

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

NEPR

Received:

Jan 17, 2025

12:30 PM

IN RE: PUERTO RICO ELECTRIC  
POWER AUTHORITY RATE REVIEW

CASE NO. NEPR-AP-2023-0003

SUBJECT: Technical Conference for  
January 10, 2025; Consultant's Agenda  
and Explanation

**WINDMAR'S MOTION ON FILING REQUIREMENTS**

TO THE EXAMINER AND PREB CONSULTANTS:

Now comes Windmar Renewable Energy, Inc. (Windmar) represented by appearing counsel and very respectfully, states and prays as follows:

1. On January 17, 2025, Genera, LUMA and PREPA, on Examiner's order, must file response to request of information on the rate case NEPR-AP-2023-0003.

2. On January 13, 2025, the examiner issue an informal order which stated:

The Bureau will address the filing requirements' treatment of RPS compliance when it issues the filing requirements in late January or early February. In describing the required treatment, the Bureau will consider all comments received on January 17, 2025. The filing requirements will address only what the three companies have to file. The filing requirements will make no decision on anyone's entitlement to (a) REC ownership or (b) payments for RECs that anyone does own. As well, the PREB's ultimate decisions on the revenue requirement, for purposes of provisional rates and final rates, will make no decision on anyone's entitlement to those items. Any party seeking clarity about their entitlement to those items needs to raise those questions in the proceedings relating to RPS compliance, not in the rate case, because the rate case determines entitlement only to rates.

3. Windmar agrees that no substantive determination on entitlement to RECs payments or ownership will result from the current stage of this case.

4. Windmar will wait for LUMA, Genera, and PREPA, to provide answers to Windmar's questions notified on January 12, 2025, as per examiner recommendation.

5. The RECs issue, at this stage is whether the potential expense of paying RECs or pay fines for violating the RPS, has to be included in the filings?

6. As has been expressed by Windmar previously, the Examiner/Consultant has already stated:

Prior budgets were constrained by the 2017 rate levels. The proposed budgets, in contrast, will reflect all actions and all associated costs that each entity deems necessary to provide the service that Puerto Rico deserves. But these new budgets might produce base rates higher than what the citizens are willing to pay. We therefore suggest, for discussion on January 10, a requirement that each entity submit an optimal budget, plus three alternative budgets, as follows:

a. The optimal budget would reflect all activities and costs that the entity asserts are justified by the benefits produced—again, all actions and all associated costs that each entity deems necessary to provide the service that Puerto Rico deserves.

7. As the RECs are an expense, they must be included in the Budget. In fact, PREPA is already paying RECs on the utility size PPOAs. Why is the REC, on those PPOAs an expense and not in others?

8. In this sense, potential REC's expense is not different from potential "legacy charge" under FOMB plan for PREPA in the Bankruptcy proceedings. Of course, no "judgment" will be issue on the appropriate legacy charge, if any, at this stage, nor a "judgment" be issued concerning rights to RECs.

9. On the amount to be budgeted, the information is available. There are RECs actually being paid by PREPA, based on PREPA's own PPOAs and the production, consumption and sales to the grid of distributed net metered consumers is also available.

10. Article 4.1 of Act 17-2019 specifically restated the definition of the RECs as previously defined in Act 82-2010:

8) "Renewable Energy Certificate or REC"- means a personal property that constitutes a tradeable and negotiable asset or commodity that may be purchased, sold, assigned, and transferred between persons for any lawful purpose, which is integrally and inseparably equal to one (1) megawatt-hour (mwh) of electricity generated from a sustainable renewable energy source or alternative renewable energy source in Puerto Rico (issued and registered pursuant to this Act) and, in turn, represents all environmental and social attributes, as defined in this Act.

11. As such, RECs are clearly a potential expense that must be included in the optimal budget

12. The two items to consider are amount of RECS from NEM and the price of the RECS.

Currently the NEM generated RECs are approximately 8% of the total grid generation. They are increasing at a 2% annual clip. LUMA has this data and is provided to the public. Last filing included up to September 2024.

As to the price, we suggest using the \$35 per REC currently paid for utility rates.

We suggest budgeting the cost of the full compliance RPS level, even though not enough RECS are generated from utility and NEM to meet the requirement and budgeting the cost of the available RECS which will be around 15% including from the utility and from the NEM (both exported and self-consumed). Our estimate is that the cost per kWh will be less than \$0.007 (.7 cent). We understand the cost from utility RECs is already budgeted.

**WHEREFORE**, it is respectfully requested that the PREB take into consideration the foregoing in establishing the Filing Requirements.

**RESPECTFULLY SUBMITTED.**

I **CERTIFY** the present document was submitted electronically in the PREB's filing system and copy sent to: the Hearing Examiner; notice of filing to PREPA counsel [arivera@gmlex.net](mailto:arivera@gmlex.net); to LUMA counsel <mailto:margarita.mercado@us.dlapiper.com> and [andrea.chambers@us.dlapiper.com](mailto:andrea.chambers@us.dlapiper.com); and Genera counsel [lrn@roman-negron.com](mailto:lrn@roman-negron.com).

In San Juan, Puerto Rico, January 17, 2025.

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