

**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: 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

RESOLUTION AND ORDER

I. Introduction

On December 5, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") approved the Puerto Rico Electric Power Authority's ("PREPA") request for procurement of black start resources, to no more than 81 MW of combined net output capacity, at two sites, Costa Sur and Yabucoa.¹

On January 23, 2023, the Energy Bureau conditionally approved PREPA's request for procurement of emergency generation ("January 23 Resolution"). The conditions included a maximum of 200 MW of total emergency generation, across no more than seven (7) units, at least three (3) of which must be mobile.² The conditions also included giving prioritization to interconnection of IRP-based generation and battery energy storage procurement over other generation installation interconnection, where feasible, while supporting reliable system operation.

On August 1, 2023, Genera PR, LLC ("Genera"), filed a *Motion to Submit Bi - Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement for the Period from July 15, 2023 to July 31, 2023, in Compliance with Resolution and Order Dated January 23, 2023* ("August 1 Motion"). Genera included as Exhibit A or Annex 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 a *Motion to Submit Bi - Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement for the Period from August 1 to August 15, 2023, in Compliance with Resolution and Order Dated January 23, 2023* ("August 16 Motion"). Genera included as Exhibit A or Annex 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 granted Genera's request for confidential treatment of Exhibit A or Annex A of the August 1 Motion and the August 16 Motion. 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 by September 4, 2023.

On August 25, 2023 LUMA Energy, LLC filed a *Motion Submitting One Scope of Work, Request for Confidentiality, And Supporting Memorandum of Law* ("August 25 Motion") concerning

¹ Energy Bureau Resolution and Order, NEPR-MI-2022-0005, Resolution and Order regarding *Motion Requesting Expedited Approval of the RFP Process for the New Black Start Systems at Costa Sur and Yabucoa*, filed by the Puerto Rico Electric Power Authority. December 5, 2022.

² Energy Bureau Resolution and Order, NEPR-MI-2022-0005, Determination for the Project Application Package for the Seven (7) Additional Peakers to be used as Emergency Generation. January 23, 2023.



their planned Scope of Work ("SOW") for submittal to FEMA and COR3 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 38 kV voltage level.³ The cost of the BESS systems in total (100 MW capacity) was estimated by LUMA at \$216.6 million, and LUMA estimated completion by June 2025.⁴ 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".⁵ Fast frequency regulation is an ancillary service that can also be provided by Genera's planned generation procurement for black start and emergency generation.

On August 30, 2023 the Energy Bureau approved LUMA's request to submit to FEMA and COR3 the four BESS projects indicated in the August 25 Motion.⁶

On September 1, 2023, Genera requested an extension to the September 4, 2023 deadline to submit the draft RFP.

On September 8, 2023, Genera filed *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 *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 September 15 Motion, 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 September 15 Motion for confidential treatment of Exhibit A.

On September 29, 2023, Genera filed *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 (under seal of confidentiality) to the RFP package 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.

On October 13, 2023 Genera submitted a *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) as a second set of supplemental documents to the September 8 Motion. Genera noted that the filed

³ Case No. NEPR-MI-2021-0002, In Re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan – December 2020. Exhibit 1 to LUMA's August 25 Motion consists of a redacted version of a "FEMA Project Initial Scope of Work" dated August 23, 2023.

⁴ Ibid., pages 5 and 7 of 10 of "FEMA Initial Scope of Work Rev# 0".

⁵ Ibid., pages 4 and 5.

⁶ Available at: <https://energia.pr.gov/wp-content/uploads/sites/7/2023/08/20230830-MI20210002-Resolution-and-Order.pdf> (Last verified October 3, 2023).



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”.

On October 16, 2023 Genera filed a *Motion to Submit Bi-Weekly Report on the Status of Emergency Generation and Black-Start Generation Procurement for October 1 to October 1, 2023 in Compliance with Resolution and Order Dated January 23, 2023* (“October 16 Motion”). The October 16 Motion included an 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”.

On October 19, 2023, the Energy Bureau issued a Resolution and Order (“October 19 Resolution”) approving Genera’s request to submit remaining supplements to the September 8 Motion by October 20, 2023, and granting confidential treatment to the documents requested in the September 29 Motion, 2023 and the October 13 Motion.

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The October 19 Resolution also ordered Genera to file responses to questions posed by the Energy Bureau concerning battery energy storage systems presented as an option in the draft RFP scope included as an Exhibit attached to the September 8 Motion. The Energy Bureau also ordered Genera to explain how the potential presence of 100 MW of battery energy storage procurement by LUMA, described in the August 25 Motion, would impact the scope, scale, or other aspects of the RFP package for black start and emergency generation. The October 19 Resolution also directed Genera to answer a question concerning the nature of FEMA hazard mitigation grants under different FEMA program funding sources.

On October 20, 2023, Genera filed a *Motion to Submit Third Supplement to September 8, 2023, Motion and Response to Resolution and Order Dated October 19, 2023* (“October 20 Motion”). Genera included (filed under seal) in the October 20 Motion a third and final set of supplemental documents related to the “Draft Scope” of the RFP submitted with the September 8 Motion. Genera stated in the October 20 Motion that its filing “fulfills all the requirements outlined for Genera’s RFP package” and that it “considers the RFP package to be complete and ready for final review and approval by the Energy Bureau”.⁷

Abn II. Discussion and Findings

In the October 20 Motion Genera answered the FEMA program funding source question asked by the Energy Bureau through the October 19 Resolution.

In the October 20 Motion Genera did not explain how the LUMA battery energy storage procurement might impact the scope, scale or other aspects of the RFP package for black start and emergency generation. Genera did state that it has “decided to withdraw the battery requirements from the RFP” and Genera “submitted that the majority of the questions posed in the October 19 Order have become moot”.⁸ Genera also indicated it will “present a separate BESS project to the Energy Bureau, and the submittal will address the questions included in the October 19 Order”.

The October 19 Resolution battery energy storage question to Genera specifically asking for an explanation of how the RFP package procurement will be impacted by LUMA’s 100 MW battery procurement is not moot. The presence of an additional 100 MW of battery energy storage capacity, with the ability to provide ancillary services including black start, could impact the overall need for black start services being procured through Genera’s RFP package for capacity including those services. Depending on power system circumstances including the ability to be recharged, the 100 MW battery energy storage capacity could also provide a form of emergency generation.

⁷ October 20 Motion at paragraph 16, pages 5-6.

⁸ October 20 Motion at paragraph 13, page 5.



The Energy Bureau **TAKES NOTICE** of the Genera filing responding to the battery energy storage question.⁹

At a minimum, this information concerning the “separate BESS project” **MUST** include the magnitude (in MW, and duration), the purpose, the planned timing of installation and whether it is intended for one or for multiple locations across Puerto Rico.

The “Plant General Configuration” section A.1.2 of Exhibit J – Technical Specification for Power Generation Equipment of the RFP includes options for type and size of generation. The upper limit of the range of capacity (MW) sizing included in this section of the RFP **far exceeds the maximum of 200 MW of emergency generation and 81 MW of net plant output for black start services** approved by the Energy Bureau in the December 5 Resolution and the January 23 Resolution. The Energy Bureau provided PREPA the flexibility to consider the best mix of locations for emergency generation in its January 23 Resolution. However, the Energy Bureau **REMINDS** Genera that the total MW quantity of emergency generation and black start capacity procurement is limited by the conditions included in the approval orders.

Subject to the reminder above, the Energy Bureau **APPROVES** the RFP package submitted for procurement of black start and emergency generation services.

Be it notified and published.



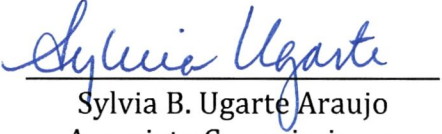
Edison Avilés Deliz
Chairman



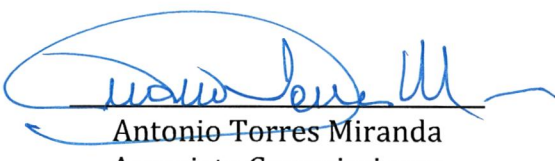
Ferdinand A. Ramos-Soegaard
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

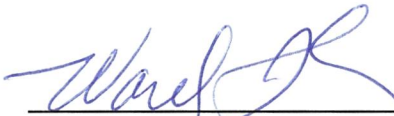
CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on November 8, 2023. Also certify that on November 8, 2023, I have proceeded with the filing of this Resolution and Order and was notified by email to jfr@sbgblaw.com; alopez@sbgblaw.com; jlagos@sbgblaw.com; lionel.santa@prepa.com; legal@genera-pr.com; regulatory@genera-pr.com. I also certify that on November 8, 2023, I have moved forward with filing the Resolution and Order issued by the Puerto Rico Energy Bureau.

⁹ Amended Motion for Leave to Submit Amendment to Project and 406 BESSs Initial Scope of Work, *In re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan-December 2020*, Case No. NEPR-MI-2021-0002, October 27, 2023.



For the record, I sign in San Juan, Puerto Rico, today, November 8, 2023.


Wanda I. Cordero Morales
Interim Clerk

