

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

**NEPR**

**Received:**

**May 14, 2025**

**5:19 PM**

**IN RE:** REQUEST FOR CLARIFICATION OF  
CERTAIN PROVISIONS OF REGULATION  
9028

**CASE NO.:** NEPR-IR-2024-0001

**SUBJECT:** Second Request for Clarification  
on certain provisions of Sections 2.02 and  
5.01 of Regulation 9028, Regulation on  
Microgrid Development Request

**SECOND MOTION TO REQUEST CLARIFICATION OF CERTAIN PROVISIONS OF  
REGULATION 9028, REGULATION ON MICROGRID DEVELOPMENT**

To the Honorable Puerto Rico Energy Bureau:

**COMES NOW, XCALA STRATEGIES, LLC** (“XCALA”), through the undersigned counsel, and respectfully states and requests the following:

**I. Introduction and Discussion.**

On September 13, 2024, XCALA filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) a *Motion to Request Clarification of Certain Provisions of Regulation 9028, Regulation on Microgrid Development* (“September 13 Motion”). Through the September 13 Motion, XCALA respectfully requested the Honorable Energy Bureau to clarify or define the compensation mechanism applicable to the Energy Services and other Grid Services sold to PREPA by registered Microgrids pursuant to paragraphs (A) and (B) of Section 2.02 and Section 5.01 of Regulation 9028<sup>1</sup>. XCALA incorporates herein by reference the discussion and arguments presented in the September 13 Motion.

*XCALA hereby certifies that the subject matter of this Motion and of the September 13 Motion are not under the consideration of any state or federal Court of Justice or administrative forum with jurisdiction over the same.*

As stated in the September 13 Motion, paragraphs (A) and (B) of Section 2.02 of Regulation 9028 establish that Personal and Cooperative Microgrids “may provide Energy Services and/or other Grid Services to its [Owner(s) or Members] or to PREPA.” Similarly, Section 5.01 of Regulation 9028 establishes that Third-Party Microgrids “may sell Energy Services and/or other Grid Services to Customers who are directly connected to the Microgrid system

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<sup>1</sup> Regulation No. 9028, Regulation on Microgrid Development (“Regulation 9028”).

as well as to PREPA". Therefore, all classes of Microgrids can sell Energy Services and/or other Grid Services to the Puerto Rico Electric Power Authority ("PREPA").<sup>2</sup>

However, as discussed in the September 13 Motion, Regulation 9028 does not specify the compensation structure applicable to the sale of such services nor could XCALA find the compensation structure applicable to the sale of base Energy produced by a CHP Microgrid to PREPA.<sup>3</sup> Clarification of the compensation structure for the Energy Services and/or other Grid Services sold to PREPA by Microgrids and the manner in which Microgrids enter into agreements with PREPA to provide such services is needed to fully implement the provisions of Regulation 9028 regarding this matter.

Among other things, through the September 13 Motion, XCALA informed the Honorable Energy Bureau that it is currently evaluating the possibility of acquiring and expanding a CHP system owned by an affiliated company<sup>4</sup> that provides electricity and chilled water to certain facilities located at Amelia Industrial Park, Guaynabo Puerto Rico. The principal purpose of the proposed acquisition and expansion is to provide service to neighboring industrial clients at the Amelia Industrial Park and to help with the resiliency and reliability of the Puerto Rico electric system, exporting its excess energy to the grid.

To that effect, XCALA is evaluating the Third-Party Microgrid model, as approved by the Energy Bureau through Regulation 9028, to provide the described services. To complete the financial and economic model of the proposed expansion, certainty is needed with respect to the compensation mechanism applicable to the Energy Services and other Grid Services sold to PREPA by registered Microgrids.<sup>5</sup> As currently approved, Regulation 9028 lacks clarity with respect to such compensation.

Furthermore, as recently stated by the Energy Bureau, Puerto Rico is experiencing an emergency due to the shortfall in generation resources that could be exacerbated during the summer months.<sup>6</sup> The generation capacity deficit is estimated at 700 MW to 850 MW.<sup>7</sup> Therefore, the development of projects similar to the one XCALA is planning could help mitigate the generation deficit, reduce the need of temporary generation assets, reduce system operation costs and provide much needed Energy Services and/or other Grid Services to our fragile electric grid in the short and medium term.

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<sup>2</sup> September 13 Motion at 1.

<sup>3</sup> *Id.* at 3

<sup>4</sup> The CHP system is currently owned by XCALA's affiliate, GFR Media, LLC. If the financial projections are positive, the aforesaid CHP system would be transferred to XCALA as part of the overall expansion.

<sup>5</sup> September 13 Motion at 3.

<sup>6</sup> Resolución y Orden, In Re: Plan Prioritario para la Estabilización de la Red Eléctrica, Case No. NEPR-MI-2024-0005, at pages 1-2 of 3, March 19, 2025.

<sup>7</sup> *Id.* at page 1.

That is the reason why obtaining, in a timely manner, certainty with respect to the compensation mechanism applicable to the Energy Services and other Grid Services sold to PREPA by registered Microgrids is of the utmost importance.

## **II. Conclusion.**

For all the above, XCALA respectfully reiterates the petition made through the September 13 Motion and respectfully requests the Honorable Energy Bureau to clarify or to clearly state the compensation mechanism applicable to the Energy Services and other Grid Services sold to PREPA by registered Microgrids pursuant to paragraphs (A) and (B) of Section 2.02 and Section 5.01 of Regulation 9028.

XCALA believes a meeting with the Energy Bureau's personnel to discuss these matters could be very beneficial and states its availability to attend such meeting at the Energy Bureau's earliest convenience. XCALA also reiterates its availability to provide additional information with respect to this Motion and the September 13 Motion, if necessary.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, on May 14, 2025.

**XCALA STRATEGIES, LLC**

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