

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

IN RE: IMPLEMENTATION OF THE PUERTO
RICO ELECTRIC POWER AUTHORITY
INTEGRATED RESOURCE PLAN AND
MODIFIED ACTION PLAN

CASE NO.: NEPR-MI-2020-0012

SUBJECT: Resolution on *Motion in
Compliance with Resolution and Order issued
on June 12, 2025*

RESOLUTION AND ORDER

On June 12, 2025, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 12 Resolution") ordering the Puerto Rico Electric Power Authority ("PREPA") to file: (i) a table summarizing the status of the Power Purchase and Operating Agreements ("PPOAs") and Energy Storage Agreements ("ESSAss") amendments requested to PREPA by developers of the Tranche #1 RFP and legacy renewable energy projects; (ii) copies of the foregoing requests received from developers; (iii) copies of any communications or documents exchanged between PREPA and LUMA¹ regarding the mentioned requests; and (iv) copies of any draft PPOA amendments prepared related to the developers requests.

In a document titled *Motion in Compliance with Resolution and Order issued on June 12, 2025*, filed on June 17, 2025 ("June 17 Motion"), PREPA submitted part of the requested information. Specifically, PREPA submitted documents related to a request by Pattern Puerto Rico Holdings LLC ("Pattern") for increased capacity for the W-2-ESSA and AA-2-ESSA projects. Among other documents, PREPA submitted:

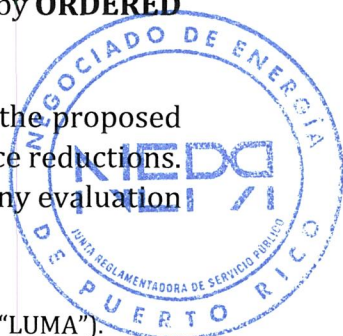
1. Letter from Pattern to PREPA dated April 3, 2025;
2. Letter from PREPA to Pattern dated May 16, 2025;
3. Letter from Pattern to PREPA dated May 21, 2025;
4. Letter from PREPA to Patter dated June 10, 2025;
5. Letter from Pattern to PREPA dated June 16, 2025.

The Energy Bureau has conducted a preliminary evaluation of the communications exchanged between the parties, which include the positions of Pattern, PREPA, and LUMA. At this stage, the Energy Bureau considers it to be in the public interest for PREPA to continue the negotiation process with Pattern, taking into account the potential approval of the expansions requested by Pattern for each of the projects, and further finds that such negotiations must proceed expeditiously.

As PREPA is well aware, the Energy Bureau has previously approved expansions in certain projects related to the Tranche #1 RFP and the legacy PPOAs. Among the fundamental determinations made by the Energy Bureau in connection with those projects is that any increase in capacity requested by a proponent may not result in an increase in interconnection costs recoverable through the Interconnection Cost Recovery Provision clause. Nor may the proponent recover any costs associated with network upgrades that may arise as a result of such increase. With respect to the provisions required by the U.S. Department of Energy Loan Program Office ("LPO"), the Energy Bureau has also issued various resolutions establishing the applicable parameters deemed acceptable for inclusion in those contract modifications. In light of these circumstances, PREPA is hereby **ORDERED** to continue its negotiation process with Pattern.

This determination by the Energy Bureau does not constitute an approval of the proposed expansions or of any amendments to the contracts related to the proposed price reductions. For the avoidance of doubt, at this time, the Energy Bureau is not conducting any evaluation

¹ LUMA Energy, LLC as ManagementCo, and LUMA Energy ServCo, LLC as ServCo (collectively "LUMA").




of those matters in accordance with the applicable provisions of Act 57-2014.² However, PREPA shall continue the negotiation process, and it is expected that a contract with the pertinent modifications will be submitted to the Energy Bureau within a period not to exceed seven (7) days from the issuance of this Resolution and Order.

As part of the process for seeking approval of any contract amendment, PREPA shall submit, for the benefit of the Energy Bureau's evaluation, the relevant information exchanged between PREPA, LUMA, and Pattern during the course of completing the contract negotiation process, as well as any evaluations prepared by PREPA's consultants regarding the proposed modifications to the contracts.


The Energy Bureau **WARNS** PREPA that, in accordance Art. 6.36 of Act 57-2014:⁹

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to one hundred twenty-five thousand dollars (\$125,000) per day; and
- (ii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than fifteen thousand dollars (\$15,000) nor greater than two hundred fifty thousand dollars (\$250,000), at the discretion of the Energy Bureau.

Be it notified and published.



Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

² See Section 6.32 of Act 57-2014, Known as Puerto Rico Energy Transformation and RELIEF Act, as amended ("Act 57-2014").

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 30, 2025. I also certify that on June 30, 2025, a copy of this Resolution and Order was notified by electronic mail to arivera@gmlex.net; katiuska.bolanos-lugo@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; laura.rozas@us.dlapiper.com; RegulatoryPREBorders@lumapr.com; jfr@sbgblaw.com, legal@genera-pr.com, regulatory@genera-pr.com, and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, on June 30, 2025.



Sonia Seda Gaztambide
Clerk