

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

NEPR

Received:

Oct 22, 2025

8:32 AM

IN RE: SOLICITUD DE APROBACIÓN DE ENMIENDA A CONTRATO DE COMPRAVENTA DE ENERGÍA RENOVABLE, XZERTA-TEC SOLAR I, LLC
CASE NO.: NEPR-AP-2021-0002

SUBJECT: FNTF Issuance pursuant to August 26, 2025, Resolution and Order

INFORMATIVE MOTION IN COMPLIANCE WITH AUGUST 26, 2025, RESOLUTION AND ORDER

TO THE HONORABLE ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority ("PREPA") through its undersigned counsel, very respectfully, informs and requests as follows:

1. On August 26, 2025, the Energy Bureau issued a Resolution and Order ("August 26 Resolution") approving a time extension until October 15, 2025, as requested by Xzerta-Tec Solar I, LLC for PREPA to issue the *Full Notice to Proceed* ("FNTF") pursuant to the *Amended and Restated Renewable Power Purchase and Operating Agreement* ("PPOA"), executed between PREPA and Xzerta. The *Resolution and Order* further established that, if additional time was required, the parties were to file a motion providing applicable justifications no later than ten (10) days before the expiration of the term for PREPA to issue the FNTF.

2. On October 6, 2025, PREPA filed a *Motion Requesting Extension of Time to Comply with the August 26, 2025, Resolution and Order*, seeking a ten (10)-day extension, until October 25, 2025, to issue the FNTF under the PPOA. In its motion, PREPA explained that while the parties—LUMA Energy, LLC ("LUMA") and Xzerta—had collaborated in good faith and made significant progress, additional time was needed to address the principal outstanding matter: approval of the project design, which falls under LUMA's purview.

3. On October 14, 2025, in compliance with the August 26 Resolution, PREPA issued and notified the FNTF to Xzerta, attached hereto as **Exhibit A**. The FNTF clarifies that the preliminary acceptance of the design does not constitute approval of the detailed design or the project as a whole. Additionally, the FNTF states that final acceptance remains subject to the successful completion of field implementation, relay synchronization requirements, and satisfactory results from system testing and commissioning, as required under Articles 9.4, 9.5(c), 9.7, and 12 of the PPOA.

WHEREFORE, PREPA respectfully requests the Energy Bureau: (1) to take **NOTICE** of the present Motion; and (2) **DEEM** PREPA in compliance with the August 26 Resolution.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on October 22, 2025.

CERTIFICATE OF SERVICE: We hereby certify that this document was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and courtesy copies were sent via e-mail to LUMA Energy, LLC through its counsel of record at laura.rozas@dlapiper.com.

GONZÁLEZ & MARTÍNEZ

1509 López Landrón
Séptimo Piso
San Juan, PR 00911-1933
Tel.: (787) 274-7404

f/ Natalia Zayas Godoy

RUA Núm.: 20,415
E-mail: nzayas@gmlex.net

Exhibit A



PUERTO RICO
ELECTRIC POWER AUTHORITY

PREPA

GOVERNMENT OF PUERTO RICO

Mary C. Zopata Acosta
Executive Director

October 14, 2025

By Electronic Mail

fernandomolini@tycroesgroup.com

Mr. Fernando Molini Vizcarrondo
President & CEO
Xzerta-Tec Solar I, LLC
PO BOX 270448
San Juan, PR 00928

Dear Mr. Molini Vizcarrondo:

RE: Xzerta-Tec Solar I, LLC (2013-P00042E)- Full Notice to Proceed

The Puerto Rico Electric Power Authority (PREPA) and Xzerta-Tec Solar I, LLC (Xzerta) executed a Power Purchase and Operation Agreement (PPOA) on June 4, 2021, for the development of a 60MW solar photovoltaic project (Project) located in Hatillo, Puerto Rico.

On February 21, 2023, Sargent & Lundy completed the Interconnection Study, confirming that Xzerta's preliminary design met the applicable Minimum Technical Requirements (MTRs). Subsequently, on April 29, 2024, LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, LUMA) issued a revised Interconnection Study approving the proposed fully aerial transmission line design, in place of the previously requested hybrid configuration that included both aerial and underground transmission segments proposed by LUMA and Sargent & Lundy.

PREPA is hereby authorizing the issuance of the Final Notice to Proceed (FNTP), considering recent developments, including Executive Order OE-2025-047 (Order), issued by the Honorable Governor of Puerto Rico on September 22, 2025. The Order modifies and expands the existing Energy Emergency State, authorizing the implementation of necessary measures to increase the Island's electricity generation capacity. It specifically seeks to advance and accelerate projects that may benefit from the federal Investment Tax Credit (ITC), whose deadlines were amended by federal law—139 Stat. 72, Public Law No. 119-21—commonly known as the One Big Beautiful Bill (OB BB). This law establishes a phased termination of the ITC program.

The Executive Order further provides that:

"It is important to emphasize that the purpose of this and previous executive orders is to promote swift, common-sense decisions, in accordance with the law and the energy emergency. To this end, the use of reliable sources and data already available is authorized, avoiding new studies except in essential cases, with the goal of immediately enabling new generation that takes advantage of federal incentives, including ITCs, and guaranteeing fair and reasonable prices for our citizens."

Pursuant to the *Resolution and Order* issued by the Puerto Rico Energy Bureau (PREB) on August 26, 2025 (August 26 Resolution) and the definition of the FNTP Date set forth in Article 1.1

of the Power Purchase and Operating Agreement (PPOA), PREPA hereby issues this FNTF based on the following:

1. All required permits have been approved by the Office of Permits Management (OGPe, by its Spanish acronym).
2. Xzerta has secured a grant from the Puerto Rico Department of Housing under the Community Development Block Grant-Disaster Recovery (CDBG-DR) program, through the Electrical Power Reliability and Resilience Program (ER2), which will cover sixty percent (60%) of the Project's costs.
3. The Project has satisfied the Minimum Technical Requirements (MTRs) as confirmed by the Interconnection Study.
4. An Interconnection Agreement has been duly executed with LUMA.
5. Xzerta is prepared to submit its Operation Guarantee.

PREPA notes that one of the conditions authorized by PREB in the August 26 Resolution is that the Project "meets the design criteria required under the PPOA." However, as stated in PREPA's October 6 Motion requesting an Extension of Time, LUMA and Xzerta have not yet reached an agreement on the Final Design (Approved Design), as required under Section 9.4(b) of the PPOA. Nevertheless, LUMA has agreed to include a disclaimer regarding the Approved Design, allowing the Project to proceed. Accordingly, this FNTF is approved subject to the following condition:

Disclaimer: The final design is accepted based on the results of the Interconnection Study and the Facility Study, as both studies have validated that the design complies with the MTRs. This acceptance does not constitute an approval of the detailed design or the Project as a whole. Final acceptance remains subject to the successful completion of field implementation, fulfillment of the relay synchronization requirements, and satisfactory results from system testing and commissioning, as required under Articles 9.4, 9.5(c), 9.7, and 12 of the PPOA.

Moreover, PREPA acknowledges that issuance of this FNTF, as stated in the August 26 Resolution and as expressed by Xzerta through its motions before PREB, is a condition precedent for Xzerta to achieve financial closing for the remaining 40% of the project's funding.

PREPA hereby authorizes Xzerta to proceed with the construction and implementation phase of the Project based on section 4.4 of the PPOA. Xzerta shall coordinate closely with LUMA all the technical aspects related to the construction of the facilities and provide a revised schedule for the construction of the works. As stated in the disclaimer, PREPA reiterates that Xzerta will also have to comply with construction, installation, testing requirements, and any additional technical requirements that arise during the synchronization phase provided for in the PPOA prior to the facility entering service.

Cordially,



Mary C. Zapata Acosta
Executive Director