

**GOBIERNO DE PUERTO RICO
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
NEGOCIADO DE ENERGÍA DE PUERTO RICO**

NEPR

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Feb 28, 2023

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IN RE: ENMIENDAS A CONTRATO DE
COMPRAVENTA DE ENERGÍA:
PROYECTO NO-OPERACIONAL
(XZERTA-TEC SOLAR I, LLC)

CASO NÚM.: NEPR-AP-2021-0002

ASUNTO: Moción para Presentar Informe
de Progreso Mensual Correspondiente a Enero
de 2023

**MOCIÓN PARA PRESENTAR INFORME DE PROGRESO
MENSUAL CORRESPONDIENTE A ENERO DE 2023**

COMPARECE la Autoridad de Energía Eléctrica de Puerto Rico (la “Autoridad”) a través de la representación legal que suscribe y muy respetuosamente expone y solicita:

1. El 11 de mayo de 2021, el Negociado de Energía de la Junta Reglamentadora de Servicio Público (el “Negociado” o “Negociado de Energía”) notificó *Resolución Final y Orden* (la “Resolución Final”) mediante la cual aprobó, sujeto a algunas condiciones, la *Petición de Aprobación de Enmienda a Contrato de Compraventa de Energía Renovable con Xzerta-Tec Solar I, LLC* (la “Petición”) radicada por la Autoridad el 17 de marzo de 2021 para que el Negociado le impartiera su aprobación al Acuerdo Enmendado¹.

2. La Resolución Final ordena a que, entre otras cosas, la Autoridad y Xzerta Tec Solar I, LLC (“Xzerta”) presenten ante el Negociado de Energía informes de progreso mensual sobre el estatus del Proyecto. Además, el 9 de febrero de 2022, el Negociado emitió una *Resolución y Orden* (“Orden del 9 de febrero”) mediante la cual, en particular, ordenó que la Autoridad y Xzerta

¹ *Amended and Restated Renewable Power Purchase and Operating Agreement between the Puerto Rico Electric Power Authority and Xzerta Tec Solar LLC* con fecha del 4 de junio de 2021 (2013-P00042E) (el “Acuerdo Enmendado”).

debían presentar los informes de progreso mensual firmados por oficiales de cada entidad e incluir en el mismo la fecha de su preparación (“Informe de Progreso”).

3. En cumplimiento con las ordenes de este Honorable Negociado, la Autoridad presenta el Informe de Progreso titulado *Xzerta-Tec Solar I, LLC January 2023 Progress Report* correspondiente a enero de 2023.² Exhibit A.

POR TODO LO CUAL, la Autoridad solicita respetuosamente al Negociado de Energía que tome conocimiento de lo aquí informado, y acepte el Informe de Progreso de Enero de 2023.

RESPETUOSAMENTE SOMETIDO.

En San Juan, Puerto Rico, este 28 de febrero de 2023.

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² El Informe de Progreso se presenta según Xzerta lo prepara y remite a la Autoridad.

Exhibit A



VIA EMAIL: kfutch@KSLAW.com

February 5, 2023

Mr. Josué Colón
 Executive Director
 Puerto Rico Electric Power Authority

RE: Xzerta-Tec Solar I, LLC January Progress Report

Dear Executive Director:

Herewith, we are providing our monthly progress and status report including project activities required for the project completion. In the upcoming months, our team will continue sustaining meetings with both PREPA and LUMA to refine the engineering design and the facility's interconnection to the grid. The following table will be used to identify the project activities, and any other issues with their respective status and progression for the proper implementation of this project.

#	Activity	Description	Status	Comments
1	Design			
	A. Power Design - Drawings	Xzerta provided the 13th revision of the drawings and the relay study on 10/28/2022, which included all changes as per Luma's comments. On 11/23/2022, a 14 th revision was provided with the proposed route as conceptual design of the transmission line to request for a 3 rd time the permits for usage of the PREPA's easement. This item is not required for the fulfillment of Article 4.1. As of 11/4/2022, Sargent & Lundy, as the CTE firm assigned by PREPA to perform the interconnection study and the facility study, proceeded with the evaluation of all design documents provided by Xzerta. Xzerta provided on 12/22/2022 a revised PSSE files as per the comments provided by S&L on 12/07/2022. Xzerta provided the	Submitted	Design Documents Under S&L review and pending completion of the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design.

Disclosure: This report is provided for informational purposes only. By accepting this information, the recipient agrees that it will, and it will cause its employees, agents, and representatives, to treat the information as such. Any reference made herein to terms or conditions should be subject to the language of the power purchase and operation agreement. The Information supersedes all information contained in any prior report or presentation for this project and is subject to change.

		updated PSCAD once again on 01/25/2023. As of 01/24/2023, S&L confirmed that the PSSE files passed all MTRs. The final study should be released mid-February. This study is necessary for the final detail design and proper integration of the interconnection.		
	B. Energy Yield Assessment and Relay Study	Relay Study was submitted on Sept 21, 2022, and the Energy Yield Assessment was submitted for approval on Sept 30 th , 2022.	Waiting for approval	Design Documents Under S&L review and pending completion of the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design.
	C. Products	<p>Proposed products and Models for the interconnection have been submitted to LUMA for approval.</p> <p>Documentation for the inverters, batteries, Transformer, Protective relays and MV switchgear were transmitted for approval, but LUMA stated that they will not approve any Products related to the solar farm or facility but only the interconnection. LUMA stated it will be handled as for information only. It is important to clarify that this distinction between the materials or equipment that will be utilized for the facility vs the step-up transformer to point of connection does not exist in the contract. As per article 4.2 and 9.4, the design including the facility and products will require to be approved by PREPA and/or their representative.</p> <p>LUMA have approved with comments the proposed gas circuit breaker from the manufacturer, Hitachi. LUMA responded to RFI 011-Request Step up Oil 3P Power Transformer that they did not have an exception to the proposed products, but their response should</p>	Waiting for completion of the interconnection study and facility study as per LUMA responses of Xzerta RFI's.	We are waiting for the approval of the protective relays. GCBs was approved with a note to increase the capacity of the GCB 1. Step Up 3P Main Transformer was not officially approved like other products pending for the results of the interconnection study. At this point, XZERTA has not issue the orders of equipment due to the high risk of not having proper approval of products. Equipment manufacturing lead times can affect proposed schedule

		not be taken as approval as it is pending on the completion of the interconnection study. RFI 009-Request for Approval of Protective relays is still open.		
	D. SCADA list	Our team is in receipt of current SCADA list sample shared by LUMA. Based on this sample, our team will develop the preliminary SCADA Point list and will add all available alarms and events based on the final design. The list is pending on the completion of LUMA's analysis and study of our design to determine if additional protections, alarms or other necessary points are required to be included in our design.	In progress	Under development while waiting for S&L's interconnection study and facility study results
	E. Other Design	Preliminary design for the transmission lines was submitted on 11/23/2022.	In Progress	Waiting for S&L's interconnection study and facility study results
	F. Dynamic Study	Based on the preliminary design, Enerzinx has completed the dynamic study, and it was submitted for LUMA's review and approval back on July 2022. After a resolution of a commercial issue with LUMA, PREPA with Xzerta's approval assigned S&L. As of 11/04/2022, S&L is reviewing all design documents. Xzerta provided on 12/22/2022 a revised PSSE files as per the comments provided by S&L on 12/07/2022. As of 01/24/2023, S&L confirmed that the PSSE files were in compliance with PREPA MTRs. On 01/25/2023, Xzerta provided the updated PSCAD files.	Submitted and waiting for S&L review	Design Documents Under S&L review and pending completion of the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design.
	G. Winds Conditions requirement	LUMA/PREPA winds conditions requirement of 160 MPH has become an issue. Several vendors have responded that they will be unable to meet this requirement. Currently, products meet 140 MPH. ASCE allows the 140 MPH criteria on the location that the farm will be built. It was requested an exemption and LUMA responded that the requirement is only applicable to equipment that will be handled or owned by PREPA or them.	Closed	LUMA stated that this particular requirement is not applicable, and they will not provide any technical input of products used outside of the interconnection. GCB which meets 140 Mph has been approved. 140 MPH meets ASCE requirements

		Furthermore, LUMA will not provide any technical inputs to any equipment or products that are not within the interconnection.		
	H. Transmission line design and Easement Usage / Permit	It was requested the usage of a PREPA ROW or Easement adjacent to the lands of the project to minimize the environmental impacts and shorten the path to the Hatillo POI substation via an RFI. LUMA responded that it will be required to be addressed through their department of Land management and development instead. All documentation has been submitted to the LUMA's Land Department for certification, and endorsement. LUMA responded in a 2 nd letter that it will require more information of the transmission line design in order to approve the usage. Preliminary Transmission line design establishing the route as per appendix b of the PPOA was released on 11/23/2022 and another letter to requesting the use of the easement was sent to LUMA's Land Dept on the same date.	Closed via RFI 015	Preliminary Transmission line design defining the route has been released on 11/23/2022 to LUMA's department of Land and permits. On 01/23/2023, LUMA responded via RFI 015 that the permit was approved with the condition of providing steel or concrete monopoles with the configuration of dual lines for future installations.
2	Commercial			
	A. Certifications	filed with the Puerto Rico Energy Bureau for Xzerta Tec's Electric Service Company Certification as required under Rule 8701	Completed	Approved
	B. Loans	Term Sheet was received	In Progress	<p>Modifications received. Discussions are undergoing awaiting new IRS rules regarding ITC's after latest amendments to the inflation reduction Act.</p> <p>As of December 15, 2022 an evaluation on the percentage applicable to the project was being evaluated as location of the project and the use of made in USA equipment could increase the ITC's from 30% up to 50%.</p>

	C. Leases	Executed the extensions on the leases of the properties that required such extensions. Xzerta continue to maintain land control over all the proposed parcels, plus some additional lots have been added and surveyed to guarantee the necessary space for the increased capacity.	Completed	
	D. Mars CPA Report	Commissioned a report from our accounting firm Mars CPA regarding the possible incentives available to the project under the Puerto Rico Incentives Code, to review the prior decree granted to the project by the Department of Economic Development and to establish the final structure regarding the tax equity of the project.	Completed	
	E. LUMA request for payment for interconnection Study	LUMA transmitted a request for payment letter regarding of the study and evaluation of the project interconnection. Total amount to be paid as per LUMA letter is \$341k. As agreed with PREPA, Sargent & Lundy will perform the interconnection study.	Resolved Completed	After latest meeting with both PREPA and LUMA, PREPA has engaged Sargent and Lundy to conduct the study. During the month of December as stated on other sections above Xzerta interacted with S&L to provide additional information or revisions.
3	Contracting			
	A. Land Survey and Topographic Survey	Geomatic Solutions and Surveying, PSC	Completed	
	B. Plant Design	CSA Architects and Engineers, LLP	In progress	
	C. Archaeological Study	Fernando Alvarado	In progress	
	D. Environmental Site Assessment Phase I-A Phase I-B	Tycroes group	Completed Delivered	Phase B received and under review
	E. Habitat Study	Alejandro Cubiña	Completed	
	F. Foundation Design	Carlos Rivera, P.E.	Completed	
	G. Anchoring	RBI Solar, Solar Mounts and / or Schletter	In progress	

	H. Electrical Design	Miguel Ortiz, P.E. Lisaidyn Perez Enerzinx	Completed	
	I. SCADA Systems Design	Lisaidyn Perez	Completed	
	J. Modeling and Simulations	Enerzinx	Completed	Submitted on 07/2022 and a 2 nd revision on 12/22/22. S&L confirmed on 01/24/2023 that the PSSE complies with the MTRs. S&L is reviewing the PSCAD files and completing the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design.
	K. Relay Study	Enerzinx	Completed	resubmitted to Luma incorporating comments on 10/28/2022. Under S&L review and pending completion of the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design.
	L. Transmission Lines	Xzerta have contracted Eng. Ronald Hopgood as the local engineer of record in our team.	Completed	
3	Construction			
	A. Permits	Completed the following: <ul style="list-style-type: none"> 1. Location 2. Environmental 3. Endorsements by <ul style="list-style-type: none"> - Highway and Transportation Authority - Puerto Rico Energy Bureau - Cultural Institute 	In progress	Still waiting for LUMA / PREPA approval for usage of ROW/ Easement

		<ul style="list-style-type: none"> - Puerto Rico Telecommunications Bureau - Puerto Rico Aqueduct and Sewer Authority - Department of Agriculture <p>Pending</p> <ol style="list-style-type: none"> 1. NWP-14 2. NPDES General Permit 3. Permits Management Office (OGPe) - Calculations for construction square footage were completed to finalize permit. Permit will be updated with the new data. 4. PREPA ROW / Easement Permit of usage 		
	B. Land Acquisition		Completed	
	C. Contractors	<p>No major changes, waiting for final drawings with Luma comments to be completed.</p> <p>Preliminary Scope of work was distributed to potential EPC, waiting for their updates of the quotes</p>	In progress	General Contractor (GC), subcontractors and consultants' agreements are in process.
4	Procurement			
	A. Material List	The material list has been generated but many long lead times products are waiting for proper approval.	Waiting for approvals	Refer to Material List Annex 1 found below for further information. Under S&L review and pending completion of the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design. There is no distinction between the materials that will be utilized for the facility vs the step-up transformer to point of connection does not exist in the contract. As per article 9.4, the design including the facility will required to be

				approved by PREPA and/or their representative.
	B. Orders	Waiting for LUMA's or PREPA's approval of proposed products.	In progress	lead time of equipment could impact final implementation of project
5	Implementation			
	A. Installation	<p>Preliminary definition of scope of works have been created and shared with proponents.</p> <p>Contractors (BLDM and Aireko) visited in December once again the premises in order to update their quotes, but final prices and contract are pending on the final approvals.</p>	In progress	Waiting for S&L review of design documents and pending completion of the interconnection study and facility study as per Article 4.2. Results are pending LUMA / PREPA approval as per Article 4.2 and 9.4 for release to Xzerta for completion of final design.
	B. Testing	Master Plan to be generated after approval of the design and upon receiving PREPA's approved testing protocols. Master plan and test procedures will be generated in accordance with PREPA/LUMA approved testing protocols and operations.	Not started	LUMA submitted their test protocols. The master plan will be based on this information and the final approval of design

The following table shows the status of RFIs:

#	Number	Description	Status	Date Submitted	Comments
1	RFI-001	Transformer specs and interconnection requirements (Y-D, D-Y or D-D)	Closed	4/26/2022	1 item remained open but followed by RFI-002. Transformer should be YG to Delta on the side of interconnection of 115 KV with PREPA with an internal shift of 30
2	RFI-002	Transformer specs (Not responded under RFI-001)	Closed	5/23/2022	Specifications received. Issues with Wind Conditions requirement. It will be followed through RFI-006
3	RFI-003	SCADA Communication Protocol and Sample of Points	Closed	5/23/2022	Received List. TBR
4	RFI-004	Amount of demand Energy of PR	Closed	5/23/2022	Calculated at 0.0003% or 0.001 %
5	RFI-005	Request of Permit to usage of PREPAs ROW	Closed	5/23/2022	RFI was closed but Item is still open. LUMA requested to submit request for usage of easement via another form since it is managed by their Dept of Land and Permits

6	RFI-006	Request for exemption to Wind Conditions requirements. Vendors unable to meet criteria of 160 MPH. Current design meets 120 to 140 MPH	Closed	6/2/2022	LUMA stated that the cited specification details the requirements for equipment to be owned, operated, and maintained by PREPA/LUMA. Knowing that this equipment will remain under the care, custody, and control of the proponent, LUMA will not provide technical input on alternate wind load criteria for transformer components, since it is not an evaluation factor to determine the Facility's capability to be interconnected to the grid. Current design meets ASCE req. Refer to PPOA sections 9.4(a) & (b).
7	RFI-007	Request for approval of GCB proposed product	Closed	6/2/2022	Hitachi GCB Breaker for 115 KV. It has been conditionally approved. LUMA requested to increase CC of GCB1 based on their current design, 145 KV @ 2000 A CC
8	RFI-008	Request for approval of MV Switchgear proposed product	Closed	6/30/2022	LUMA stated that the MV switchgear approval is not within responsibilities. This will remain under contractor decisions regarding the solar farm or facility design.
9	RFI-009	Request for approval of Protective Relays, Network Switch, Controller	Open	7/11/2022	Equipment evaluations are pending completion of the Interconnection and Facility Studies performed by S&L.
10	RFI-010	Request for approval of Dynamic Studies	Open	7/11/2022	Approval pending completion of the Interconnection and Facility Studies performed by S&L.
11	RFI-011	Request for approval of 3P Main Step-Up Oil Transformer 34/115KV	Closed	7/11/2022	LUMA stated that is pending on interconnection study performed by S&L
12	RFI-012	Request for Testing Protocols and operating procedures	Closed	8/1/2022	Delivered
13	RFI-013	Request for LUMA/ PREPA to confirm if the Seismic Design Category can remain in A instead D because there is no historical data that requires to consider inertial loads associated with earthquakes within the area	Closed	10/13/2022	LUMA will not evaluate the civil design aspects for the medium voltage switchgear, since this equip is located upstream from the Main Power Transformer, and thus lies beyond LUMA's evaluation responsibilities for privately-owned Renewables projects.
14	RFI-014	Request PLS-CADD files for Transmission line detailed design	Closed	12/6/2022	LUMA provided the requested information and files

15	RFI-015	Response to Letter for Request of Permit to usage of PREPAs ROW	Closed	1/24/2023	Xzerta submitted to LUMA's Lands & Permits team on Nov 23, 2022, a 2nd request for the usage of existing easement/right-of-way that was reserved for future work on previously existing 115kV transmission line 39100 spanning westbound from Hatillo TC to Mora TC, in Isabela. It has been approved with the condition of been prepared for dual lines.
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The following table shows the status of Transmittals:

#	Number	Description	Status	Date Submitted	Comments
1	XTA-TRA-0001	Relay Study and Updated Preliminary design	Open	9/21/2022	LUMA stated that is pending on interconnection study performed by S&L
2	XTA-TRA-0002	Energy Yield Assessment	Open	9/30/2022	LUMA stated that is pending on interconnection study performed by S&L
3	XTA-TRA-0003	Relay Study and Updated Preliminary design based on LUMA's Comments of 10/3/2022	Open	10/28/2022	LUMA stated that is pending on interconnection study performed by S&L
4	XTA-TRA-0004	Xzerta Ltr 2nd Request of Permit Use of ROW and Rev 14 SLD Preliminary Design	Open	11/23/2022	Received and under evaluation by the LUMA team

We continue committed to providing PREPA and the people of Puerto Rico clean and efficient energy and to assist in achieving the targets established in the Integrated Resources Plan (IRP) and the Public Policy aimed by the Government of Puerto Rico.

Sincerely,



Fernando Molini-Vizcarrondo

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Revised by PREPA Representative:

F. Santos
F. Santos (Feb 28, 2023 15:09 AST)

Francisco Santos, Esq.
 Manager Business Strategy
 and Operations, PREPA
 February 28, 2022

Attachments

Equipment and Components – Materials Status List

Equipment	Company/Brand	Status	Comments
PV Modules	RFPs Submitted to vendors	Proposal Received from Talesun and Trina Solar.	Waiting for design approval
Inverters	Ingeteam	Refresh of Proposal Received from Ingeteam to proceed with PO	Reviewing Contract Terms with Ingeteam
Battery Equipment	Ingeteam	Refresh of Proposal Received from Ingeteam to proceed with PO	Reviewing Contract Terms with Ingeteam but Waiting for design approval
Racks and Anchoring	Schletter/Solar Mounts	Provided latest preliminary design to prospects to have them Revised Proposal	Waiting for design approval
Main Switchgear	Eaton	Received proposal from Eaton and Submitted for approval	LUMA stated that Main Switchgear will remain under the contractor prerogative. No approval necessary
GIS/GCB	Hitachi	Submitted for approval	LUMA approved it with comments. Changes incorporated to proceed with POs
Transformer 34.5/115K	Hitachi	Submitted for approval	Pending
Meters	Eaton	Waiting to receive meters information from Eaton to submit product for approval	
Protective Relays	SEL	Submitted for approval	Pending
Foundations	Pending Completion of design		
Posts & Towers	Generic	Preliminary Design submitted	
Cables & Miscellaneous	Caribe Sales	Revised proposal received. Final proposal will be delivered upon completing design	