

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

NEPR

Received:

Jul 31, 2023

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IN RE: ENMIENDAS A CONTRATO DE
COMPRVENTA DE ENERGIA:
PROYECTO NO-OPERACIONAL (CIRO
ONE SALINAS, LLC)

CASO NÚM.: NEPR-AP-2021-0001

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

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

AL HONORABLE NEGOCIADO DE ENERGÍA:

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 10 de junio 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 CIRO One Salinas, LLC* radica por la Autoridad el 17 de marzo de 2021.

2. La Resolución Final ordena a que, entre otras cosas, la Autoridad y CIRO One Salinas LLC (“CIRO”) presenten ante el Negociado de Energía informes mensuales de progreso sobre el estatus del proyecto (el “Informe de Progreso Mensual”).

3. El 9 de febrero de 2022, el Negociado emitió una *Resolución y Orden* mediante la cual, entre otras cosas, ordenó que la Autoridad y CIRO debían presentar cada Informe de Progreso Mensual firmado por oficiales de cada entidad e informar la fecha de su preparación.

4. El 10 de noviembre de 2022, el Negociado notificó la Resolución y Orden con el título *Moción para presentar Informe de Progreso Mensual; Solicitud de Acumulación* mediante la cual incluyó a LUMA Energy ServCo, LLC y LUMA Energy, LLC (“LUMA”) como parte en el caso de epígrafe y le ordenó designar un representante que comparezca y participe de la certificación de los informes.

5. En cumplimiento con la Resolución Final y las órdenes del 9 de febrero y 10 de noviembre de 2022, la Autoridad presenta:

- El Informe de Progreso Mensual correspondiente a junio 2023 preparado por CIRO y revisado por la Autoridad (Anejo A) y;
- la Declaración de LUMA en relación con el Informe de Progreso Mensual de junio 2023 (Anejo B).

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

RESPETUOSAMENTE SOMETIDO.

En San Juan, Puerto Rico, este 31 de julio de 2023.

f/ Joannely Marrero Cruz
Joannely Marrero Cruz
jmarrero@diazvaz.law
TSPR 20014

DÍAZ & VÁZQUEZ LAW FIRM, P.S.C.
290 Jesús T. Piñero Ave.
Oriental Tower, Suite 803
San Juan, PR 00918
Tel. (787) 395-7133
Fax. (787) 497-9664

CERTIFICADO DE NOTIFICACIÓN

Certifico que este escrito ha sido presentado a la Secretaria del Negociado de Energía a través del sistema electrónico de radicación <https://radicacion.energia.pr.gov/> y, además, copia del mismo ha sido notificado a LUMA Energy ServCo, LLC y LUMA Energy, LLC por conducto de la Licenciada Laura T. Rozas Laura.rozas@us.dlapiper.com.

En San Juan, Puerto Rico, hoy 31 de julio de 2023.

f/ Joannely Marrero Cruz
Joannely Marrero Cruz

Anejo A

Project Monthly Status Report

Project: CIRO One Salinas, LLC.

Date: June 2023

Recipients: Puerto Rico Electric Power Authority (PREPA)
Puerto Rico Energy Bureau (PREB)

Brief: Project Team Monthly Status Report - As required on Section (d) of Article 4.1 of the Power Purchase and Operating Agreement (PPOA) between Puerto Rico Electric Power Authority and Ciro One Salinas, LLC. dated as of July 14, 2021.

Reference: Report Content Overview

1. Material Updates and Critical Issues – Summary of material updates and critical issues that could impact project development and/or construction.

2. Review the status of each significant element of the Project Schedule

- I. Permitting
- II. Engineering
- III. Procurement
- IV. Construction
- V. Project Milestones & Notice Requirements

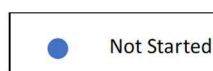
3. Corporate Responsibility / Community Involvement

- I. Local Vendors / Services
- II. Domestic Content (Corporate Wide)

4. Next Steps: Action Items

Status Report:

Tasks and Milestones Table Legend



1. Material Updates and Critical Issues: Summary of material updates and critical issues that could impact project development and/or construction.

I. Material Updates: Since the last monthly status report.

- **General:**
 - Ciro One Salinas (COS) Project Team has completed all engineering outside of the interconnection scope (see Section II below) and has placed all related purchase orders for pending components (see material updates below).
 - Deliveries are ongoing.
 - Construction initiatives have continued as reported (see below)
 - Project Team requested a capacity expansion (that was approved) in order to reduce the cost exposure of the sectioning switchyard that will be built in order to accommodate the new interconnection point that was requested by PREPA/LUMA. Project Team also requested a capability contract for the excess BESS capacity projected within the expansion.
 - **The Project Team is unaware of the status of these initiatives given recent changes to PREPA/LUMA personnel.**
 - **Project Team is progressing on the design of the AgroVoltaic component of the project.**
- **Section II: Engineering** (Refer to SECTION II for details)
 - All other engineering initiatives have been completed, except for:
 - There is a change in the interconnection scope given the identified conditions on the PREPA right of way.
 - Project Team paid for the interconnection studies and additional interconnection studies requested by LUMA several weeks ago.
 - **Changes to the interconnection strategy have forced a project delay.**
 - **Project Team was forced to redesign a portion of the project arrays and master plan.**
 - Interconnection facilities (PREPA Facilities) – COS Team received the analysis and scope from LUMA (30% design package).
 - Project team has reviewed and estimated work associated with the IC scope.
 - Although the Project Team has been able to reduce LUMA's new costs, the budget is significantly higher than the amount originally established by PREPA and LUMA.
 - The Parties must arrive at a resolution to this issue. **The Project Capacity Expansion and request for BESS capability payments will help reduce the impact of the required IC scope changes.**
 - This process has been severely delayed for reasons outside of the control of the Project Team.
 - Continued delays on Project Team RFIs have also impacted completion of certain HV activities.
 - **Project Team needs clarifications regarding the point of contacts in PREPA and LUMA moving forward given the recent personnel changes during the generation asset management transition.**

- Section III: Procurement (Refer to SECTION III for details)
 - Delivery of certain project components has continued. The value of the equipment is around **\$140 Million**.
- Section IV: Construction: (Refer to SECTION IV for details)
 - Additional resources were added to the Project Execution Team members.
 - **Continued delays on Project Team RFIs have also impacted completion of certain HV activities. The process is ongoing.**
- Section V: Project Milestones & Notices Requirements (Refer to SECTION V)
 - Recurrent Interconnection Studies Meetings are being held.
 - There are projected delays on the FNTF, COD, Substantial Completion and Final Completion milestones, based on the delays caused by the Critical Issues.
 - Continued with civil, structural & electrical construction.
 - **Even when construction of the facility is underway (70% completed), a formal notice of delayed FNTF date has been submitted, based on delays caused by change on interconnection strategy (outside of the Project Team's control).**
 - **The new Interconnection Agreement based on the newly required IC change (sectioning switchyard instead of overhead line to Aguirre Power Plant) is yet to be executed for reasons outside of the Project Team's control.**
- Item #3. Corporate Responsibility / Community Involvement
 - Project team has started engaging with local organizations and entities to define the Corporate Responsibility / Community Involvement plan initiatives.
 - The engagement of local vendors and employees was updated.
 - Project Team continued the training initiatives of workforce.
 - **85% southern Municipalities, 55% labor from Salinas, 15% women workers, 99% local labor.**
 - **Project Team has initiated planning of future resiliency community projects and agro-industrial operations.**
 - **Project Team would like to coordinate with PREPA and other stakeholders a site visit to formally present the COS project to certain media members.**
- Item #4. Next Steps: Action Items: Section was updated based on pending initiatives and next steps.

II. Critical Issues: Outstanding issues that are causing delays in the project timeline.

- The critical issues that have had an adverse impact on project timelines and overall schedule are as follows:
 - Interconnection Studies Payment approval.
 - Interconnection Studies completion – Received late January (severe delay) – This has impacted design, orders, deliveries and will impact project completion schedule.
 - Transmission Line Path – See Updates section below.
 - Point of Interconnection (POI) Scope of Work (SOW) – See Updates section below.

- Hurricane Fiona.
- Response to Project Team RFIs (all project areas).
- IC cost variation assessment and delivery schedules.
- **Execution of new interconnection agreement based on IC changes.**
- **PREPA/LUMA Personnel changes.**
- **Approval of capacity expansion and BESS capability payment.**
- Updates:
 - After completing the evaluation of the 30% design package received late January from LUMA, the Project Team needs a meeting to discuss pricing variation solutions, scheduling and critical path.
 - The COS has been collaborating with the LUMA and PREPA teams to get this process completed in a timely manner. However, this process is severely delayed and will impact the project timelines.
 - The updated SOW of the new IC strategy was received in late January.
 - Waiting for the “sectionalizer” (switchyard) analysis and scope completion.
 - The additional IC costs will need to be addressed (project IC cap increase or capacity increase) as established in formal communication to PREPA.
 - **Execution of new interconnection agreement based on IC changes.**
 - **Approval of capacity expansion and BESS capability payment.**
- **Project team needs timely responses to RFIs.**
- A delay notification has been issued (weather, process delays, etc.)

2. Review the status of each significant element of the Project Schedule:

I. Permitting:

- Overview:

The CIRO One Salinas, LLC. project was fully permitted and considered shovel ready. All permits, studies and endorsements are being evaluated to ensure compliance with all new laws, applicable code changes, and regulations. The process is guided by the engineering review being performed by the Project Team (*see section II. Engineering*).

- Table: Tasks and Milestones include (but are not limited to):

Permit/Approval	Permit Authority	Status	Comments
Location Approval	Planning Board	✓	
Environmental Approval	ARPE, OGPE, DNER	✓	
Nationwide Permit (NWP) 14	USACOE	✓	
Endorsements	<ul style="list-style-type: none"> • Municipality of Salinas, • Hwy and Transportation Authority, • OGPE, • ICP, • PREPA, • Puerto Rico Telecommunications Regulatory Board, • PRASA, • Dept of Agriculture 	✓	Endorsements will be revised after engineering review has been completed.
NPDES General Permit	US EPA	✓	
Construction Related Permits	OGPE	✓	<ul style="list-style-type: none"> • Includes General Consolidated Permits, • Incidental Soil Movement Permits, and • Construction Permits

II. Engineering:

- Overview:

The engineering that was previously completed and approved by PREPA has been revised. The engineering package has been modified to ensure compliance with (among other):

- Changes in any laws and regulations.
- New local code guidelines.
- Updates in technology selection.
- New Minimum Technical Requirements (MTRs).

The Primary Contractor, DEPCOM Power, is working with the Project Team to define and approve new equipment requirements and bill of materials to advance procurement tasks (*see section III. Procurement*). The table below provides information on all engineering areas previously completed that are under review/validation only.

- Tasks and Milestones include (but are not limited to):

Design / Study	Engineer of Record	Status	Comment
Floodplain Map/Review	CSA Architects & Engineers, LLP	✓	
Hydrology and Drainage Study	GLM Engineering-COOP Timmons Group	✓	Recently reviewed.
ALTA Survey	JAMS Land Surveying Services	✓	
Civil Design (PV Plant)	Timmons	✓	
Topo / LiDAR	Timmons Group	✓	
Geotech / Pile Testing (PV Plant)	Suelos, Inc GMTS, PSC	✓	
Corrosion Study	[EOR]	✓	
Cultural Study	AM Group	✓	
Environmental Site Assessment	NAYE Group/Kyros LLC	✓	
Structural Design (PV Plant – Racking)	Gamechange	✓	
Structural Design (PV Plant – Miscellaneous Foundations)	Buehler and Buehler Engineering	✓	
Electrical Design (PV Plant)	Hugo R. Durand Schettini, PE	✓	

Note: The Interconnection Design is delayed. After receipt of the 30% design package from LUMA (and related consultants), there have been the following issues:

- Changes to the interconnection strategy have forced a project delay.
 - The new Interconnection Agreement based on the newly required IC change (sectioning switchyard instead of overhead line to Aguirre Power Plant) is yet to be executed for reasons outside of the Project Team’s control.
- Project Team was forced to redesign a portion of the project arrays and master plan.
- Project Team needs clarifications regarding the point of contacts in PREPA and LUMA moving forward given the recent personnel changes during the generation asset management transition.

III. Procurement:

- Overview:

The CIRO One Salinas Team decommissioned all equipment previously procured for the project to ensure compliance with new PREPA requirements for interconnection and adapt to new available technology. Project team will be placing purchase orders after the engineering review has been completed (please refer to table below for timelines).

- Tasks and Milestones include (but are not limited to):

Description	Vendor	Order Status	Delivery Status	Notes
Posts	GameChange	100%	100%	GameChange E/W Fixed Tilt System
Racking	GameChange	100%	100%	GameChange E/W Fixed Tilt System
MVAC Cable	WESCO	100%	100%	
Combiner Boxes	Olson	100%	100%	
DC Cable	WESCO	100%	100%	
Modules	HT-SAAE	100%	85%	HT-SAAE 450W Bifacial Module
BESS Equipment	VLI/Dynapower	100%	85%	
Power Conversion Stations	Ingeteam	100%	100%	Ingeteam Power Conversion Stations
GSU	WEG	100%	100%	

IV. Construction:

-Overview:

Agreements related to general contractors, subcontractors, engineering, and consultants with various entities are in process.

Construction activities are ongoing, and progress is reported in the below table:

Construction Activity	% Complete
Clearing and Grubbing	98%
Site Grading	95%
Post Install	95%
Racking Install	80%
Module Install	65%
Combiner Boxes	74%
DC Cable	50%
AC Cable	75%
Power Conversion Stations	650%
BESS	8%
Substation	20%

- Key companies / Personnel include (but are not limited to):

Contractor	H/Q Location	Scope	Current Headcount	Peak Headcount	Local Hire Target	Veteran / Minority Target
DEPCOM	Arizona*	Site Oversight and Management	11	TBD	50%	30%
Lord Construction Puerto Rico	Puerto Rico	All Major Site Construction	297	TBD	100%	30%
Other - Various	Puerto Rico	Development, Finance, Engineering, Logistics, Adm., Owners Engineer and Reps, Legal,	37	TBD	75%	30%

*Supervision is from Arizona; all labor is hired locally.

V. Project Milestones & Notice Requirements:

Below find critical milestone dates and related Notice requirements:

Milestone	PPOA Required Date	COS Target Date	Progress	Comments
Kick off meeting between PREPA, LUMA and COS Project Team.	N/A	09/27/21	✓	Recurring Meetings are Being Held Between the Parties (see note below).
Interconnection Studies Meeting	After Interconnection Studies Payment	03/24/2022	✓	Recurring Meetings are Being Held Between the Parties (see note below).
Mobilization	N/A	Q2 2022	✓	Project Timeline is Being Revised to Set Mobilization Date (Status: on-target).
FNTP	8 months after Assumption Order*	06/14/22	✓	Estimated to be 30 days after mobilization date (subject to PREPA/LUMA deliverables) – Pending PREPA/LUMA validation ¹ .
Mechanical Completion		TBD	●	Projected timelines consider completion dates earlier than PPOA requirements.
Commercial Operation Date	24 months after FNTP	TBD	●	
Substantial Completion		TBD	●	
Final Completion		TBD	●	

*Based on Assumption Order Date of 12/08/21.

¹ A formal notice of extension of LNTP date was submitted on March 30th, 2023, based on delays on interconnection assessments, related scopes of work and budgets by LUMA.

Note #1: COS Project Team is having weekly meetings with PREPA and LUMA personnel to advance the interconnection scope and other project related initiatives. Delays at the FNTF have been caused by issues outside of the project team. **Note#2:** All Timelines are currently under review.

3. Corporate Responsibility / Community Involvement

The CIRO One Salinas and DEPCOM Power Team has started the process of creating the community outreach and philanthropic plan as part of the established corporate responsibility goals. Meetings with certain local organizations and entities are being held in an effort to provide some level of community support. The project team is willing to take recommendations from all stakeholders to ensure an inclusive and impactful initiative.

I. Local Vendors / Services:

The project team is engaging local vendors for various support roles. The names of these businesses will be reported in future a monthly report.

- Personnel: 85% southern Municipalities, 55% labor from Salinas, 15% women workers, 99% local labor.
- Project Team has initiated planning of future resiliency community projects and agro-industrial operations.
- The Project Team would like to coordinate with PREPA and other stakeholders a site visit to formally present the COS project to certain media members.


II. Domestic Content (Corporate Wide)

Component	% US	% ROW
Cable	100	0
Posts	65	35
Combiner Boxes	89	11
Racking	59	41
PCS	20	80
Modules	7	93
Balance of System	100	0
Labor / Management	100	0
Total	76	24


4. Next Steps: Action Items

- Meet with LUMA/PREPA to finalize interconnection related issues.
- Complete INTERCONNECTION design.
- PREPA/LUMA to provide responses to RFI's submitted by COS Project Team.
- Continue the weekly follow-up meeting with LUMA personnel (Technical).
- Continue the project construction.
- Validate capacity expansion request (50MW) and BESS Capability Payment.

**CIRO One Salinas Project Team thanks you for your time and attention to the project initiatives.
Please let us know if there is anything we can do to improve!**

Submitted by: 
 Mario J. Tomasini
 Authorized Representative
 CIRO One Salinas
 July 5, 2023.

Revised by PREPA
 Representative:


 Jorge L. Cotto Perez (Jul 31, 2023 13:57 EDT)

Eng. Jorge Cotto Perez
 Associate Director

LUMA Representative: _____ PREPA
 Name: _____ July 31, 2023
 Position: _____
 Date: _____

Anejo B

STATEMENT REGARDING CIRO ONE SALINAS, LLC MONTHLY STATUS PROGRESS REPORT FOR June 2023

For purposes of compliance with the Puerto Rico Energy Bureau's ("PREB") Resolution and Order of November 10, 2022, in Case NEPR-AP-2021-0001 (*Enmiendas a Contrato de Compraventa de Energía: Proyecto No-Operacional (Ciro One Salinas, LLC)*, LUMA Energy ServCo, LLC ("LUMA") hereby informs that LUMA:

- has reviewed the referenced monthly progress report prepared by Ciro One Salinas, LLC dated June 2023 and submitted to the Puerto Rico Electric Power Authority (the "Ciro One Report"), which report is to be filed with the PREB as per PREB's Final Determination and Order of May 11, 2021, in the same case; and
- does not have reason to disagree with the information in the Ciro One report, **except as otherwise indicated in or subject to**, LUMA's comments in red included in the attached document which replicates selected portions of the Ciro One Report, which comments are made for purposes of clarifying, updating, or correcting the information in the report.

LUMA Representative:



Name: Omar Aponte Sosa

Title: Project Manager, Renewable & System Projects

Date: July 27, 2023

Project Monthly Status Report

Project: CIRO One Salinas, LLC.
Date: June 2023
Recipients: Puerto Rico Electric Power Authority (PREPA)
Puerto Rico Energy Bureau (PREB)

Brief: Project Team Monthly Status Report - As required on Section (d) of Article 4.1 of the Power Purchase and Operating Agreement (PPOA) between Puerto Rico Electric Power Authority and Ciro One Salinas, LLC. dated as of July 14, 2021.

Reference: Report Content Overview

1. Material Updates and Critical Issues – Summary of material updates and critical issues that could impact project development and/or construction.

2. Review the status of each significant element of the Project Schedule

- I. Permitting
- II. Engineering
- III. Procurement
- IV. Construction
- V. Project Milestones & Notice Requirements

3. Corporate Responsibility / Community Involvement

- I. Local Vendors / Services
- II. Domestic Content (Corporate Wide)

4. Next Steps: Action Items

Status Report:

Tasks and Milestones Table Legend



1. Material Updates and Critical Issues: Summary of material updates and critical issues that could impact project development and/or construction.

I. Material Updates: Since the last monthly status report.

- General:
 - **Ciro One Salinas (COS) Project Team** has completed all engineering outside of the interconnection scope (see Section II below) and has placed all related purchase orders for pending components (see material updates below).
 - Deliveries are ongoing.
 - Construction initiatives have continued as reported (see below)
 - Project Team requested a capacity expansion (that was approved) in order to reduce the cost exposure of the sectioning switchyard that will be built in order to accommodate the new interconnection point that was requested by PREPA/LUMA. Project Team also requested a capability contract for the excess BESS capacity projected within the expansion.

LUMA Comment – Capacity Increased was requested by PREPA on 06/22/2023. LUMA is working on providing the cost of the studies to PREPA. The feasibility of the requested capacity increase has not been validated by LUMA. Should network upgrades be required due to the capacity increase, those costs will be the responsibility of **Ciro One** and the facility will not be able to operate at said capacity until the upgrades are implemented.

LUMA is unaware of a capability contract request from **Ciro One** to PREPA.

 - **The Project Team is unaware of the status of these initiatives given recent changes to PREPA/LUMA personnel.**

There has been no change to the LUMA project management liaison for the **Ciro One** project.
 - **Project Team is progressing on the design of the AgroVoltaic component of the project.**
- Section II: Engineering (Refer to SECTION II for details)
 - All other engineering initiatives have been completed, except for:
 - There is a change in the interconnection scope given the identified conditions on the PREPA right of way.
 - Project Team paid for the interconnection studies and additional interconnection studies requested by LUMA several weeks ago.
 - **Changes to the interconnection strategy have forced a project delay.**

LUMA Comment - Facility Study completed and delivered to PREPA 1-25-2023, still pending PSS/E Model from **CIRO ONE** to complete System Impact Studies. The interconnection studies package shall not be final until these studies are completed.
 - **Project Team was forced to redesign a portion of the project arrays and master plan.**

Outside of LUMA's scope
 - Interconnection facilities (PREPA Facilities) – COS Team received the analysis and scope from LUMA (30% design package).

- Project team has reviewed and estimated work associated with the IC scope.
- Although the Project Team has been able to reduce LUMA's new costs, the budget is significantly higher than the amount originally established by PREPA and LUMA.
LUMA's facility cost estimates are Class 3 estimates, and by definition include a degree of uncertainty.
- The Parties must arrive at a resolution to this issue. **The Project Capacity Expansion and request for BESS capability payments will help reduce the impact of the required IC scope changes.**
Ciro One identifies an issue to resolve but does not outline the issue in its report. LUMA is unaware of an issue that requires its involvement.

- This process has been severely delayed for reasons outside of the control of the Project Team.
- Continued delays on Project Team RFIs have also impacted completion of certain HV activities.

LUMA Comment – At this time there are no pending RFI. Future RFIs shall be completed following the execution of the Interconnection Agreement, Payment of LUMA interconnection Works and proof of Insurance related to the project.

- **Project Team needs clarifications regarding the point of contacts in PREPA and LUMA moving forward given the recent personnel changes during the generation asset management transition.**

There has been no change in the project management structure defined for the Ciro One project. Ciro one must continue to work through its assigned project manager Omar Aponte.

Section III: Procurement (Refer to SECTION III for details)

- Delivery of certain project components has continued. The value of the equipment is around **\$140 Million.**
- Section IV: Construction: (Refer to SECTION IV for details)
 - Additional resources were added to the Project Execution Team members.
 - **Continued delays on Project Team RFIs have also impacted completion of certain HV activities. The process is ongoing.**
LUMA Comment - At this time there are no pending RFI. LUMA performed interconnection studies according to the LUMA-provided schedule. Ciro One's referenced delays are in relation to its own schedule, to which LUMA is not privy.
- Section V: Project Milestones & Notices Requirements (Refer to SECTION V)
 - Recurrent Interconnection Studies Meetings are being held.
 - There are projected delays on the FNTF, COD, Substantial Completion and Final Completion milestones, based on the delays caused by the Critical Issues.
 - Continued with civil, structural & electrical construction.
 - **Even when construction of the facility is underway (70% completed), a formal notice of delayed FNTF date has been submitted, based on delays caused by change on interconnection strategy (outside of the Project Team's control).**

LUMA Comment – Ciro One's referenced delays are in relation to its own schedule, to which LUMA is not privy.

- **The new Interconnection Agreement based on the newly required IC change (sectioning switchyard instead of overhead line to Aguirre Power Plant) is yet to be executed for reasons outside of the Project Team's control.**
The interconnection
- Item #3. Corporate Responsibility / Community Involvement
 - Project team has started engaging with local organizations and entities to define the Corporate Responsibility / Community Involvement plan initiatives.
 - The engagement of local vendors and employees was updated.
 - Project Team continued the training initiatives of workforce.
 - **85% southern Municipalities, 55% labor from Salinas, 15% women workers, 99% local labor.**
 - **Project Team has initiated planning of future resiliency community projects and agro-industrial operations.**
 - **Project Team would like to coordinate with PREPA and other stakeholders a site visit to formally present the COS project to certain media members.**
- Item #4. Next Steps: Action Items: Section was updated based on pending initiatives and next steps.

II. **Critical Issues:** Outstanding issues that are causing delays in the project timeline.

- The critical issues that have had an adverse impact on project timelines and overall schedule are as follows:
 - Interconnection Studies Payment approval.
 - Interconnection Studies completion – Received late January (severe delay) – This has impacted design, orders, deliveries and will impact project completion schedule.
LUMA Comment - Facility Study completed and delivered to PREPA 1-25-2023. Interconnection Studies were delivered in accordance with LUMA's schedule to PREPA. The Interconnection Studies were not delayed.
 - Transmission Line Path – See Updates section below.
 - Point of Interconnection (POI) Scope of Work (SOW) – See Updates section below.
 - Hurricane Fiona.
 - Response to Project Team RFIs (all project areas).
 - IC cost variation assessment and delivery schedules.
 - **Execution of new interconnection agreement based on IC changes.**
 - **PREPA/LUMA Personnel changes. The LUMA project manager has not changed.**
 - **Approval of capacity expansion and BESS capability payment.**
LUMA Comment – Capacity Increased was requested by PREPA on 06/22/2023. LUMA is working on providing the cost of the studies to PREPA. LUMA has no request from PREPA regarding BESS additions.
- Updates:
 - After completing the evaluation of the 30% design package received late January from LUMA, the Project Team needs a meeting to discuss pricing

- variation solutions, scheduling and critical path.
- The COS has been collaborating with the LUMA and PREPA teams to get this process completed in a timely manner. However, this process is severely delayed and will impact the project timelines. **Which process?**
- The updated SOW of the new IC strategy was received in late January.
- Waiting for the “sectionalizer” (switchyard) analysis and scope completion. **From whom?**
- The additional IC costs will need to be addressed (project IC cap increase or capacity increase) as established in formal communication to PREPA.
- **Execution of new interconnection agreement based on IC changes.**
- **Approval of capacity expansion and BESS capability payment.**
LUMA Comment – Capacity Increased was requested by PREPA on 06/22/2023. LUMA is working on providing the cost of the studies to PREPA. LUMA is unaware of a BESS component to the Ciro One project.
- **Project team needs timely responses to RFIs.**
LUMA Comment - At this time there are no pending RFI. LUMA performed interconnection studies according to the LUMA-provided schedule. Ciro One's referenced delays are in relation to its own schedule, to which LUMA is not privy.
- A delay notification has been issued (weather, process delays, etc.)

2. Review the status of each significant element of the Project Schedule:

I. Permitting:

- Overview:

The CIRO One Salinas, LLC. project was fully permitted and considered shovel ready. All permits, studies and endorsements are being evaluated to ensure compliance with all new laws, applicable code changes, and regulations. The process is guided by the engineering review being performed by the Project Team (*see section II. Engineering*).

LUMA Comment - OGPE Construction Permit requires Evaluation and approval of SRI (SOLICITUD RECOMENDACION INFRAESTRUCTURA) to receive the endorsement.

- Table: Tasks and Milestones include (but are not limited to):

Permit/Approval	Permit Authority	Status	Comments
Location Approval	Planning Board	✓	
Environmental Approval	ARPE, OGPE, DNER	✓	
Nationwide Permit (NWP) 14	USACOE	✓	
Endorsements	<ul style="list-style-type: none"> ● Municipality of Salinas, ● Hwy and Transportation Authority, ● OGPE, ● ICP, ● PREPA, ● Puerto Rico Telecommunications Regulatory Board, ● PRASA, ● Dept of Agriculture 	✓	Endorsements will be revised after engineering review has been completed.

NPDES General Permit	US EPA	✓	
Construction Related Permits	OGPE	✓	<ul style="list-style-type: none"> Includes General Consolidated Permits, Incidental Soil Movement Permits, and Construction Permits

II. Engineering:

- Overview:

The engineering that was previously completed and approved by PREPA has been revised. The engineering package has been modified to ensure compliance with (among other):

- Changes in any laws and regulations.
- New local code guidelines.
- Updates in technology selection.
- New Minimum Technical Requirements (MTRs).

The Primary Contractor, DEPCOM Power, is working with the Project Team to define and approve new equipment requirements and bill of materials to advance procurement tasks (*see section III. Procurement*). The table below provides information on all engineering areas previously completed that are under review/validation only.

- Tasks and Milestones include (but are not limited to):

Design / Study	Engineer of Record	Status	Comment
Floodplain Map/Review	CSA Architects & Engineers, LLP	✓	
Hydrology and Drainage Study	GLM Engineering-COOP Timmons Group	✓	Recently reviewed.
ALTA Survey	JAMS Land Surveying Services	✓	
Civil Design (PV Plant)	Timmons	✓	
Topo / LiDAR	Timmons Group	✓	
Geotech / Pile Testing (PV Plant)	Suelos, Inc GMTS, PSC	✓	
Corrosion Study	[EOR]	✓	
Cultural Study	AM Group	✓	
Environmental Site Assessment	NAYE Group/Kyros LLC	✓	
Structural Design (PV Plant – Racking)	Gamechange	✓	
Structural Design (PV Plant – Miscellaneous Foundations)	Buehler and Buehler Engineering	✓	
Electrical Design (PV Plant)	Hugo R. Durand Schettini, PE	✓	

Note: The Interconnection Design is delayed. After receipt of the 30% design package from LUMA (and related consultants), there have been the following issues:

LUMA Comment - Facility Study completed and delivered to PREPA 1-25-2023. System Impact Study is pending Ciro One deliverables.

- Changes to the interconnection strategy have forced a project delay.
 - The new Interconnection Agreement based on the newly required IC change (sectioning switchyard instead of overhead line to Aguirre Power Plant) is yet to be executed for reasons outside of the Project Team's control.
- Project Team was forced to redesign a portion of the project arrays and master plan.
- Project Team needs clarifications regarding the point of contacts in PREPA and LUMA moving forward given the recent personnel changes during the generation asset management transition.

- LUMA's project manager continues to be Omar Aponte

- **Procurement:**

- Overview:

The CIRO One Salinas Team decommissioned all equipment previously procured for the project to ensure compliance with new PREPA requirements for interconnection and adapt to new available technology. Project team will be placing purchase orders after the engineering review has been completed (please refer to table below for timelines).

- Tasks and Milestones include (but are not limited to):

Description	Vendor	Order Status	Delivery Status	Notes
Posts	GameChange	100%	100%	GameChange E/W Fixed Tilt System
Racking	GameChange	100%	100%	GameChange E/W Fixed Tilt System
MVAC Cable	WESCO	100%	100%	
Combiner Boxes	Olson	100%	100%	
DC Cable	WESCO	100%	100%	
Modules	HT-SAAE	100%	85%	HT-SAAE 450W Bifacial Module
BESS Equipment	VLI/Dynapower	100%	85%	
Power Conversion Stations	Ingeteam	100%	100%	Ingeteam Power Conversion Stations
GSU	WEG	100%	100%	

III. **Construction:**

-Overview:

Agreements related to general contractors, subcontractors, engineering, and consultants with various entities are in process.

Construction activities are ongoing, and progress is reported in the below table:

Construction Activity	% Complete
Clearing and Grubbing	98%
Site Grading	95%
Post Install	95%
Racking Install	80%
Module Install	65%
Combiner Boxes	74%
DC Cable	50%
AC Cable	75%
Power Conversion Stations	650%
BESS	8%
Substation	20%

- Key companies / Personnel include (but are not limited to):

Contractor	H/Q Location	Scope	Current Headcount	Peak Headcount	Local Hire Target	Veteran / Minority Target
DEPCOM	Arizona*	Site Oversight and Management	11	TBD	50%	30%
Lord Construction Puerto Rico	Puerto Rico	All Major Site Construction	297	TBD	100%	30%
Other - Various	Puerto Rico	Development, Finance, Engineering, Logistics, Adm., Owners Engineer and Reps, Legal,	37	TBD	75%	30%

*Supervision is from Arizona; all labor is hired locally.

IV. Project Milestones & Notice Requirements:

Below find critical milestone dates and related Notice requirements:

Milest one	PPOA Required Date	COS Target Date	Progress	Comments
Kick-off meeting between PREPA, LUMA, and COS Project Team.	N/A	09/27/21	✓ ✓	Recurring Meetings are Being Held Between the Parties. See note below in blue
Interconnection Studies Meeting	After Interconnection Studies Payment	03/24/2022	✓	Recurring Meetings are Being Held Between the Parties. See note below in blue
Mobilization	N/A	Q2 2022	✓	Project Timeline is Being Revised to Set Mobilization Date (Status: on-target). LUMA Comment - LUMA did not receive a request for Construction Mobilization
FNTF	8 months after Assumption Order*	06/14/22	✓	Estimated to be 30 days after mobilization date (subject to PREPA/LUMA deliverable – Pending PREPA/LUMA validation. Footnote (1))
Mechanical Completion		TBD	•	Projected timelines consider completion dates earlier than PPOA requirements.
Commercial Operation Date	24 months after FNTF	TBD	•	
Substantial Completion		TBD	•	
Final Completion		TBD	•	

*Based on Assumption Order Date of 12/08/21.

¹ A formal notice of extension of LNTP date was submitted on March 30th, 2023, based on delays on interconnection assessments, related scopes of work and budgets by LUMA.

Note #1: COS Project Team is having weekly meetings with PREPA and LUMA personnel to advance the interconnection scope and other project related initiatives. Delays at the FNTF have been caused by issues outside of the project team. **Note#2:** All Timelines are currently under review.

3. Corporate Responsibility / Community Involvement

The CIRO One Salinas and DEPCOM Power Team has started the process of creating the community outreach and philanthropic plan as part of the established corporate responsibility goals. Meetings with certain local organizations and entities are being held in an effort to provide some level of community support. The project team is willing to take recommendations from all stakeholders to ensure an inclusive and impactful initiative.

I. Local Vendors / Services:

The project team is engaging local vendors for various support roles. The names of these businesses will be reported in future a monthly report.

- Personnel: 85% southern Municipalities, 55% labor from Salinas, 15% women workers, 99% local labor.
- Project Team has initiated planning of future resiliency community projects and agro-industrial operations.
- The Project Team would like to coordinate with PREPA and other stakeholders a site visit to formally present the COS project to certain media members.

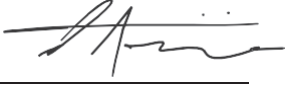
II. Domestic Content (Corporate Wide)

Component	% US	% ROW
Cable	100	0
Posts	65	35
Combiner Boxes	89	11
Racking	59	41
PCS	20	80
Modules	7	93
Balance of System	100	0
Labor / Management	100	0
Total	76	24

4. Next Steps: Action Items

- Meet with LUMA/PREPA to finalize interconnection related issues.
- Complete INTERCONNECTION design.
- PREPA/LUMA to provide responses to RFI's submitted by COS Project Team.
- Continue the weekly follow-up meeting with LUMA personnel (Technical).
- Continue the project construction.
- Validate capacity expansion request (50MW) and BESS Capability Payment.
- **Delivery of remaining inputs to LUMA for the System Impact Study**
- **Execution of the Interconnection Agreement**

**CIRO One Salinas Project Team thanks you for your time and attention to the project initiatives.
Please let us know if there is anything we can do to improve!**

Submitted by:  PREPA Representative: _____
Mario J. Tomasini Name: _____
Authorized Representative Position: _____
CIRO One Salinas
July 5, 2023. Date: _____

LUMA Representative: _____
Name: _____
Position: _____
Date: _____