

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

**IN RE:** 10 YEAR PLAN FEDERALLY FUNDED  
COMPETITIVE PROCESS

**CASE NO.:** NEPR-MI-2022-0005

**SUBJECT:** Project Application Package for  
the Seven (7) Additional Peakers to be used  
as Emergency Generation.

**RESOLUTION AND ORDER**

On November 4, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("November 4 Resolution")<sup>1</sup> conditionally approving the procurement of additional peaking generation and ordering the Puerto Rico Electric Power Authority ("PREPA") to work with COR3<sup>2</sup> on the revision of the Project Application Package for the Seven Additional Peakers subject to the following conditions:

The Seven Additional Peakers shall be:

- (i) capable of being run using two types of fossil-fuel and Hydrogen or a mix of it. To avoid doubts, the Project Application Package must contemplate the infrastructure (as a conceptual design) to manufacture and supply Green Hydrogen. "Green Hydrogen" is defined as hydrogen produced by hydrolysis using electricity produced from renewable sources;
- (ii) mobile; and
- (iii) capable of being used as synchronous condensers to further facilitate the integration of renewables into the grid.

The November 4 Resolution also indicated that the location of the peaking generation should be considered in the MiniGrid Optimization proceeding.

On December 29, 2022, the PREPA submitted to the Energy Bureau a Confidential Letter regarding a *Request for Approval to Proceed with Request for Proposals for New Emergency Generation Units at Jobos, Daguao and Palo Seco* ("December 29 Request"). The December 29 Request concerned an RFP for up to 50 MW of generation at the Jobos site, up to 60 MW of generation at the Daguao site, and up to 90 MW of generation at the Palo Seco site.

The Energy Bureau requires more information to review the information submitted and assess its alignment with the November 4 Resolution. The Energy Bureau **ORDERS** PREPA to respond to the following questions on or before January 20, 2023.

1. Condition (ii) above indicates the resources must be mobile. The draft RFP does not indicate a request for mobile units. Explain why the Project Application Package does not include this condition.
2. What is PREPA's current view on the value of mobile peaking units, relatively to stationary peaking units?

<sup>1</sup> Resolution and Order, *In re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan - December 2020*, case no. NEPR-MI-2021-0002, November 4, 2022.

<sup>2</sup> Central Office for Recovery, Reconstruction and Resiliency ("COR3").



3. The size of the older peaking generation units at the three (3) stations is roughly 21 MW at each location, and seven replacement generation units of the same size would total 147 MW. How did PREPA arrive at its inclusion in the RFP of maximum amounts of power of 50 MW, 60 MW, and 90 MW at (respectively) Jobos, Dagua, and Palo Seco, in total a maximum of 200 MW?
4. The sites for the original older GT Units include Vega Baja, with one of the two units ranked relatively low in terms of reliability at the time (Response to PREB-PREPA-09-02-d).<sup>3</sup> The Palo Seco site already has three new CT units (the MegaGens). Why is the maximum emergency generation – presumably three units - being considered at a site that already has 66 MW of relatively new generation, and why is none of the emergency generation considered for the Vega Baja site?
5. In the PREPA IRP<sup>4</sup> at Section 6.3.2 “Representative Future Generation Resource Characteristics”, Simple Cycle Mobile Units, Simple Cycle Peaker GTs, and Reciprocating Engines unit information was provided (Exhibits 6.10 through 6.13).<sup>5</sup> Provide supportive information, analogous (at a high level) to that provided in the IRP, on the current size range and types of small-scale generation units suited to provide emergency generation, and how the current availability of such capacity was considered in PREPA’s development of its Scope of Services for size, types, and potential locations of emergency generation found in the RFP.
6. Where in the Project Application Package, and in what form, is it conveyed to prospective respondents to the RFP that responses must contemplate, as a conceptual design, the infrastructure to manufacture and supply Green Hydrogen?
7. Confirm or explain otherwise that the only indication in the Project Application Package of a part of condition (i) above (namely, Green Hydrogen supply) is in the RFP, in the requirement that the generating units must have the ability to use a blend of hydrogen in the unit.
8. Condition (iii) indicates that the generation units themselves must be capable of being used as synchronous condensers. Explain why the RFP allows for “an equivalent synchronous condenser” to be installed in addition to the emergency generation if the emergency generation cannot be a synchronous condenser. Does PREPA contemplate that some responses to the RFP will include generation that cannot be configured as synchronous condensers? Explain, indicating which types are likely to, and which types are not likely to, be configurable as synchronous condensers.

Be it notified and published.

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<sup>3</sup> See Response to PREB-PREPA-09-02-d, *In re: Puerto Rico Electric Power Authority Integrated Resource Plan*, Case no. CEPR-AP-2018-0001, December 6, 2019.

<sup>4</sup> Puerto Rico Integrated Resource Plan 2018-2019, *In re: Puerto Rico Electric Power Authority Integrated Resource Plan*, Case no. CEPR-AP-2018-0001, June 7, 2019 (“PREPA IRP”).

<sup>5</sup> See PREPA IRP Section 6.3.2, pages 6-4, pages 6-4 through 6-10, including Exhibits 6-10, 6-11, 6-12 and 6-13, *In re: Puerto Rico Electric Power Authority Integrated Resource Plan*, Case no. CEPR-AP-2018-0001, June 7, 2019.



  
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Edison Avilés Deliz  
Chairman

  
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Lillian Mateo Santos  
Associate Commissioner

  
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Sylvia B. Ugarte Araujo  
Associate Commissioner

  
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Antonio Torres Miranda  
Associate Commissioner

**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on January 5, 2023. Associate Commissioner Ferdinand A. Ramos Soegaard did not intervene. I also certify that on January 5, 2023 a copy of this Resolution and Order was notified by electronic mail to [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law) and [mvazquez@diazvaz.law](mailto:mvazquez@diazvaz.law); and 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 January 5, 2023.

  
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Sonia Seda Gaztambide  
Clerk

