Sales Contract granted in relation to PREPA Transactions entered into by virtue of Act 120-2018, shall be considered as Electric Service Companies for the purposes of this Law".

¹¹ See Section 6.13 of Act 57-2104. Also see, Section 1.3(h) of Act 57-2014, which define "Certified" as "any electric service company which have been evaluated and authorized by the Energy Bureau."

¹² The May 13 Resolution asked for evidence of request of two Air Emission Source Permits (AESP's) at the DNER: Construction AESP and Operation AESP. NFE only submitted evidence of having applied for the Operation AESP. However, this evidence is enough because according to Regulation 5300 (Air Pollution Control Regulation), DRNA cannot evaluate and approve an Operation AESP, without first having evaluated and approved a Construction AESP. We also want to clarify that Permit Management Office (OGPe, by its Spanish Acronym) Permit No. 2021-350234-PCOC-013862, filed by NFE in the Original Request for Certification, is not a Construction AESP.



We found that NFE **complied** with the applicable requirements of Section 3.03 of Regulation 8701 and the May 13 Resolution.

C. Others:

(1) Microgrid Registration

The energy cogeneration system described in the Request, meets the definition of *microgrid*¹³, so it may also be subject to the applicable requirements of Regulation 9028¹⁴. NFE must file a Register Application according to Section 5.03 of Regulation 9028; or must file a justification of why its cogeneration system is not subject to the requirements of Regulation 9028.

(2) Extra payments done to the Energy Bureau

NFE attached to the NEPR-B05 form the check No. 1019483115 for \$100 dollars.¹⁵ The check was issued by Bank of America and paid to the order of the Puerto Rico Energy Bureau; the sender's name is NFENERGIA LLC. NFENERGIA LLC is the company that owns NFE Power PR LLC. Filing of form NEPR-B05 requires no type of fee or payment. NFENERGIA LLC issued this payment by mistake. The Energy Bureau **will refund** one hundred dollars (\$100) on behalf of NFENERGIA LLC.

The Energy Bureau received another check, no. 2261, for \$100 dollars.¹⁶ The check was issued by Bank of America to the order of the Puerto Rico Energy Bureau; the sender's name is NFE Management LLC (Delaware). NFE Management LLC, does not appear on the List of Subsidiaries submitted by New Fortress Energy Inc. There is no debt or additional fee for filing any other form at the Energy Bureau, is our understanding that NFE Management LLC (Delaware) issued this payment by mistake. The Energy Bureau **will refund** one hundred dollars (\$100) on behalf of NFE Management LLC (Delaware).

III. Request Evaluation

Upon the review of all the documents filed by NFE as part of its Revised Request, the Energy Bureau **CERTIFIES** NFE as an Electric Service Company, pursuant to Regulation 8701, subject to the compliance of the following conditions:

- (i) NFE must file a Register Application according to Section 5.03 of Regulation 9028; or must file an explanation of why its cogeneration system is not subject to the requirements of Regulation 9028.

The Energy Bureau **GRANTS** fifteen (15) days, from the notification of this Resolution, to file the required information.

Notice and publish,

¹³ "Microgrid means a group of interconnected loads and Distributed Energy Resources within clearly defined electrical contours, which acts as a single controllable entity that can be connected and disconnected from the Electric Grid, so that it can operate both interconnected to the grid and in isolation (off-the-Grid)." Definition No. 20, Regulation on Microgrid Development, May 18, 2018.

¹⁴ Regulation on Microgrid Development, May 18, 2018.

¹⁵ See May 13 Resolution for more details about payments fees done by NFE.

¹⁶ *Id.*





Edison Aviles-Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on July 12, 2022. I also certify that on July 12, 2022 a copy of this Resolution was notified by electronic mail to the following: jfr@sbgblaw.com, tax@newfortressenergy.com, cguinta@newfortressenergy.com, and I have proceeded with the filing of the issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today July 12, 2022.



Wanda I. Cordero Morales
Interim Clerk

