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GOBIERNO DE PUERTO RICO
JUNTA REGULADORA DE SERVICIOS PÚBLICOS DE PUERTO RICO
NEGOCIADO DE ENERGÍA DE PUERTO RICO

IN RE: ENMIENDAS A CONTRATO DE COMPRAVENTA DE ENERGÍA: PROYECTO NO-OPERACIONAL (CIRO ONE SALINAS LLC)

NÚM. DE CASO: NEPR-AP-2021-0001

MOCIÓN PARA PRESENTAR INFORME DE PROGRESO MENSUAL CORRESPONDIENTE AL MES DE SEPTIEMBRE DE 2023

AL NEGOCIADO DE ENERGÍA DE PUERTO RICO

COMPARECE la Autoridad de Energía Eléctrica de Puerto Rico ("AEE") a través de su representación legal que suscribe, y muy respetuosamente expone y solicita:

1. Mediante la Resolución Final y Orden emitida por el Negociado de Energía de Puerto Rico (en adelante "NEPR") en el caso de epígrafe, se ordenó, entre otras cosas, que la AEE y CIRO One Salinas, LLC (en adelante "CIRO") presentaran informes de progresos mensuales sobre el estatus del proyecto.
2. En cumplimiento con las ordenes de este Honorable Negociado, la AEE somete el Informe de Progreso correspondiente al mes de septiembre de 2023, el cual ha sido revisado por la AEE. Véase Anejo A.[1]

[1] Hasta el momento LUMA no ha presentado comentarios sobre el informe. De tener comentarios los estará presentando por separado.

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 septiembre 2023.

RESPETUOSAMENTE PRESENTADO.

En San Juan, Puerto Rico, a 31 de octubre de 2023.

CERTIFICO: Por la presente certificamos que este documento fue presentado ante la Oficina del Secretario de la Oficina de Energía utilizando su Sistema de Presentación Electrónica en https://radicacion.energia.pr.gov/login, y se enviaron copias de cortesía por correo electrónico a LUMA Energy, LLC a través de sus abogados de récord laura.rozas@us.dlapiper.com.

GONZÁLEZ & MARTÍNEZ
1509 López Landrón
Séptimo Piso
San Juan, PR 00911-1933
Tel.: (787) 274-7404

f/ Alexis G. Rivera Medina
Alexis G. Rivera-Medina
RUA Núm.: 18.747
E-mail: arivera@gmlex.net

Anejo A

Project Monthly Status Report

Project: CIRO One Salinas, LLC.
Date: September 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

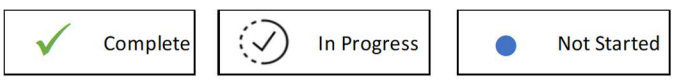
    I. Local Vendors / Services

    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.
    - **Recent conversations with PREPA have yielded positive feedback and the process has been progressing. The expansion will be submitted to the PREB for consideration. The BESS capacity will be submitted to the Governing Board for evaluation.**
    - **The expansion assessment fee has been paid to LUMA.**
  - **Project Team is progressing on the design of Agro-industrial 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 (POC):**
            - **The PREPA POC's are clear.**
            - **Recent personnel changes have had a continued impact on communication continuity with LUMA (for example: Project Management).**
- Section III: **Procurement** (Refer to SECTION III for details)
    - Most project components have been delivered. The value of the equipment procured/delivered is around **$160 Million** (total project budget is around $230 million)
- Section IV: Construction: (Refer to SECTION IV for details)
    - Project Execution Team members are being ramped down.
    - **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 Meetings **are on hold (see interconnection agreement comments below)**.
    - There are projected delays on the FNTP, 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 (80% completed), a formal notice of delayed FNTP 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.**
        - **It is imperative that this issue is resolved. The project is 80% completed (PV + BESS) and there's continued exposure to the ownership team for reasons completely outside of our control. Assets on the ground will be sitting idle after project completion because of this delay (completely outside of the CIRO One Salinas team).**
- 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. An event date has been established.**
- 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 – URGENT.**
    - **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	• 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	✓	• 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%	95%	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	100%
Post Install	95%
Racking Install	85%
Module Install	85%
Combiner Boxes	85%
DC Cable	75%
AC Cable	75%
Power Conversion Stations	95%
BESS	12%
Substation	45%

- 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	128	TBD	100%	30%
Other - Various	Puerto Rico	Development, Finance, Engineering, Logistics, Adm., Owners Engineer and Reps, Legal,	38	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 FNTP 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. A tentative event date has been established.

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
October 5, 2023.

PREPA Representative: Jorge L. Cotto Pérez
Name: Jorge Cotto Perez
Position: Operations Manager
Date: October 30, 2023

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

Signature: Jorge L. Cotto Pérez (Oct 30, 2023 13:43 EDT)

Email: jorge.cotto@prepa.pr.gov