

**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: September 29, 2023 Motion to Submit Supplement to September 8, 2023 Motion in Compliance with Resolution and Order Dated August 23, 2023 - Genera Competitive Procurement of Black Start and Emergency Generation. October 13, 2023 Motion to submit Second Supplement to September 8, 2023. Motion in Compliance with Resolution and Order dated August 23, 2023.

RESOLUTION AND ORDER

On August 1, 2023, Genera PR, LLC ("Genera"), as agent of the Puerto Rico Electric Power Authority ("PREPA"), filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Motion to Submit Bi - Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement for the Period from July 15 to July 31, 2023, in Compliance with Resolution and Order Dated January 23, 2023* ("August 1 Motion"). Genera included as Exhibit A the Bi-monthly report describing the status of the black start and emergency generation procurement process and requested confidential treatment for a portion of the material in the Bi-monthly report.

On August 16, 2023, Genera filed before the Energy Bureau a document titled *Motion to Submit Bi - Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement for the Period of August 1 to August 15, 2023, in Compliance with Resolution and Order Dated January 23, 2023* ("August 16 Motion"). Genera included as Exhibit A the Bi-monthly report describing the status of the black start and emergency generation procurement process and requested confidential treatment for a portion of the material in the Bi-monthly report.

On August 23, 2023, the Energy Bureau issued a Resolution and Order ("August 23 Order") in which it granted Genera's request for confidential treatment of Exhibit A of the August 1 Motion and the August 16 Motions. The Energy Bureau also noted that the changes proposed by Genera in Exhibit A of the August 16 Motion are consistent with the IRP Order. Hence, the Energy Bureau allowed the RFPs process to continue in the manner described by Genera in Exhibit A of the August 16 Motion. The Energy Bureau also ordered Genera to submit the draft RFP for its review and approval within ten (10) days of the notification on the August 23 Order (due by September 4, 2023).

On August 25, 2023 LUMA¹ filed a *Motion Submitting One Scope of Work, Request for Confidentiality, And Supporting Memorandum of Law* ("August 25 Motion")² concerning their planned Scope of Work ("SOW") for submittal to FEMA³ and COR⁴ for installation of a Transmission and Distribution project consisting of four (4), 25 MW, 4-hour duration (100 MWh) battery energy storage system ("BESS") interconnections on the LUMA System at the

¹ LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as, "LUMA").

² Motion Submitting One Scope of Work, Request for Confidentiality, and Supporting Memorandum of Law, *In re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan – December 2020*, case no. NEPR-MI-2021-0002, August 25, 2023.

³ Federal Emergency Management Agency.

⁴ Central Office for Recovery, Reconstruction and Resiliency.



38 kV voltage level.⁵ The cost of the BESS systems (100 MW capacity) was estimated by LUMA at \$216.6 million, and LUMA estimated completion by June 2025.⁶ LUMA also noted that the energy storage system “is being done to improve the reliability and resiliency of the Puerto Rico electric transmission system”, and that “...fast frequency regulation will be the primary use case that shall be considered in the ESS sizing calculation”. Fast frequency regulation is an ancillary service that can also be provided by Genera’s planned generation procurement for black start and emergency generation.⁷

On August 30, 2023, the Energy Bureau issued a Resolution and Order (“August 30 Resolution”) in which it approved LUMA’s request to submit to FEMA and COR3 the four BESS projects indicated in the August 25 Motion.⁸

On September 1, 2023, Genera filed a document titled *Motion to Submit Bi-Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement for the Period of August 16 to August 31, 2023, and to Request Extension of Time* (“September 1 Motion”) in which it requested an extension to the September 4, 2023 deadline to submit the draft RFP.

On September 8, 2023, Genera filed a document titled *Motion to Submit Draft RFP in Compliance with Resolution and Order Dated August 23, 2023 and Request for Extension of Time to Supplement* (“September 8 Motion”), whereby Genera submitted under seal of confidentiality a copy of the document titled *Grid Support Units; Technical Specification for Power Generation Equipment* (“Draft Scope”), detailing the requirements and scope, in draft form, of the RFP that Genera will issue to purchase the units. Additionally, Genera requested an extension of time to submit a Memorandum of Law supporting its request for confidential treatment of the Draft Scope and an extension of time to submit supplemental RFP Package documents.

On September 15, 2023, Genera filed a document titled *Memorandum of Law in Support of Confidential Treatment of RFP Draft Scope Submitted in Compliance with Resolution and Order Dated August 23, 2023* (“September 15 Motion”). Through the Memorandum of Law, Genera requested confidential designation and treatment of the Draft Scope submitted on September 8, 2023 as Exhibit A.

On September 21, 2023, the Energy Bureau granted Genera’s request of the September 8 Motion for confidential treatment of Exhibit A.

On September 29, 2023, Genera filed a document titled *Motion to Submit Supplement to September 8, 2023, Motion in Compliance with Resolution and Order Dated August 23, 2023* (“September 29 Motion”). Genera included supplemental documents Exhibits A through N (under seal of confidentiality) to the RFP package (“September 29 Confidential Exhibits”) and requested an extension to October 13, 2023, to file additional technical documents “essential for completing Genera’s RFP Package”.

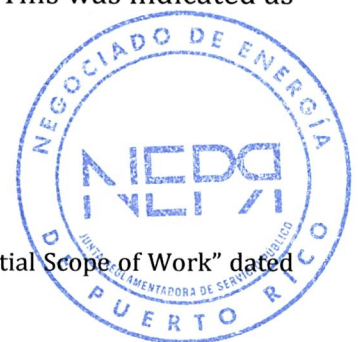
On October 6, 2023, Genera submitted a *Memorandum of Law in support of Confidential Treatment for the Supplement to Genera’s September 8 Motion, Submitted in September 29, 2023, in Compliance with Resolution and Order Dated August 23, 2023*. This was indicated as forthcoming in Genera’s September 8th Motion.

⁵ August 25 Motion, Exhibit 1 consists of a redacted version of a “FEMA Project Initial Scope of Work” dated August 23, 2023.

⁶ *Id.*, pages 5 and 7 of 10 of Exhibit 1.

⁷ *Id.*, pages 4 and 5 of Exhibit 1.

⁸ Resolution and Order, *In re: Review of the Puerto Rico Electric Power Authority’s 10-Year Infrastructure Plan*, case no.: NEPR-MI-2021-0002, issued on August 30, 2023. Available at: <https://energia.pr.gov/wp-content/uploads/sites/7/2023/08/20230830-MI20210002-Resolution-and-Order.pdf>. (Last verified October 13, 2023).



On October 13, 2023, Genera submitted a document titled *Motion to Submit Second Supplement to September 8, 2023, Motion in Compliance with Resolution and Order Dated August 23, 2023* (“October 13 Motion”). It contained Exhibits A through K (filed under seal of confidentiality) (“October 13 Confidential Exhibits”) as a second set of supplemental documents to the RFP Draft Scope filed on September 8, 2023.⁹ Genera noted that the filed second supplement “brings Genera’s RFP package close to completion. However, the package is still in draft form and may require further revisions.” Thus, in the October 13 Motion Genera requested additional time, to October 20, 2023, to “finalize and submit the complete RFP package”.¹⁰ The October 13 Motion Genera request that the October 13 Confidential Exhibits be granted confidential treatment as they include sensitive commercial information.¹¹

On October 16, 2023, Genera filed a document titled *Motion to Submit Bi-Weekly Report on the Status of Emergency Generation and Black-Start Generation Procurement for October 1 to October 15, 2023 in Compliance with Resolution and Order Dated January 23, 2023* (“October 16 Motion”). The October 16 Motion included Exhibit A, the Bi-Weekly Report, which indicated that Genera “Agreed with COR3 to move the peaker units to 406 FEMA Hazard Mitigation Grants and keep the black start units under 404 FEMA Hazard Mitigation Grants.”¹²

The LUMA submission to COR3 and FEMA, in the August 25 Motion, involves battery energy storage system resources that can provide at least some services requested of the resources Genera is seeking to obtain through the RFP for black start and emergency generation. The total resources sought by LUMA for reliability and resiliency services, 100 MW, is significant relative to the total maximum capacity of the resources approved by the Energy Bureau for black start (four units, 81 MW) and emergency generation (seven units, 200 MW) and planned to be obtained through Genera’s RFP Package. Also, the magnitude of the “BESS Option” contained as part of the RFP Package, 5 MW at each site, when multiplied across the number of sites under consideration (5 sites, at Costa Sur, Yabucoa, Palo Seco, Dagua, and Jobos) is also significant relative to the total magnitude of capacity resource sought.

The Energy Bureau **ORDERS** Genera to, **on or before the filing of the complete RFP package** to explain if and how the potential presence of the 100 MW of battery energy storage system capacity in LUMA’s request will impact the scope, scale and/or any other aspect of the RFP Package for black start and emergency generation. The Energy Bureau also **ORDERS** Genera to explain how the inclusion of a “BESS Option” by RFP respondents would impact the scale of remaining capacity resource sought through the RFP. The Energy Bureau further **ORDERS** Genera to explain in more fulsome detail than is contained in the Technical Specification for Power Generation Equipment (for example represented in Section A.1 Project Requirements and Scope) how the “Optional Scope” element of a battery energy storage system, listed as “5 MW of BESS”,¹³ was determined, if it is intended to be a maximum size battery energy storage system at any given station, and provide any supporting analysis associated with these determinations. Furthermore, the Energy Bureau **ORDERS** Genera to explain how the valuation of the BESS capacity included in any bidder response will be conducted, relative to the capacity of the CT or RICE resource that may be contained in any given bidder response.

The Energy Bureau further **ORDERS** Genera to explain if, or how the difference between funding sources under “406 FEMA Hazard Mitigation Grants” versus funding sources under “404 FEMA Hazard Mitigation Grants” will affect the implementation or outcomes of the RFP response evaluation.

⁹ October 13 Motion, pp. 3-4, ¶ 9.

¹⁰ *Id.*, p. 4, ¶ 10.

¹¹ October 13 Motion, pp. 4-5, ¶ 11.

¹² October 16 Motion, Exhibit A, p. 1.

¹³ Section A.1.12 in the draft document.



The Energy Bureau **REQUIRES** Genera to provide answers to these questions ordered above when submitting its final complete RFP package.

The Energy Bureau **APPROVES** Genera's request to submit the remaining supplements to the September 8, 2023 Motion by **October 20, 2023**.

The Energy Bureau **GRANTS** confidential treatment to the September 29 Confidential Exhibits and the October 13 Confidential Exhibits.

Be it notified and published.


Edison Avilés Deliz
Chairman


Ferdinand A. Ramos Soegaard
Associate Commissioner


Lillian Mateo Santos
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on October 19, 2023. Also certify that on October 19, 2023, I have proceeded with the filing of this Resolution and Order and was notified by email to jfr@sbgblaw.com; alopez@sbgblaw.com; lionel.santa@prepa.com; legal@genera-pr.com; regulatory@genera-pr.com.

I sign in San Juan, Puerto Rico, today, October 19, 2023.


Sonia Seda Gaztambide
Clerk

