

**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 dated
August 1, 2025*

RESOLUTION AND ORDER

On August 1, 2025, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("August 1 Resolution") ordering the Puerto Rico Electric Power Authority ("PREPA") to continue its negotiation process with Pattern Puerto Rico Holdings LLC ("Pattern") regarding the W-2-ESSA and AA-E-ESSA contracts, which had been approved by the Energy Bureau through a Resolution and Order issued on December 5, 2024. The Energy Bureau expected the parties to submit the agreement for its evaluation no later than August 10, 2025.

On August 11, 2025, PREPA filed a document titled *Motion in Compliance with Resolution and Order dated August 1, 2025* ("August 11 Motion"), informing the Energy Bureau of the negotiations held with Pattern. PREPA stated that the terms proposed by Pattern do not represent the best interest of the ratepayers. Relying on LUMA's¹ recommendations, PREPA compared the prices proposed by Pattern with those contained in various contracts approved under the ASAP² program, and contends that the Pattern prices are not more favorable. PREPA further stated that it has compared the contractual terms and conditions of the Pattern agreement with those of contracts approved pursuant to the Tranche-2 and Tranche-4 Request for Proposals ("RFP") processes, and concluded, however, that the Pattern agreement does not reflect more advantageous terms.

Considering PREPA's argument in the August 11 Motion, the Energy Bureau **CLARIFIES** that the contracts for Pattern's projects have already been approved and include prices previously determined by the Energy Bureau to be reasonable.³ Therefore, PREPA's current evaluation must focus on Pattern's proposed price reductions achieved through capacity increments as well as a result of the lower costs achieved through financing from the Department of Energy's Loan Program Office ("DOE-LPO"). It is not appropriate at this stage for PREPA to compare the prices proposed by Pattern with those obtained through contracts executed under other programs, such as ASAP or the Tranche-2 and Tranche-4 RFP processes.

Considering the foregoing, PREPA is hereby **ORDERED** to continue negotiations with Pattern and to apply the same methodology used in other cases to determine whether the proposed terms are deemed reasonable.⁴ Specifically, PREPA must evaluate whether the new prices, based on the financing terms obtained through the DOE-LPO and the capacity expansions, are reasonable and beneficial to the ratepayers.

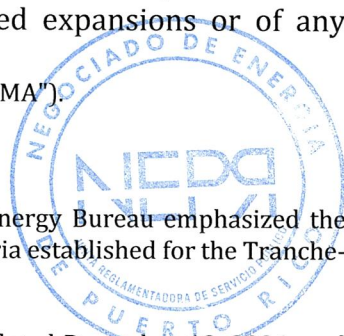
The Energy Bureau further **ORDERS** PREPA to complete the contract negotiation process and submit the contracts to the Energy Bureau for evaluation **within ten (10) days**, from the date of notification of this Resolution and Order. The Energy Bureau emphasized that this determination does not constitute approval of the proposed expansions or of any

¹ LUMA Energy, LLC y LUMA Energy ServCo, LLC (collectively referred to as "LUMA").

² Accelerated Storage Addition Program ("ASAP").

³ See *Resolution and Order* dated December 5, 2024. In said resolution, the Energy Bureau emphasized the reasonableness of the prices proposed by Pattern, relying primarily on the criteria established for the Tranche-1 RFP.

⁴ See *Resolution and Order* dated on February 11, 2025; *Resolution and Order* dated December 13, 2024; and *Resolution and Order* dated September 4, 2024.



contract amendments related to the proposed price reductions. At this moment the Energy Bureau is not conducting any evaluation of those matters under the applicable provisions of Act 57-2014.⁵ This will be conducted once PREPA presents an agreed upon contract for the Energy Bureau's approval. Furthermore, as part of the process for seeking approval of any contract amendment, PREPA must continue to submit, for the benefit of the Energy Bureau's evaluation, all relevant information exchanges between PREPA, LUMA and Pattern during the negotiation process, as well as any evaluations prepared by PREPA's consultants regarding the proposed contract modifications.

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

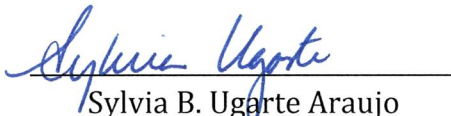
- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to one hundred twenty-five thousand dollars (\$125,000) per day; and
- (ii) for any recurrence of non-compliance or violation, the established penalty 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

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 26, 2025. I also certify that on August 26, 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 August 26, 2025.




Sonia Seda Gaztambide
Clerk

⁵ See Section 6.323 of Act 57-20154, known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").