

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

IN RE: IMPLEMENTATION OF THE PUERTO RICO ELECTRIC POWER AUTHORITY INTEGRATED RESOURCE PLAN AND MODIFIED ACTION PLAN

CASE NO.: NEPR-MI-2020-0012

SUBJECT: Resolution and Order addressing LUMA RFP for POI Interconnection Works for Tranche 1.

RESOLUTION AND ORDER

1 On March 10, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("March 10 Order") through which it **ENCOURAGED** the Puerto Rico Electric Power Authority ("PREPA") to, among other matters, evaluate any pending Conditions Precedent that may be waived to achieve the *Closing Date* as established in each of the eighteen (18) PV projects approved as part of Tranche 1 RFP.

2 On March 17, 2023, PREPA filed a document titled *Motion in Compliance with Order and to Inform and Clarify March 10, 2023 Resolution and Order as Applicable to Sectionalizer Projects* ("March 17 Motion"). PREPA states, in the March 17 Motion, that the projects requiring the construction of sectionalizers shall be constructed by the Resource Provider and not LUMA. This determination would expedite the construction and prevent increases in the interconnection costs which would in turn increase the levelized cost of Energy ("LOCE").¹ Through its motion, PREPA informed the Energy Bureau that none of the proponents had signed the *Conditions Precedent Certificate* and that PREPA shall continue the closing process within the 300 days provided under the executed agreements, as amended.²

3 On March 31, 2023, PREPA filed a document titled *Motion Requesting Approval of Amendments and Informing on Status of Project Development Timeline for Tranche 1 Utility-Scale Project Agreement* ("March 31 Motion"). Through the March 31 Motion PREPA indicates that the Tranche 1 PV proponents are requesting extensions of deadlines in the agreements to achieve the *Closing Date*. PREPA states that the Resource Providers' requests are justified and reasonable if they have material concerns regarding timelines and pricing because the *Closing Date* triggers the 24-month clock to be complete the projects.³ The Energy Bureau **DETERMINES** not to extend deadlines to achieve the *Closing Date*.

4 The Energy Bureau **ORDERS** PREPA to require proponents to utilize the most recent interconnection costs estimates, provided by LUMA, to present their Best and Final Offer ("BFO"). The proponents shall present their BFO to PREPA three (3) business days from the notification of this Resolution and Order. Any price discrepancy between the interconnection costs used for the BFO and the final interconnection cost (established by LUMA through the interconnection RFP) **SHALL NOT** be assumed by the proponents. Any price decrease shall be noted and the BFO reduced accordingly. The Energy Bureau **DETERMINES** that any delay of the COD⁴, not caused by the proponent, shall be properly address by the Energy Bureau assuring that any delay in the completion of interconnection works shall not be adjudicated against the Resource Provider in achieving the COD in the required 24-months from the *Closing Date*.

The Energy Bureau **SHALL NOT** grant any extension to the *Closing Date* and PREPA must complete these negotiations on or before the expiration of the 60-day extension provided by the Energy Bureau as per Section 2.3 of the signed Agreements.

¹ March 17 Motion, p. 3, ¶ 4.

² March 17 Motion, p. 4, ¶ 5.

³ March 31 Motion, p. 16, ¶ 37.

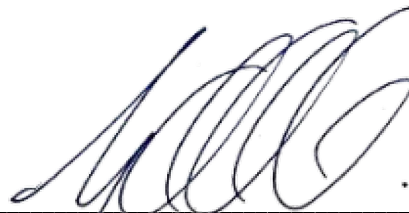
⁴ Commercial Operation Date.



The Energy Bureau **WARNS** PREPA that any person who intentionally violates any provision of Act 57-2014, omits, neglects or refuses to obey, observe and comply with any rule or decision of the Energy Bureau shall incur a less serious and convicted offense that may be punished with imprisonment not exceeding six (6) months, or with a fine of not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000), at the discretion of the Energy Bureau. In case of recidivism, the established penalty will increase to a fine of not less than ten thousand dollars (\$10,000) nor more than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

The Energy Bureau **WARNS** PREPA that: (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day; (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

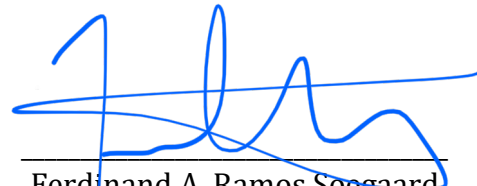
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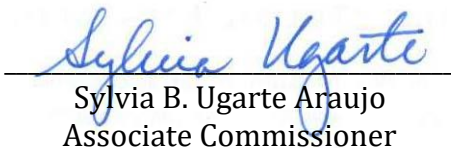
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



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 April 4, 2023. I also certify that on April 4, 2023, a copy of this Resolution and Order was notified by electronic mail to the following: laura.rozas@us.dlapiper.com, ana.rodriguezrivera@us.dlapiper.com; jmarrero@diazvaz.law and mvazquez@diazvaz.law. I also certify that today, April 4, 2023, 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 April 4, 2023.



Sonia Seda Gaztambide
Clerk