

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

IN RE: PROJECT FOR HEWLETT-PACKARD
INDUSTRIAL FACILITY

CASE NO.: NEPR-CT-2021-0004

SUBJECT: Certification as Electric Service
Company and Microgrid

RESOLUTION AND ORDER

I. Relevant Factual Background

On May 11, 2021, Hewlett Packard Puerto Rico BV, LLC (“HP Puerto Rico”) filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) a letter (“May 11 Letter”) regarding a combined heat and power project proposed to be installed at an industrial facility located in Aguadilla, Puerto Rico (the “Facility”). Notably, HP Puerto Rico states it was in the preliminary stages of developing a cogeneration plant to supply electric power to its affiliate, Hewlett Packard Caribe BV, LLC (“HP Caribe”) (the “CHP Plant”).¹ HP Puerto Rico also states that, after an arms-length negotiation, it has entered into an agreement to sale electric power and services to HP Caribe.²

Through its May 11 Letter, HP Puerto Rico requests the Energy Bureau to confirm its interpretation that in spite of the proposed project and the PPA, HP Puerto Rico is not an “electric service company,” within the purview of Regulation 8701.³ In support of its proposition, HP-Puerto Rico argues that, (i) it does not intend to generate significant profit from the sale of electric power to HP Caribe, (ii) it does not intend for the sale of electric power to HP Caribe represent a significant source of revenue, (iii) it will only sell electric power to HP Caribe, and (iv) it will continue to operate its other business and will not engage in the business of generating or supplying energy.⁴

Although HP Puerto Rico maintains that it should not have to comply with Regulation 8701 nor to obtain a certification as an “electric service company”, it submitted several documents and forms, identified as Schedules 1 through 12 of the May 11 Letter, related to a request for certification pursuant to Regulation 8701.

HP Puerto Rico also requests the Energy Bureau to confirm its interpretation that neither itself nor the CHP Plant constitute a *microgrid* as defined in Regulation 9028.⁵ HP Puerto Rico states that the CHP Plant will include two (2) cogeneration units and an electric storage system that will supply power to the Facility.⁶ Even though HP Puerto Rico recognizes that the Facility consists of eight (8) buildings, it argues that HP Caribe constitutes a “single load”, since HP Caribe will be the only customer of the electric power and services provided through the CHP Plant.⁷ Given the foregoing, HP Puerto

¹ May 11 Letter, p. 1.

² *Id.*, p. 2. HP Puerto Rico referred to the agreement as the *Energy Services and Power Purchase Agreement* (the “PPA”).

³ *Amendment to Regulation No. 8618 on Certification, Annual Fees, and Operational Plans for Electric Service Companies in Puerto Rico* (“Regulation 8701”).

⁴ May 11 Letter, p. 3.

⁵ *Regulation on Microgrid Development* (“Regulation 9028”).

⁶ May 11 Letter, pp. 3-4.

⁷ *Id.*, p. 4.



Rico maintains that the CHP Plant does not encompass a *group of interconnected loads*, and therefore does not meet such requirement of Regulation 9028 *microgrid* definition.⁸

HP Puerto Rico also asserts that the CHP Plant has been designed to operate independent from the Puerto Rico Electric Power Authority's ("PREPA's") electric power grid ("Electric Power Grid") and will not have the ability to interconnect to the Electrical Power Grid.⁹ HP Puerto Rico further argues that since the CHP Plant cannot connect and disconnect from the Electric Power Grid to enable it to operate in either grid-connected or off-the-grid (islanded) mode, it does not meet such requirement of Regulation 9028's *microgrid* definition.¹⁰

On July 9, 2021, the Energy Bureau issued a Resolution ("July 9 Resolution") through which it determined that upon an initial review of the May 11 Letter and its Schedules, additional information was necessary to evaluate HP Puerto Rico's petition. The Energy Bureau ordered HP Puerto Rico to submit the following information: (i) copy of the PPA; (ii) a projection of the profit, if any, to be generated by HP Puerto Rico for the sale of electric power and services to HP Caribe during the term of the PPA; and (iii) payment of the corresponding fees for the filing of Personal Information and Request for Certification, pursuant to Section 2.03 and Section 3.07 of Regulation 8701.

On July 23, 2021, HP Puerto Rico filed a letter ("July 23 Letter") regarding the Energy Bureau's request for additional information. HP Puerto Rico reiterated its request that the Energy Bureau confirm that it is not an electric service company within the purview of Regulation 8701, and that neither HP Puerto Rico nor the CHP Plant constitute a *microgrid*, as defined in Regulation 9028.¹¹ HP Puerto Rico attached various documents to the July 23 Letter, identified as Exhibits A through D.

On July 21, 2022, the Energy Bureau issued a Resolution and Order ("July 21 Resolution") through which it determined that, according to the documents submitted by HP Puerto Rico, the CHP Plant would not be operated independent from PREPA's electric power grid. Consequently, the Energy Bureau determined that, to the extent that the CHP Plant will not operate in an islanded mode (that is, permanently disconnected from the Electric Power Grid), it constitutes a *microgrid*, as defined in Regulation 9028. Thus, the Energy Bureau granted HP Puerto Rico twenty (20) days to, (i) file the documents required by Regulation 9028 for the registration of the CHP Plant as a *microgrid*; or (ii) provide a detailed explanation, should HP Puerto Rico understand that the preliminary determination on the applicability of the *microgrid* requirements is not correct. Through the July 21 Resolution, the Energy Bureau also considered, preliminarily, that HP Puerto Rico shall obtain a certification as an electric service company, and that it would evaluate the documents that were submitted in relation thereto, once HP Puerto Rico filed the documents required for the registration of the CHP Plant as a *microgrid*.

On August 5, 2022, HP Puerto Rico filed a letter ("August 5 Letter") through which it stated that it is in the final stages of the installation of the CHP Plant, and therefore, it requested that the Energy Bureau provide a temporary authorization for HP Puerto Rico to begin operating the CHP Plant until the Energy Bureau issues a final order confirming the "regulatory treatment" of the CHP Plant. On August 10, 2022, HP Puerto Rico filed a letter ("August 10 Letter") through which it requested twenty (20) additional days to prepare and submit the information requested by the Energy Bureau through the July 21 Resolution.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ July 23 Letter, p. 2.



On September 27, 2022, HP Puerto Rico filed a letter (“September 27 Letter”) through which it reaffirmed that it is not required to obtain a certification as an electric service company or as a microgrid. HP Puerto Rico included additional documents as part of the September 27 Letter, which were identified as Exhibits A and B. HP Puerto Rico requested that, to the extent that Energy Bureau determines that it should be certified as an Electric Service Company, it be exempted from complying with the majority of the applicable electric service company requirements established by Act 57-2014¹² and Regulation 8701.¹³ HP Puerto Rico also requested the Energy Bureau to issue a final determination regarding the CHP Plant’s “regulatory treatment” and confirming that HP Puerto Rico may begin to operate the CHP Plant.¹⁴

II. Analysis

A. Description of the CHP Plant

The CHP Plant will consist of two (2) engine generator units (“Cogeneration Units”) manufactured by Jenbacher/INNIO with a rating of 1,975 kW each and total electrical power of 3,950 kW.¹⁵ The Cogeneration Units main fuel will be liquefied natural gas (“LNG”).¹⁶ Each Cogeneration Unit has an absorption chiller to recover the rejected heat and produce chilled water to be used at the Facility.¹⁷ The rating of the absorption of each chiller unit is 568 tons for a total chilled water generation of 1,136 tons.¹⁸ The rejected heat in the second stage intercooler circuit will be used to vaporize the LNG fuel to the compressed natural gas fuel used by the Cogeneration Units.¹⁹

The CHP Plant includes an energy storage system to act as a spinning reserve and for managing the load fluctuations while the engines operate at a stable base load setting.²⁰ HP Puerto Rico provided technical specifications for certain elements of the CHP Plant. However, concerning the proposed energy storage system, HP Puerto Rico submitted technical specifications corresponding to two (2) different models, without specifying which one will be used for the CHP Plant.²¹ Likewise, HP Puerto Rico did not submit the engineering design and/or drawings of the CHP Plant.

The CHP Plant also includes a back-up diesel-fuel generator, which HP Puerto Rico states will operate in the event of failure of the Cogeneration Units.²² Based on the description of the CHP Plant, the diesel-fuel generator is expected to be used as a simple back-up during emergencies and not as a generation source to produce and supply electric and thermal power to the system under normal operating and usage conditions. Note that -should this turn to be otherwise- the energy produced by the diesel-fuel emergency generator and how it will be dispatched to meet the anticipated electric and thermal demand of the CHP Plant must be considered, in accordance with Regulation 9028.

B. Act 57-2014 and Regulation 8701

¹² Transformation and Energetic RELIEF Act of Puerto Rico, as amended (“Act 57-2014”).

¹³ September 27 Letter, p. 2.

¹⁴ *Id.*

¹⁵ May 11 Letter, p. 4.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ See, Regulation 9028, Section 5.03(F).

²² *Id.*



Act 57-2014 requires that every Electric Service Company²³ obtains a certification²⁴ to provide services in Puerto Rico. In turn, Regulation 8701 provides the requirements that electric service companies must comply with to provide electric services in Puerto Rico. Section 1.08(A)(5) of Regulation 8701 identifies the different categories of electric service companies under its purview to determine the specific requirements that each category of company must comply with. In pertinent part, Section 1.08(A)(5)(c) defines an “Electric Service Company” as any natural or legal person that offers the following services:

- i. *Electric power generation for sale in Puerto Rico through distributed generators interconnected to the PREPA power grid with an aggregate capacity of one megawatt (1 MW) or more, whether or not said distributed generators or the clients to whom the electric power is sold are participants of PREPA’s Net Metering Program;*
 - ii. *Electric power storage, where at least one storage unit has a nominal capacity of one megawatt (1 MW) or more;*
 - iii. *Electric power billing;*
- [...]

As further discussed below, HP Puerto Rico recognizes that in connection with the CHP Plant it will provide all the above-mentioned services. That is, electric power generation for sale, electric power storage, and electric power billing. Consequently, HP Puerto Rico must comply with the requirements set forth in Regulation 8701 for its certification as an Electric Service Company. Moreover, as discussed on Section II(C) of this Resolution and Order, the Energy Bureau determined that the CHP Plant constitutes a Third-Party Microgrid, as defined in Regulation 9028. Consequently, pursuant to Section 5.02 of Regulation 9028, HP Puerto Rico is also required to be certified as an Electric Service Company and, particularly, to meet the requirements of Regulation 8701.²⁵

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

1. *Personal Information*

²³ Section 1.3(l) of Act 57-2014 defines “Energy Company” or “Electric Service Company”, in pertinent part, as:

any natural or juridical person or entity, energy cooperative, engaged in the provision of generation services, transmission and distribution services, billing, wheeling, grid services, energy storage, resale of electric power as well as any other electric power service as defined by the Bureau.

²⁴ See, Section 6.13 of Act 57-2104. Also see, Section 1.3(h) of Act 57-2014, which defines “Certified” as “any electric service company which have been evaluated and authorized by the Energy Bureau.”

²⁵ Section 5.02 of Regulation 9028 provides in the pertinent part that:

*...
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... (Emphasis added).*



To comply with the personal information for an Electric Service Company through the May 11 Letter, HP Puerto Rico submitted the following documents:

- Schedule 1.** Form NEPR-B01 (Personal Information).
- Schedule 2.** Copy of the Company's Incorporation and Register Certificate.
- Schedule 3.** Copy of the Good Standing Certificate issued by the Puerto Rico Department of State.
- Schedule 4.** Copy of the Certificate of Authorization to do Business in Puerto Rico.

The aforementioned documents satisfy the requirements of Regulation 8701 with regards to the HP Puerto Rico personal information. Specifically, such documents include the information required by Section 2.01 of Regulation 8701 for HP Puerto Rico's certification as an Electric Service Company.

2. *Operational Report*

For the Energy Bureau to certify HP Puerto Rico as an Electric Service Company, HP Puerto Rico must comply with Section 2.02 of Regulation 8701. Through the September 27 Letter, HP Puerto Rico submitted the following document to comply with the requirements established in Section 2.02:

- Exhibit B.** Form NEPR-B03 (Operational Report) and Form NEPR-Z01 (Complementary Sheet).

The abovementioned documents constitute HP Puerto Rico's Operational Report. In its Operational Report, HP Puerto Rico provided information pertaining to requirements of Sections 2.02 (A)(3) and (A)(4) of Regulation 8701 concerning persons or entities that will offer energy storage services where at least one storage unit has a nominal capacity of one megawatt (1 MW) or more, and persons or entities in the business of offering billing or energy resale services, respectively. Specifically, HP Puerto Rico apprised the following regarding Sections 2.02 (A)(3) and (A)(4):

- Section 2.02(A)(3)(a).** HP Puerto Rico expects to invest \$12,388,000 over the next three (3) years in connection with the development of the CHP Plant.
- Section 2.02(A)(3)(b).** Does not apply to HP Puerto Rico, since no improvements have been made to the CHP Plant's electric power system.
- Section 2.02(A)(4)(a).** HP Puerto Rico's CHP Plant will supply power to its affiliate and only customer, HP Caribe.
- Section 2.02(A)(4)(b).** HP Puerto Rico will charge a fixed rate of 16 cents per kWh to HP Caribe. This rate is based HP Puerto Rico's recovery of investment in the CHP Plant and represents a nominal revenue source.
- Section 2.02(A)(4)(c).** HP Puerto Rico has engaged Accurate Solution Corp. ("Accurate") to operate and maintain the CHP Plant. Accurate is experienced and competent in mobilization, operation and maintenance of generation plants similar to the CHP Plant. Accurate's contact person and information is Roberto D. Acosta, PO Box 6014 Mayagüez, PR 00681; racosta@accurate.works.



The foregoing information complies with the requirements of Sections 2.02 (A)(3) and (A)(4) of Regulation 8701, regarding the energy storage and billing services to be provided by HP Puerto Rico.

However, the information provided by HP Puerto Rico through its Operational Report differs from the information included in its Request for Certification (Form NEPR-B04, discussed below). In its Operational Report, HP Puerto Rico indicated that it would only offer energy storage services and electric power billing services, while in its Request for Certification, submitted through the May 11 Letter, HP Puerto Rico stated that it would be providing only electric power generation services for sale in Puerto Rico through distributed generators that are interconnected to PREPA's power grid with an aggregate capacity of one megawatt (1 MW) or more, and energy storage services where at least one storage unit has a nominal capacity of one megawatt (1 MW) or more, not electric power billing services.

As discussed before, the CHP Plant will consist of two (2) Cogeneration Units that will produce electrical and thermal energy.²⁶ The electrical energy produced by the Cogeneration Units will be sold to HP Caribe, in accordance with the terms and conditions of the PPA. Notably, HP Puerto Rico projects annual sales of electrical energy to HP Caribe of 22,698,876 kWh at a rate of \$0.16 kWh. Consequently, given that HP Puerto Rico will be engage in the generation of electric power generation for sale in Puerto Rico through distributed generators interconnected to the Electric Power Grid with an aggregate capacity of one megawatt (1 MW) or more, its Operational Report must also comply with the requirements of Section 2.02(A)(1) of Regulation 8701.

Considering that HP Puerto Rico did not include in its Operational Report information regarding its electric power generation services for sale through distributed generators, the Energy Bureau **DETERMINES** that HP Puerto Rico did not comply with Section 2.02(A)(1) of Regulation 8701.

Moreover, HP Puerto Rico did not provided evidence of payment regarding the applicable fee for the submission of its Operational Report. Pursuant to Section 2.03(A)(2)(a) of Regulation 8701, companies that will offer the services that HP Puerto Rico will provide as an Electric Service Company are required to submit a payment of \$800.00. Consequently, the Energy Bureau **DETERMINES** that HP Puerto Rico did not comply with Section 2.03(A)(2)(a). Furthermore, HP Puerto Rico indicated that, on that same date of its submission to the Energy bureau, it referred its Operational Report to the Energy Public Policy Program of the Department of Economic Development and Commerce ("DEDC") for review and comments. However, HP Puerto Rico did not provide evidence of such submittal.

As discussed above, HP Puerto Rico's Operational Report must be amended to include the information concerning the sale of electric power generation services through distributed generators. Therefore, the Energy Bureau **DETERMINES** that HP Puerto Rico will need to submit its amended Operational Report to the DEDC and provide the Energy Bureau of evidence thereof. Once the DEDC notifies its comments to HP Puerto Rico, HP Puerto Rico must submit them to the Energy Bureau.

3. *Request for Certification*

Section 3.03 of Regulation 8701 establishes the information that an entity needs to include in its Request for Certification to be certified as an Electric Service Company. To comply with Section 3.03's provisions, HP Puerto Rico submitted the following documents through the May 11 Letter:

Schedule 5. Form NEPR-B04 (Request for Certification).

Schedule 6. Information regarding the contracts or legal transactions with electric power companies.

²⁶ May 11 Letter, p. 4.



Schedule 7. Statement certified by a Certified Public Accountant that attests the provisions of minimum financial resources of the company.

Schedule 8. Statement affirming the sufficiency of the company's human resources.

Schedule 9. Copy of permits, authorizations and endorsements obtained to operate, do business and provide services in Puerto Rico.

Schedule 10. A certification stating that the company has obtained all necessary permits, from the appropriate public entities, for the construction of new facilities.

Schedule 11. A certification that attests that the company has the financial capacity and solvency to finance the construction and operation of new or under renovation facilities.

Schedule 12. A description of technical specifications of units and equipment, among others, used for the provisions of the service.

Thereafter, in compliance with the July 9 Resolution, HP Puerto Rico provided additional information in connection to its Request for Certification. Along with the July 23 Letter, HP Puerto Rico submitted the following documents:

Exhibit A. Copy of the PPA.

Exhibit B. Document titled *Projection of Profit*.

Exhibit C. Document titled *Evidence of Payment*.

Exhibit D. Supplement to Schedule 10 of the May 11 Letter.

In Schedule 5 to the May 11 Letter (Form NEPR-B04), HP Puerto Rico indicates that it will provide a generation service using the CHP Plant, which will have an aggregated capacity of 3.95 MW, and will be powered by LNG. Furthermore, HP Puerto Rico will provide energy storage services.²⁷ HP Puerto Rico also informed that it will only be providing service to the Facility, pursuant to the provisions of the PPA.

Through the September 27 Letter, HP Puerto Rico submitted the following additional document:

Exhibit A. Copy of the technical specifications of the CHP Plant's absorption chiller, engines, and batteries.

As shown above, HP Puerto Rico submitted certain information pertaining to a Request for Certification as an electric service company. Regarding the fees for the presentation of its personal information and Request for Certification, HP Puerto Rico submitted evidence of payment of \$2,600.00 through an Automated Clearing House (ACH) transaction with Batch ID 21072307001868BPPR. The Energy Bureau deems that this amount satisfies the requirement of Section 2.03 and Section 3.07 of Regulation 8701. That is, HP Puerto Rico paid the fees regarding the submittal of its personal information and its Request for Certification as an Electric Service Company.²⁸

²⁷ HP Puerto Rico did not describe in its filings the energy storage and dispatch capacity.

²⁸ As discussed below, the Energy Bureau determined that the CHP Plant constitutes a Third-Party Microgrid, and therefore, it is subject to the requirements of Regulation 9028. Nevertheless, pursuant to Section 6.04(B) of Regulation 9028, since HP Puerto Rico provided evidence of payment regarding its Request for Certification in compliance with Section 3.07 of Regulation 8701, the Energy Bureau considers that it is exempt from paying the \$100.00 fee applicable to Third-Party Microgrids identified in Section 5.02 of Regulation 9028.



Through its Operational Report, HP Puerto Rico stated that it will be providing energy storage services and billing services. Given the fact that HP Puerto Rico will provide energy storage services and billing services but did not include such services in its Request for Certification, the Energy Bureau **DETERMINES** that HP Puerto Rico must amend its Request for Certification (Form NEPR-B04) accordingly.

4. *HP Puerto Rico's Request for Exemption from Act 57-2014's and Regulation 8701's Requirements*

Through the September 27 Letter, HP Puerto Rico stated that, to the extent the Energy Bureau considers HP Puerto Rico an Electric Service Company, it requested to be exempt from compliance with all applicable electric service company requirements under Act 57-2014 and Regulation 8701, except for the annual fee requirement under Section 6.16(d) of Act 57-2014 and submission every three (3) years of the Operational Report required under Section 2.02 of Regulation 8701.²⁹

Pursuant to Sections 2.02(A)(3) and 2.02(A)(4) of Regulation 8701, persons or entities that offer energy storage services where at least one storage unit has a nominal capacity of one megawatt (1 MW) or more, and persons or entities that are in the business of offering electric billing services, must file an Operational Report every three (3) years. However, Section 2.02(A)(1) provides that persons or entities who offer electric power generation services for sale in Puerto Rico through distributed generators that are interconnected to PREPA's power grid with an aggregate capacity of one megawatt (1 MW) or more, must file an Operational Report every year. Regarding the frequency with which every class of Electric Service Company must file their Operational Report, Section 2.02(D) of Regulation 8701 establishes that the Energy Bureau may order any Electric Service Company to submit all, or part of the information required in the Operational Report at any time. Moreover, Section 3.04(B)(2) states that a certification may be granted subject to the limitations, conditions, and restrictions established by the Energy Bureau.

The Energy Bureau determines through this Resolution and Order that the CHP Plant constitutes a Third-Party Microgrid. As such, pursuant to Section 5.02 of Regulation 9028, the CHP Plant is also subject to the requirements of Regulation 8701. However, Article 7 of Regulation 9028 provides that any Microgrid Operator may file a request for exemption or modification with any of the requirements under Regulation 9028. In ruling such request, the Energy Bureau shall consider (i) its reasonableness; (ii) the cost impact on the project and the Members or Customers of the Microgrid project, including the prudence of incurred or anticipated costs, if applicable; (iii) whether the exemption is supported by the Members or Customers or potential Members or Customers of the Microgrid; (iv) whether the exemption is in the public interest; and (v) any other relevant factors pertaining to the requested waiver.

HP Puerto Rico will not provide services that are comparable in their full extension to traditional electric utilities. HP Puerto Rico has reiterated that it will only sell the energy produced by the CHP Plant to HP Caribe, and therefore, it will not provide energy to PREPA, nor will it have any additional customers. That is, HP Puerto Rico does not intend to further increase the scope of the electric services provided. Thus, it is reasonable that HP Puerto Rico be exempt from certain requirements that other Electric Service Companies must meet.

HP Puerto Rico's request regarding exemption from almost every requirement under Act 57-2014 and Regulation 8701 is too general and broad, as well as unsupported. Nevertheless, the Energy Bureau **DETERMINES** appropriate to exempt HP Puerto Rico from the requirement to file an annual Operational Report pursuant to Section 2.02(A)(1). HP Puerto Rico will file its Operational Report every three (3) years, subject to the conditions described in Part III of this Resolution and Order. Such exemption will not affect its sole customer (HP Caribe), and is in the public interest, considering that

²⁹ September 27 Letter, p. 2.



HP Puerto Rico would be a relatively small and atypical Electric Service Company that does not require the same level of regulation than other companies. Consequently, the Energy Bureau **DETERMINES** that the exemption hereby granted is appropriate, as well as consistent with Act 57-2014's and Regulation 8701's principles.

5. *Evaluation of Request for Certification as an Electric Service Company*

Pursuant to Section 3.04 (B)(2) of Regulation 8701, after an evaluation of the documents submitted by HP Puerto Rico, the Energy Bureau **DETERMINES** that HP Puerto Rico has complied with certain key requirements established by Regulation 8701 for its certification as an electric service company. Therefore, the Energy Bureau **CERTIFIES** HP Puerto Rico as an Electric Service Company, subject to the conditions set forth in Part III of this Resolution and Order.

C. *Definition of Microgrid*

1. *Act 82-2010*

Section 1.4 (21) of Act 82-2010³⁰ defines *microgrid* as:

*a group of interconnected loads and distributed energy resources within electrical boundaries clearly defined by the [Energy Bureau] that acts as a single controllable entity **with respect to the transmission and distribution system of the electric power grid**. Microgrids shall have the capacity to connect to and disconnect from [PREPA's] transmission and distribution system in order for them to be able to operate connected to the grid as well as off the grid. The goal of microgrids is to enhance the resilience of the electric power grid, promote distributed generation mostly based on renewable energy and promote strategies to reduce energy consumption. (Emphasis Added).*

2. *Regulation 9028*

Regulation 9028 sets forth the requirements for registration, development, and operation of microgrids that bring services to the end-use customers. Section 1.08(B)(20) of Regulation 9028 defines *microgrid* as:

a group of interconnected loads and Distributed Energy Resources within clearly defined electrical boundaries that acts as a single controllable entity that can connect and disconnect from the Electric Power Grid to enable it to operate in either grid-connected or off-the-grid (islanded) mode.

The definition of *microgrid* included in Regulation 9028 draws in part from the definition of *microgrid* included in Act 82-2010 and the definition provided by the United States Department of Energy ("DOE"). The DOE defines *microgrid* as:

*a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity **with respect to the grid**. A microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode. (Emphasis Added).³¹*

Section 3.02 of Regulation 9028 also provides that a *microgrid* shall consist at a minimum, of: (a) generation assets; (b) loads; and (c) Distribution Infrastructure.

³⁰ Known as *Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act*, as amended (Act 82).

³¹The U.S. Department of Energy's *Microgrid Initiative*, <https://www.energy.gov/sites/prod/files/2016/06/f32/The%20US%20Department%20of%20Energy's%20Microgrid%20Initiative.pdf> (October 21, 2022).



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Moreover, it states that Microgrids shall include sufficient generation, storage assets and advanced distribution technologies to serve load under normal operating and usage conditions.

To understand what constitutes a *microgrid* one should focus on the following key concepts, (i) *group of interconnected loads and Distributed Energy Resources*; (ii) *clearly defined electrical boundaries*; (iii) *single controllable entity*; and (iv) *the ability to operate in either grid-connected or off-the-grid (islanded) mode*.

Section 1.08(B)(7) of Regulation 9028 defines *Distributed Energy Resources* as: *Distributed Generation or electric energy storage*. In turn, Section 1.08(B)(8) defines "Distributed Generation" as "an electric power generation facility in Puerto Rico connected to the Distribution Infrastructure or to a Microgrid and/or producing power for self-supply or sale."³²

Relevant to this case, Regulation 9028 defines *combined heat-and-power* as:

equipment used to produce electric energy and forms of useful thermal energy (such as heat or steam), used for industrial, commercial, heating, or cooling purposes, through the integrated use of technology.

In the instant case, the documents submitted by HP Puerto Rico show that the CHP Plant constitutes a microgrid under Regulation 9028. The CHP Plant encompasses, amongst others, equipment used to produce electricity and thermal energy, to wit, the Cogeneration Units. It also encompasses equipment used for the storage of energy. That is, the CHP Plant include Distributed Energy Resources producing power for sale (to HP Caribe pursuant to the PPA).³³

Moreover, the CHP Plant creates a *group of interconnected loads*, contrary to HP Puerto Rico's argument that the electric consumption of the Facility constitutes a single load since HP Caribe will be the sole customer.³⁴ The multiplicity of loads does not depend on the number of customers³⁵ to which a generation source will provide energy. Rather, the term "load" refers to an end-use device or customer that receives power from an electric system.³⁶ Considering that the CHP Plant will provide energy to several buildings,³⁷ there will be multiple end-use devices receiving such energy, which form a group of interconnected loads within the Facility. Moreover, presumably, within those buildings there are several devices that require an electric load to fulfill the "industrial uses" mentioned by HP Puerto Rico,³⁸ which further supports the conclusion that the CHP Plant will comprise a group of interconnected loads.

³² See, Regulation 9028, Sec. 1.04.

³³ Section 1.08(B)(7) and Section 1.08(B)(8) of Regulation 9028.

³⁴ May 11 Letter, p. 4.

³⁵ Section 1.08(B)(6) of Regulation 9028 defines "Customer" as "any Person, as such term is defined herein, who consumes or uses electric power or energy services from a Third-Party Microgrid. Section 1.08(B)(24) defines "Person" as "a natural person; a legal entity created, organized, or existing under the laws of the Commonwealth of Puerto Rico, the United States of America, any state of the union, or any foreign state or country; a Municipality or a consortium of Municipalities; or a government entity (other than PREPA).

³⁶ The United States Energy Information Administration ("EIA") defines *Load (electric)* as: *[a]n end-use device or customer that receives power from the electric system*. (Emphasis added). EIA's Glossary, [https://www.eia.gov/tools/glossary/?id=electricity#:~:text=Load%20\(electric\)%3A%20An%20end,Used%20in%20NERC%20Reliability%20Standards](https://www.eia.gov/tools/glossary/?id=electricity#:~:text=Load%20(electric)%3A%20An%20end,Used%20in%20NERC%20Reliability%20Standards) (Last verified November 12, 2022).

³⁷ May 11 Letter, p. 4.

³⁸ *Id.*, pp. 3-4.



The phrase *single controllable entity* is to be interpreted in connection with the Electric Power Grid, as defined in Regulation 9028.³⁹ Therefore, a *group of interconnected loads and distributed energy resources within clearly defined electrical boundaries* that acts as a *single controllable entity* with respect to the grid means that a microgrid can connect and disconnect from the grid (e.g. Electric Power Grid) to enable it to operate in both grid-connected or island-mode. In this case the CHP Plant will provide services within *clearly defined electrical boundaries*. The *clearly defined electrical boundary* with respect to the grid will be the point at which the Facility will connect to the Electric Power Grid.

Finally, as recognized by HP Puerto Rico, the CHP Plant has been designed for and will operate in “Parallel Mode with PREPA; otherwise it shall operate in Island Mode.”⁴⁰ Consequently, the CHP Plant will not be fully disconnected from the Electric Power Grid, as HP Puerto Rico suggested in the May 11 Letter.⁴¹ Rather, it will have the ability to connect and disconnect from the Electric Power Grid to enable it to operate in either grid-connected or off-the-grid (islanded) mode.

The Energy Bureau deems that for the CHP Plant to be considered as fully disconnected from the Electric Power Grid, it must be permanently disconnected from the Electric Power Grid. That means that the service location or premises are not capable of receiving any electricity from, delivering electricity to, or being synchronized with, the Electric Power Grid, including, but not limited to, for standby, maintenance, emergency, or similar purposes, or providing electricity to the Electric Power Grid. According to the information provided by HP Puerto Rico, the CHP Plant will not be fully disconnected from the Electric Power Grid.

In consideration of the foregoing, the Energy Bureau **DETERMINES** that the CHP Plant constitutes a *microgrid*, in accordance with the definition of microgrid set forth in Section 1.08(B)(20) of Regulation 9028.

3. Classification of the CHP Plant

Regulation 9028 provides the following Microgrid classifications: (i) Personal Microgrid; (ii) Cooperative Microgrid; (iii) Third-Party Microgrid and (iv) other ownership or operational arrangements that are not contemplated in Regulation 9028 but that can be submitted for the Energy Bureau’s review, along with any other supporting information that the Energy Bureau may deem relevant.

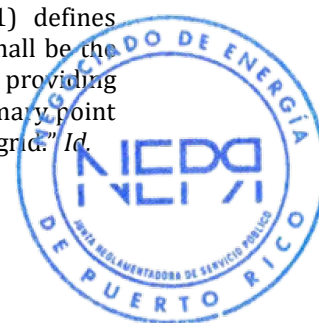
Regarding the Microgrids’ classes, Section 1.08(B)(25) defines “Personal Microgrid” as “a Microgrid owned by no more than two Persons producing energy primarily for consumption of its owner(s).”⁴² On the other hand, “Cooperative Microgrid” is defined in Section 1.08(B)(5) as “the joint-ownership of a Microgrid by three or more Cooperative Members through formal or informal organization or association.” Section 1.08(B)(29) defines “Third-Party Microgrid” as “a Microgrid that is not personal or a Cooperative and is owned and/or operated by any Person or Persons for the primary

³⁹ Section 1.08(B)(13) defines “Electric Power Grid” as “the electric power transmission and Distribution Infrastructure of the Commonwealth of Puerto Rico.” Section 1.08(B)(9) defines “Distribution Infrastructure” as “the physical equipment used to distribute electric power at voltages below 38,000 volts, including but not limited to poles, primary lines, secondary lines, service drops, transformers and Meters.”

⁴⁰ See, July 23 Letter, Exhibit A, p. 9, Section 3.1.3.

⁴¹ See, May 11 Letter, p. 4.

⁴² Section 1.08(B)(23) of Regulation 9028 defines “Owner”, in pertinent part, as a “Person or Persons with direct proprietary interest in a Microgrid system.” Moreover, Section 1.08(B)(21) defines “Microgrid Operator”, in pertinent part, as “the registered operator of a Microgrid, which shall be the primary party responsible for overseeing the operation of the microgrid equipment [...], providing maintenance, delivering contracted services, billing for such services, and serving as the primary point of contact.” Importantly, “[t]he Microgrid Operator may or may not be the owner of the Microgrid.” *Id.*



purpose of engaging in the sale of Energy Services⁴³ and/or other Grid Services to Customers.”

The Energy Bureau approved Regulation 9028 through a Resolution issued on May 16, 2018, in *In re: Regulation on Microgrid Development*, Case No. CEPR-MI-2018-0001 (“May 16 Resolution”). Among other things, through the May 16 Resolution the Energy Bureau established that Regulation 9028 incorporates only three (3) types (or classes) of microgrid systems: Personal, Cooperative, and Third-Party, any of which may be owned or operated by any type of person, entity, municipality or government entity (other than PREPA) under whichever ownership structure and operation agreement they deem appropriate.⁴⁴ The Energy Bureau specified that “**the key identifying factor is whether the main purpose of the system is to supply the needs of the system’s owners or engage in the sale of energy services to customers who are not, in turn, owners of the system.**”⁴⁵

The May 16 Resolution also clarifies that, as a general rule, Personal Microgrids and Cooperative Microgrids are limited to providing energy and grid services only to their owners (or members, in the case of Cooperative Microgrids) and/or enter to other agreements with PREPA in order to provide such services.⁴⁶ However, the Energy Bureau clarified that Section 2.02(C) of Regulation 9028 provides an exemption from such general rule to provide excess energy or grid services to persons who are not owners (or cooperative members) of the system, after authorization by the Energy Bureau.⁴⁷ Therefore, Personal Microgrids and Cooperative Microgrids may request the Energy Bureau’s authorization to provide excess energy services and/or other grid services to neighboring customers, without being required to comply with the requirements applicable to Third-Party Microgrids.⁴⁸

Notwithstanding the foregoing, there is one basic principle delineating the abovementioned exception: the sale of excess energy or the provision of other grid services to these neighboring customers must be incidental to the operation of the microgrid.⁴⁹ That is, “[t]he primary purpose in designing and developing the system cannot be to engage in the sale of energy services and/or other grid services to customers other than the owners or members of the system.”⁵⁰

Accordingly, in the May 16 Resolution, the Energy Bureau established that Third-Party Microgrids refer to “systems **developed for the purpose of selling energy to customers**, who have no ownership interest over the microgrid system, regardless of whether the owner of the system also receives energy services from the microgrid.”⁵¹ The Energy Bureau added that, in such cases, the microgrid provides services similarly to how a traditional utility would provide services to its customers and, thus, Third-Party Microgrids are subject to additional requirements designed to define the rights and responsibilities of the microgrid owner/operator and its customers.

⁴³ Section 1.08(B)(14) of Regulation 9028 defines “Energy Service” as “electricity service provided to a Customer in Puerto Rico by an Electric Service Company.”

⁴⁴ May 16 Resolution, p. 5 ¶ 22.

⁴⁵ *Id.* (Emphasis added).

⁴⁶ *Id.*, p. 7, ¶ 30.

⁴⁷ *Id.*, p. 7, ¶ 31.

⁴⁸ *Id.*

⁴⁹ *Id.*, ¶ 32.

⁵⁰ *Id.*

⁵¹ *Id.*, p. 4, ¶ 15.



HP Puerto Rico will serve as the sole Owner and Microgrid Operator of the CHP Plant, since it is the entity: (i) with direct proprietary interest in the CHP Plant; (ii) that will be the registered operator of the CHP Plant, and (iii) that will act as the primary party responsible for overseeing its operation, providing maintenance, delivering contracted services, billing for such services, and serving as the primary point of contact before the Energy Bureau.

The Energy Bureau recognizes that HP Puerto Rico states that it has engaged Accurate Solution Corp. ("Accurate") to *operate and maintain the CHP Plant* because it is an experienced and competent company in the mobilization, operation, and maintenance of "generation plants" like the CHP Plant.⁵² Nevertheless, based on the information available, the Energy Bureau does not consider that the limited technical functions entrusted to Accurate entail the broad level of functions that Regulation 9028 contemplates for a Microgrid Operator. For example, Accurate (i) will not be in charge of billing the services under the PPA, (ii) will not oversee the PPA, and (iii) will not be HP Puerto Rico's point of contact with the Energy Bureau. Notably, Section 2.2.1 of the PPA provides that HP Puerto Rico shall monitor (on site and remotely), operate, maintain, and repair the CHP Plant. HP Puerto Rico expressly recognizes that these services will be provided through *experienced contractors*.⁵³ In sum, Section 2.2 of the PPA, in general, establishes that the party responsible of the operation and maintenance of the CHP Plant is HP Puerto Rico. That is, Accurate will act as an experienced contractor to support HP Puerto Rico's responsibility concerning the operation and maintenance of the CHP Plant and, not as a Microgrid Operator.

Considering that HP Puerto Rico will be the sole Owner of the CHP Plant, the Energy Bureau deems that such system is not a Cooperative Microgrid, since there will not exist a joint ownership by three or more Cooperative Members through formal or informal organization or association. Moreover, the main purpose of the CHP Plant is not to supply the needs of HP Puerto Rico as its Owner. Rather, its purpose will be engaging in the sale of energy services to HP Caribe, who is not an Owner of the CHP Plant nor its operator. Consequently, the CHP Plant cannot be classified as a Personal Microgrid either. After an evaluation of the documents submitted by HP Puerto Rico, the Energy Bureau **DETERMINES** that the CHP Plant constitutes a Third-Party Microgrid. Therefore, HP Puerto Rico must comply with the requirements of Regulation 9028 applicable to Third-Party Microgrids.

4. *HP Puerto Rico's Compliance with the Requirements of Regulation 9028*

Section 2.03(B)(3) of Regulation 9028 establishes that the requirements for Third-Party Microgrids are described in Article 5. Additionally, a Third-Party Microgrid is subject to other general provisions set forth in Regulation 9028.

HP Puerto Rico did not submit certain the documents and information concerning its certification as a microgrid required in the July 21 Resolution. HP Puerto Rico must meet Regulation 9028's requirements for the Energy Bureau to issue a Final Resolution regarding the approval of the CHP Plant as a Third-Party Microgrid. Nevertheless, considering the information submitted by HP Puerto Rico to date, the Energy Bureau **DETERMINES** appropriate to approve the CHP Plant as a Third-Party Microgrid, subject to the conditions described in Part III (B) of this Resolution and Order.

D. *Conditional Authorization to Operate Third Party Microgrid*

Through the August 5 Letter HP Puerto Rico requested that the Energy Bureau provide a temporary authorization to begin operating the CHP Plant until the Energy Bureau issues a final order confirming the "regulatory treatment" of the CHP Plant. To support

⁵² See HP Puerto Rico's Operational Report, Section 2.02(A)(4)(c).

⁵³ See PPA, July 23 Letter, Exhibit A, pp. 7-8.



its request, it stated that the operation of the CHP Plant is critical for HP Caribe to continue to benefit from doing business in Puerto Rico.⁵⁴

In ruling over HP Puerto Rico's request for a temporary authorization to operate the CHP Plant, the Energy Bureau considers extraordinary circumstances surrounding this case. The Energy Bureau acknowledges the difficulties faced by PREPA and its customers because of Hurricane *Fiona*. The Electric Power Grid has been suffering important generation deficiencies that affect not only residential energy consumers but also industrial consumers like HP Caribe. The Energy Bureau notes that PREPA's current generation deficiencies are under consideration in Case No.: NEPR-MI-2022-0003, *In Re: LUMA's Response to Hurricane F*. The Energy Bureau initiated the referenced proceeding given the urgency of identifying mechanisms that can be expeditiously deployed to mitigate in the short term the impact of Hurricane Fiona on PREPA's generation availability. As part of the proceeding, the Energy Bureau ordered LUMA, in coordination with FEMA and PREPA, to develop a Generation Stabilization Plan as a direct response to the effects of Hurricane Fiona, to address baseload generation inadequacies and shortfalls that affect dispatch availability. Notwithstanding, the Energy Bureau considers that the swift operation of the CHP Plant will also help PREPA to recover from its recent generation deficiencies. Consequently, the Energy Bureau **DETERMINES** that HP Puerto Rico's request for authorization to operate the CHP Plant is warranted at this moment, subject to the conditions set forth in Part III of this Resolution and Order.

III. Conclusion

A. Certification of Electric Service Company

Upon review of all documents filed by HP Puerto Rico, the Energy Bureau **CERTIFIES** HP Puerto Rico as an Electric Service Company pursuant to Regulation 8701, subject to the following conditions ("Certification Conditions"):

1. HP Puerto Rico must amend its Operational Report to include the information that Section 2.02 (A)(1) of Regulation 8701 requires from electric service companies that will provide electric power generation for sale in Puerto Rico through distributed generators interconnected to the PREPA power grid with an aggregate capacity of one megawatt (1 MW) or more.
2. Upon filing of its amended Operational Report, HP Puerto Rico must submit evidence of payment of the \$800.00 submission fee established by Section 2.03 (A)(2)(a).
3. HP Puerto Rico must submit its amended Operational Report to the Energy Public Policy Program of the DEDC for review and comments and provide evidence of such submittal to the Energy Bureau.
4. HP Puerto Rico must submit any comments the DEDC's comments on its amended Operational Report to the Energy Bureau.
5. HP Puerto Rico must amend its Request for Certification to reflect that it will also provide electric power billing services, in compliance with Section 3.03 (A)(1) of Regulation 8701.

The Energy Bureau **GRANTS** HP Puerto Rico twenty (20) days from the notification of this Resolution and Order to submit the information required in the Certification Conditions 1, 2, 3 and 5. Regarding Certification Condition 4, the Energy Bureau **ORDERS** HP Puerto Rico to submit the DEDC's comments immediately upon their notification by the DEDC. The Energy Bureau **WARNS** HP Puerto Rico that

⁵⁴ August 5 Letter, p. 2.



noncompliance with this Resolution and Order may result in the revocation of its Certification as an Electric Service Company.

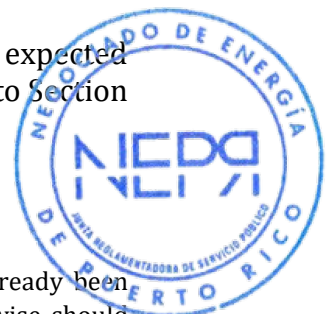
The Energy Bureau **DENIES** HP Puerto Rico's request to be exempt from compliance "with the majority of the applicable electric service company requirements under Act 57-2014 and Regulation 8701". This petition is too broad and, without adequate justification. Nevertheless, considering that, (i) HP Puerto Rico will only provide services to one customer, which in turn is an affiliate company, (ii) HP Puerto Rico does not envision to expand the scope of the services provided to HP Caribe, (iii) HP Caribe represents that it will continue to operate its other business and will not engage in the business of generating or supplying energy in Puerto Rico, and (iv) HP Puerto Rico will not operate as a traditional utility company, the Energy Bureau **GRANTS** HP Puerto Rico an exemption from the requirement to file an annual Operational Report pursuant to Section 2.02(A)(1). HP Puerto Rico will file its Operational Report every three (3) years. Notwithstanding the foregoing, the Energy Bureau **ORDERS** HP Puerto Rico to file an amended Operational Report, should any material information change in a period shorter than three (3) years granted to submit the Operational Report. Such amended Operational Report shall be submitted on or before the month of March following the identification of relevant material changes.

B. Certification of Third Party Microgrid

Upon evaluation of the documents submitted by HP Puerto Rico, the Energy Bureau **APPROVES** the CHP Plant as a Third-Party Microgrid, subject to the filing of the following documents and information required by Regulation 9028:⁵⁵

1. Contact Information:
 - a. Pursuant to Section 5.03(A), the application must provide the following contact information:
 - (i) Name of the Microgrid Owner;
 - (ii) Mailing address;
 - (iii) Email address;
 - (iv) Telephone number.
 - b. The application shall identify the name of the Person that will serve as Microgrid Operator and the contact information described in items (b), (c), and (d) above, if different from that of the Microgrid Owner.
2. Operational structure: The application shall identify the CHP Plant as a Third-Party Microgrid, pursuant to Section 5.03(B) of Regulation 9028.
3. Location: The application must identify the Municipality (or Municipalities) in which the CHP Plant is located, and a map showing the geographical boundaries of the CHP Plant, pursuant to Section 5.03(C) of Regulation 9028.
4. Number of Customers: The application must include the total expected number of Customers to be served by the CHP Plant, pursuant to Section 5.03(D) of Regulation 9028.

⁵⁵ To the extent that HP Puerto Rico understands that the requested information has already been submitted, it must refer to it in the record and it will not be necessary to submit it again. Likewise, should HP Puerto Rico consider that the requested information does not apply to its circumstances it should state so in its filing.



Handwritten signatures and initials in blue ink on the left margin.

5. Type of Generation: The application must include the type of generation proposed for the CHP Plant, as provided in Section 3.03 of Regulation 9028, and the form for demonstrating compliance therewith, as provided in Section 3.04, pursuant to Section 5.03(E) of Regulation 9028.
6. System Resources: The application must list the planned sizes and types of assets to be added or connected to the CHP Plant. As mentioned in Part II.A of this Resolution and Order, as part of such list, HP Puerto Rico must clarify the exact energy storage system that it will be utilizing. This, pursuant to Section 5.03(F) of Regulation 9028.
7. Equipment Vendor: The application shall include the name and contact information for the primary vendor(s) or installer(s) of the CHP Plant, pursuant to Section 5.03(G) of Regulation 9028.
8. Certification Design: The application shall include a certification of the CHP Plant's design signed and stamped by a licensed engineer, pursuant to Section 5.03(H) of Regulation 9028.
9. Sample Documents: Pursuant to Section 5.03(I) of Regulation 9028, the application must include the following:
 - a. A sample model contract for the Energy Bureau's review and approval, in accordance with Section 5.09 of Regulation 9028.
 - b. A sample bill for the Energy Bureau's review and approval;
 - c. Any prospective changes to the model contract or the bill format submitted along with the application must be approved by the Energy Bureau prior to their implementation.
10. Billing Model: Pursuant to Section 5.03(J) of Regulation 9028:
 - a. Third-Party Microgrids shall bill their customers on a per-kWh basis.
 - b. Microgrids unable to bill on a per-kWh basis may request authorization from the Energy Bureau for an alternative payment structure. Such request shall explain the reasons why the use of a per-kWh billing method is not preferable, as well as the alternative payment structure and the calculations supporting that structure, as described in Section 5.04(D) of Regulation 9028.
11. Proposed rate structure, as described in Section 5.04 of Regulation 9028.
12. Compliance with every other applicable requirement set forth in Regulation 9028.

The Energy Bureau **GRANTS** HP Puerto Rico twenty (20) days from the notification of this Resolution and Order to submit the information required above. The Energy Bureau **WARNS** HP Puerto Rico that noncompliance with this Resolution and Order may result in the revocation of the approval of the CHP Plant as a Third-Party Microgrid.

C. Conditional Authorization to Operate the CHP Plant

The Energy Bureau **GRANTS** authorization to HP Puerto Rico to operate the CHP Plant, until December **31, 2022**, subject to the filing of the following documents:




1. Certification signed by a licensed engineer indicating that the CHP Plant, as built, complies with all regulations including, but not limited to, regulations of the United States Environmental Protection Agency (USEPA), all codes and standards as ordered by the Energy Bureau through Resolution,⁵⁶ and local siting regulations and ordinances.
2. Certification of the CHP Plant "as built" design signed and stamped by a licensed engineer.
3. Certification of inspection of the CHP Plant signed by a licensed engineer or licensed electrician, when authorized by law to do so.

The filing of the aforementioned certifications shall constitute authorization to HP Puerto Rico to immediately begin the operation of the CHP Plant without any additional action required from the Energy Bureau. The Energy Bureau will review the information provided by HP Puerto Rico and may require HP Puerto Rico to file any additional information the Energy Bureau deems necessary or convenient. In the event of non-compliance or if the Energy Bureau determines that HP Puerto Rico fails to comply with any of the requirements set forth in Regulation 9028, the Energy Bureau may, at its discretion, take any appropriate action necessary to ensure the safety and reliability of the service provided to HP Caribe.

Given the prevailing circumstances on PREPA's generation resources, which were exacerbated by Hurricane *Fiona*, the Energy Bureau will consider that, the operation of the CHP Plant prior to the submissions of the certifications herein required does not result in a violation of Regulation 9028.

To continue operating the CHP Plant **after December 31, 2022**, HP Puerto Rico shall request prior authorization from the Energy Bureau, unless otherwise directed by the Energy Bureau through Resolution and/or Order.


Be it notified and published.



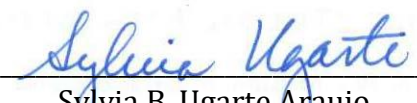
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



⁵⁶ See, *In Re: Codes and Standards for Microgrid Compliance*, Case No. CEPR-MI-2018-0007, Resolution, May 16, 2018.

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on November 12, 2022. I also certify that on November 12, 2022 a copy of this Resolution and Order was notified by electronic mail to Mmartinez@pmaalaw.com, egarcia@pmaalaw.com. I also certify that today, November 12, 2022, 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 November 12, 2022.



Sonia Seda Gaztambide
Clerk

