

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

IN RE: REQUEST FOR CERTIFICATION AS
ELECTRIC SERVICE PROVIDER, NFE
POWER PR, LLC.

CASE NO.: NEPR-CT-2022-0004

SUBJECT: Microgrid Registration Form

RESOLUTION

I. Introduction

On July 12, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued a Resolution (“July 12 Resolution”) where it certified NFE Power PR, LLC (“NFE”) as an *Electric Service Company*¹, subjected to the following conditions:

- (i) NFE must file a Register Application according to Section 5.03 of Regulation 9028²; or must file an explanation of why its cogeneration system is not subject to the requirements of Regulation 9028.

On July 26, 2022, NFE filed with the Energy Bureau a Microgrid Registration Form (Form NEPR-D01) in response to the July 12 Resolution. NFE provided the minimum data and supporting documents as required by Section 5.03 of Regulation 9028. According to Part B of Form NEPR-D01, NFE indicated that the company *Power Engineering Consultants LLC* (“PEC”) will act as the Operator of the Microgrid.

On August 16, 2022, the Energy Bureau issued a Resolution (“August 16 Resolution”) through which NFE was certified as an *Electric Service Company* and granted the designation of NFE as a *Registered Microgrid*, subjected to compliance with Section 6.03 of Regulation 9028. The Energy Bureau did not authorize the operation of the Microgrid until the NFE’s Microgrid Operator is certified as an Electric Service Company by the Energy Bureau according to the requirements of Section 5.02 of Regulation 9028. The Energy Bureau granted NFE additional time to contact the Microgrid Operator and comply with Section 5.02 of Regulation 9028.

On October 20, 2022, NFE responded to the August 16 Resolution and filed the following documents:

- (1) A Letter from PWC (on behalf NFE) to the Energy Bureau, October 20, 2022 (“October 20 Letter”)
- (2) *Microgrid Registration Form* (“Form NEPR-D01”)
- (3) A non-titled Attachment
- (4) *Boehringer Ingelheim [...], Site Map*
- (5) *Boehringer, Conceptual System Design*
- (6) *New Fortress Energy, Boehringer CHP LNG Plant, 100% Construction Documents* (Construction Plans, Electrical Plans and Others)
- (7) Copy of the *Power Purchase Agreement – Model Contract*
- (8) Billing Example
- (9) Paycheck No. 1019506250 for \$100 dollars.

¹ In accordance with Regulation 8701, *Amendment to Regulation No. 8618, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico*, February 17, 2016, as amended by Regulation 9182, *Amendment to Regulation No. 8701, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico*, June 24, 2020.

² *Regulation on Microgrid Development*, May 18, 2018.



II. Analysis

Act 57-2014³ requires that every Electric Service Company⁴ obtain a certification⁵ to provide services in Puerto Rico, besides presenting specific information under the requirements established by the Energy Bureau.

Regulation 8701⁶ establishes the requirements that any Electric Service Company must comply with to provide electric services in Puerto Rico

Regulation 9028 establishes the requirements for register, development, and operation of Microgrids that bring services to the *end-use customers*.

A. Register Application for Microgrids

According to the October 20 Letter, PWC stated that:

“Upon review of the definition of Microgrid Operator and consulting with legal counsel, the Company now understand that PEC is not the Microgrid Operator and the designation as such in the original Microgrid Registration Form was an unintended error. PEC is merely a contractor assisting with some of the microgrid operations, specifically, the maintenance and upkeep of the power plant assets. PEC will not have any contracts with the end users nor be responsible for supplying the fuel, nor for billing the customers. On the other hand, NFE Power will be the primary party responsible for overseeing the operation of the microgrid equipment, delivering the contracted services, billing the customers, and will be the primary point of contact for the customers. In view of the above, NFE Power should be considered the Microgrid Owner as well as the Microgrid Operator”.

Also, PWC expressed on the October 20 Letter, that an amended Form NEPR-D01 is included, designating NFE as the Microgrid Owner and Operator, and respectfully requesting the Energy Bureau to authorize the operation of the Company’s Microgrid.

NFE met requirements of Regulation 9028, Section 5.03.

NFE paid for the Microgrid Registration fees, with paycheck no. 1019506250 for \$100 dollars. NFE met requirements of Regulation 9028, Section 6.04.

According to Parts A and B of Form NEPR-D01, the company NFE will be the Owner and the Operator of the Microgrid.

Section 1.08(B)(21) of Regulation 9028 defines:

“Microgrid Operators means the registered operator of a Microgrid, which shall be the primary party responsible for overseeing the operation of the microgrid equipment

³ Known as the *Transformation and Energy RELIEF Act of Puerto Rico*, as amended (“Act 57-2014”)

⁴ 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”.

⁵ 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.”

⁶ *Amendment to Regulation No. 8618, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico*, February 17, 2016, as amended by Regulation 9182, *Amendment to Regulation No. 8701, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico*, June 24, 2020



(including, but not limited to, Distributed Energy Resources and Distribution Infrastructure), providing maintenance, delivering contracted services, billing for such services, and serving as the primary point of contact. The Microgrid Operator may or may not be the owner of the Microgrid."

Section 5.02 of Regulation 9028 establishes:

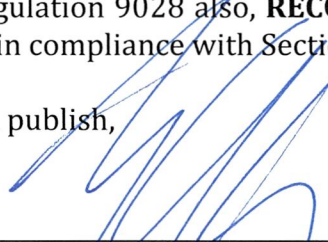
In addition to complying with the requirements set forth in this Regulation, any Microgrid Operator considered an Electric Service Company, as such term is defined in Section 1.08(A)(5) of Regulation 8701, shall comply with any and all applicable requirements set forth in Regulation 8701.

For the purposes of this Regulation, a Microgrid Operator overseeing the operation of a Third-Party Microgrid, or a group of Third-Party Microgrids, with an aggregate generating capacity of one megawatt (1 MW) or more will be considered an Electric Service Company. In such cases, the Microgrid Operator shall comply with the requirements of Section 3.07(A)(1)(a), 3.07(A)(2) and Article IV of Regulation 8701. (Emphasis supplied)

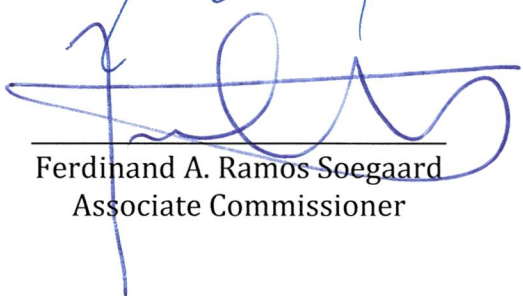
III. Conclusion

Upon the review of all the documents filed by NFE as part of the Microgrid Register Application (Form NEPR-D01), NFE clarifies and states that NFE will act as both: the OWNER and the OPERATOR of the microgrid. The Energy Bureau **GRANTS** the designation of NFE as a Registered Microgrid and **AUTHORIZE** its operation subject to compliance with Section 6.03 of Regulation 9028 also, **RECOGNIZE** NFE as the sole *Owner* and sole *Operator* of the Microgrid in compliance with Section 5.02 of Regulation 9028.

Notice and publish,



Edison Avilés Deliz
Chairman



Ferdinand A. Ramos Soegaard
Associate Commissioner



Lillian Mateo Santos
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 November 9, 2022. I also certify that on November 10, 2022 a copy of this Resolution was notified by electronic mail to the following: jfr@sbgblaw.com, cguinta@newfortressenergy.com, tax@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 November 10, 2022.





Sonia Seda Gaztambide
Clerk