

**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: Determination on Request of Amendments of Pattern Barceloneta Solar LLC; Pattern Barceloneta Storage LLC; Pattern Santa Isabel Storage LLC.

RESOLUTION AND ORDER

I. Relevant Procedural Background

On July 8, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (the "Energy Bureau") issued a Resolution and Order approving a power purchase agreement ("PPOA") for a 60 MW solar photovoltaic project ("Pattern Barceloneta Solar PV") to be developed by Pattern Barceloneta Solar, LLC in Arecibo, Puerto Rico ("Pattern Barceloneta Solar PPOA"). The Pattern Barceloneta Solar PPOA was amended on multiple occasions.¹

On December 5, 2024, the Energy Bureau issued a Resolution and Order ("December 5 Resolution") conditionally approving the Energy Storage Service Agreements ("ESSAs") for two 50 MW Battery Energy Storage System ("BESS") projects, located in Santa Isabel, Puerto Rico ("Pattern Santa Isabel BESS") and in Arecibo, Puerto Rico ("Pattern Barceloneta BESS").²

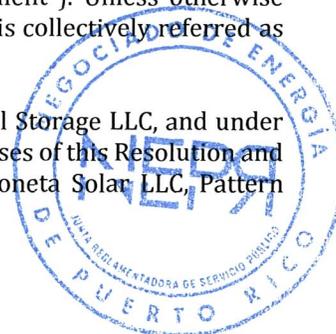
On July 15, 2025, the Energy Bureau approved the final versions of the ESSAs related to the Pattern Isabel BESS and Pattern Barceloneta BESS submitted by the Puerto Rico Electric Power Authority ("PREPA") through the *Motion in Compliance with Resolution and Order dated September 5, 2025*, filed on June 24, 2025. On July 25, 2025, PREPA and Pattern executed the ESSA's for the Pattern Santa Isabel BESS ("Pattern Santa Isabel ESSA") and the Pattern Barceloneta BESS ("Pattern Barceloneta ESSA").

On June 12, 2025, the Energy Bureau issued a Resolution and Order ("June 12 Resolution") directing PREPA to provide information concerning PPOA and ESSA amendment requests arising from the Tranche 1 RFP and the legacy renewable energy approved projects, including a summary table reflecting the status of such requests, copies of the requests, communications with PREPA and LUMA, and any related draft amendments.

On June 17, 2025, PREPA filed a document titled *Motion in Compliance with Resolution and Order issued on June 12, 2025* ("June 17 Motion"), through which it submitted part of the requested information. Specifically, among other items, PREPA provided documents related to Pattern's request to increase capacity for the Pattern Santa Isabel BESS ("Santa Isabel BESS Expansion") and Pattern Barceloneta BESS ("Barceloneta BESS Expansion"), collectively referred to as the "Pattern BESS Expansions". After evaluating PREPA's response, on June 30, 2025, the Energy Bureau issued a Resolution and Order (the "June 30 Resolution") directing PREPA to continue its negotiation process with Pattern and to provide the Energy Bureau with the relevant information exchanged between PREPA, LUMA and Pattern during such negotiations. The Energy Bureau indicated that a contract incorporating the pertinent modifications should be submitted within a period not to exceed seven (7) days. The Energy Bureau also clarified that its determination did not constitute approval of Pattern's proposed amendments.

¹ The Pattern Barceloneta Solar PPOA was amended on February 24, 2023 ("Pattern Barceloneta Solar PPOA First Amendment"); April 26, 2023 ("Pattern Barceloneta Solar PPOA Second Amendment"); May 31, 2023 ("Pattern Barceloneta Solar PPOA Third Amendment"); June 30, 2023 ("Pattern Barceloneta Solar PPOA Fourth Amendment"); and July 10, 2023 ("Pattern Barceloneta Solar PPOA Fifth Amendment"). Unless otherwise stated, the Pattern Barceloneta PPOA, as amended by the first to fifth amendments, is collectively referred as to the "Pattern Barceloneta Solar PPOA".

² The Resource Provider under the Pattern Santa Isabel ESSA is Pattern Santa Isabel Storage LLC, and under the Pattern Barceloneta ESSA is Pattern Barceloneta Storage LLC. However, for purposes of this Resolution and Order, reference will be made generically to the three developers, Pattern Barceloneta Solar LLC, Pattern Barceloneta Storage LLC, and Pattern Santa Isabel Storage LLC, as "Pattern."



On July 7, 2025, PREPA filed a document titled *Motion Requesting Extension of Time to Comply with Resolution and Order dated June 30, 2025* ("July 7 Motion"). Through this motion, PREPA requested additional time to comply with the June 30 Resolution, stating that it was necessary to obtain LUMA's final technical and economic evaluation regarding the Pattern BESS Expansions, resume negotiations with Pattern and, if an agreement is reached, submit the corresponding amendments for approval. As an attachment, PREPA included the communication sent to LUMA requesting its recommendation and technical and economic information related to the Pattern BESS Expansions.³

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On July 22, 2025, PREPA filed a document titled *Motion in Compliance with Resolution and Order dated June 30, 2025* ("July 22 Motion"), reporting partial compliance with the June 30 Resolution regarding Pattern's request to increase capacity. PREPA informed the Energy Bureau on the ongoing negotiation process with LUMA and Pattern. Additionally, PREPA included as Exhibit A LUMA's written response to its request for information, seeking confidential treatment for that exhibit, and Exhibit B, a table of current projects in development as of June 19, 2025. After evaluating PREPA's response, on August 1, 2025, the Energy Bureau issued a Resolution and Order ("August 1 Resolution") directing PREPA to continue its negotiations with Pattern regarding the Pattern BESS Expansions. The Energy Bureau further indicated that any agreement reached by the parties should be submitted no later than August 10, 2025.

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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 further stated that the terms proposed by Pattern did not represent the best interest of the ratepayers, based on a comparison with other prices allegedly obtained by PREPA. After evaluating the information submitted by PREPA, on August 26, 2025, the Energy Bureau issued a Resolution and Order ("August 26 Order") directing PREPA to continue its negotiations with Pattern and to submit the resulting contracts for the Energy Bureau's evaluation.

On September 5, 2025, PREPA filed a document titled *Motion in Compliance with Resolution and Order dated August 26, 2025* ("September 5 Motion"), including as Exhibit A copies of communications exchanged between PREPA and Pattern during the negotiation process, specifically:

1. Letter from PREPA to Pattern dated August 28th, 2025;
2. Letter from Pattern to PREPA dated September 2nd, 2025;
3. Letter from PREPA to Pattern dated September 4th, 2025;
4. Letter from Pattern to PREPA dated September 4th, 2025, through which Pattern presented a Final Offer ("Pattern Final Offer");
5. Letter from PREPA to Pattern dated September 5th, 2025, through which PREPA accepted Pattern Final Offer and agreed to: (i) increase the Barceloneta BESS capacity from 50 MW to 120 MW and the Santa Isabel BESS capacity from 50 MW to 100 MW; (ii) accept the pricing stated in the Pattern Final Offer; (iii) terminate the escalator after year 15, ensuring fixed rates from years 16 through 25; and (iv) accept a 25-year term ("PREPA Final Offer Acceptance").

On October 7, 2025, PREPA filed a motion in compliance with the August 26 Resolution ("October 7 Motion") informing the Energy Bureau that PREPA and Pattern had agreed on the substantive terms of amendments to the Pattern Santa Isabel ESSA and the Pattern

³ See July 7 Motion, Exhibit A, email sent by PREPA to LUMA on July 2, 2025.



Barceloneta ESSA.⁴ Specifically, PREPA represented that the parties had agreed to amendments reflecting the proposed expansion of the projects, together with corresponding reductions in the contract price and overall costs. According to the filing, such reductions were primarily attributable to (i) economies of scale resulting from the increased battery capacity, (ii) the incorporation of more favorable financing terms obtained through the LPO financing, and (iii) lower interconnection-related costs associated with the co-location of the projects with existing renewable energy facilities and infrastructure.

Through the same motion, PREPA submitted for the Energy Bureau's consideration the proposed amendments to the Pattern Santa Isabel ESSA and the Pattern Barceloneta ESSA, as well as amendments to the Pattern Barceloneta Solar PPOA, the latter also reflecting cost reductions associated with the LPO-DOE⁵ financing structure.⁶ PREPA further requested confidential treatment for the documents attached to that filing. PREPA attached the following documents to the October 7 Motion and requested confidential treatment:

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Exhibit I PPOA-Pattern Barceloneta Solar ("Proposed Amended Pattern Barceloneta PPOA").

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Exhibit II Pattern Barceloneta - ESSA Amendment No 1 2025-10-03, including Annex A draft of the Pattern Barceloneta ESSA ("Proposed Amended Pattern Barceloneta ESSA").

Exhibit III Pattern Santa Isabel - ESSA Amendment No 1 202510-03, including Annex A draft of the Pattern Santa Isabel ESSA ("Proposed Amended Pattern Santa Isabel ESSA").

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Exhibit IV ESSA-Pattern Barceloneta-Draft 2025-10-02 Redline

Exhibit V ESSA-Pattern Santa Isabel-Draft 2025-10-02 Redline

Exhibit VI PPOA-Pattern Barceloneta Solar -AR Draft 2025-10-02 Redline

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II. Applicable Legal Framework

A. Energy Bureau's Authority

The Energy Bureau is the regulatory body responsible for overseeing and ensuring the proper execution and implementation of public policy regarding electricity service in Puerto Rico. It has the authority to (i) implement regulations and regulatory actions necessary to ensure capacity, reliability, safety, efficiency, and reasonableness in rate tariffs of the Puerto Rican electrical system; and (ii) establish guidelines, standards, practices, and processes for PREPA's procurement of energy from other electric service companies and for modernizing its power plants or energy-generating facilities.⁷

The Energy Bureau has the power to establish by regulation the rules and standards for electric service companies. This includes oversight of any transaction, action, or omission that impacts the electrical grid and electrical infrastructure in Puerto Rico. The Energy Bureau will enforce public policy standards in alignment with the Energy Public Policy as declared by legislation.

⁴ See Motion in Compliance with August 26, 2025, Resolution and Order and Request for Confidential Designation and Treatment ("October 7 Motion").

⁵ Loan Programs Office of the U.S. Department of Energy ("LPO-DOE").

⁶ The proposed amendments for the Pattern Barceloneta Expansion, to a certain extent, take into consideration the LPO-DOE financing structure applicable to those projects.

⁷ See, Section 6.3 of Act No. 57-2014, known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



B. *Criteria for the Evaluation of Power Purchase Agreements*

Article 1.11(b) of Act No. 17-2019⁸ stipulates that any power purchase agreement, or any amendment to, or extension of, a power purchase agreement awarded before or after the approval of Act 57-2014 between PREPA, and any independent power producer shall be executed under Section 6.32 of Act 57-2014 and the regulations adopted by the Energy Bureau. To make sure such agreements have a proper and reasonable price, the parameters established by the Energy Bureau shall follow the ones normally used by the industry for such purposes, as well as any other parameter or method used to regulate revenues attributable to power purchase agreements. Also, Article 6.32(c) of Act 57-2014 empowers the Energy Bureau to adopt the guidelines for the evaluation and approval of energy purchase and sale contracts.

Act-17-2019 adopted as public policy the reduction in dependence on fossil fuels, aiming to eliminate energy generation based on coal, petroleum derivatives, and gas. Specifically, Act 17-2019 modified the Renewable Energy Portfolio standards established in Act No. 82-2010⁹. This amendment increased the requirement for energy generation from renewable sources to one hundred percent (100%) by 2050.¹⁰ Power Purchase Agreements shall be awarded considering the goals and mandates established in the Renewable Portfolio Standards, which compel the transition from energy generation from fossil fuels to aggressively integrating renewable energy as provided in Act 82-2010.

Article 6.32 of Act 57-2014 provides a comprehensive statutory framework for the evaluation and approval of power purchase agreements, as well as other transactions involving electric power services companies. It reiterates the Energy Bureau's authority to adopt regulations and regulatory actions that govern the process of evaluation and approval of power purchase agreements and other transactions involving electric power services companies. Article 6.32 (a) states that the Energy Bureau will evaluate and approve all contracts between electric service companies, including independent power producers, before they are executed. This will include, but is not limited to, contracts through which an independent power producer agrees to supply energy to PREPA or the electric service company responsible for operating the T&D System. It also covers any amendments, modifications or extensions to existing contracts.

Consistent with the foregoing, Article 6.32 empowers the Energy Bureau to adopt and issue regulations that provide: (i) the standards and requirements with which the Power Purchase Agreements must comply; (ii) the terms and conditions to be included in any power purchase agreement and interconnection agreement, including reasonable costs per kilowatt hour (kWh) per type of generation technology; (iii) the guidelines and standards established by the Energy Bureau through such regulations shall be intended to ensure compliance with the principles of Act 57-2014, Act No. 83-2010¹¹, and Act 17-2019.

When evaluating a power purchase agreement or proposal thereto, each contract proposal between electric utility companies, the Energy Bureau must make sure it follows the public energy policy established in Act 17-2019 and with the approved Integrated Resource Plan

⁸ Known as *Puerto Rico Energy Public Policy Act*, as amended ("Act 17-2019").

⁹ Known as *Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act*, as amended ("Act 82-2010").

¹⁰ Act No. 1 of 2025 amended the Renewable Energy Portfolio Standard established under Act 82-2010 by eliminating the previously applicable interim renewable energy targets. Notwithstanding the removal of those intermediate targets, the statute expressly preserved the ultimate policy mandate that electricity generation in Puerto Rico be supplied from renewable sources by 2050. Thus, while the amendment modified the compliance trajectory, it left intact, and effectively reaffirmed, the binding requirement that renewable energy sources account for 100% of energy generation by the year 2050.

¹¹ Known as *Green Energy Incentive Act of Puerto Rico*, as amended ("Act 83-2010").



("Approved IRP").¹² The Energy Bureau shall approve no contract that is inconsistent with the Approved IRP, especially regarding the renewable energy, distributed generation, conservation, and efficiency goals established in both the Approved IRP and the public energy policy.

The Energy Bureau shall make sure the interconnection of any proposed project does not threaten the reliability and safety of the electric grid and shall require the removal of any terms or conditions in the proposed contract that are contrary to or threaten the safe and reliable operation of the electric grid. The Energy Bureau shall not approve a contract when technical evidence demonstrates that this project or the contractual conditions of a project would undermine the reliability and security of Puerto Rico's electric grid.

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The Energy Bureau shall also make sure tariffs, duties, rents, or charges paid to independent power producers are fair and reasonable and protect the public interest and the treasury. Likewise, the transmission and distribution grid interconnection tariff, including construction charges, transshipment tariffs, as well as any other requirements applicable to independent power producers or other electric utilities wishing to interconnect to the transmission and distribution system, are also fair and reasonable. In this process, the Energy Bureau must make sure the rates allow for an interconnection that does not affect the reliability of the electric service and promotes environmental protection, compliance with legal mandates, and does not adversely impact customers.

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Likewise, the Energy Bureau will require the electric utility company responsible for the operation of the Electric System to submit a "Supplementary Study" for the project that is the subject of the proposed contract or the corresponding technical analysis that supports the contract. If a project does not require a "Supplementary Study" to be carried out, the electric utility company responsible for the operation of the Electric System shall issue to the Energy Bureau a certification to that effect, in which it shall state the reasons the circumstances and characteristics of the project make a "Supplementary Study" or a technical evaluation unnecessary.

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Therefore, in evaluating the proposed amendments, the Energy Bureau must primarily determine: (i) whether the proposal is consistent with the Approved IRP; (ii) whether the proposal follows Puerto Rico's energy public policy; (iii) whether the proposed fee structure is fair, reasonable, and protects the public interest and the treasury; (iv) if the interconnection of the proposed project jeopardizes the reliability and stability of the system; and (v) whether the profit parameters and price escalators are based on parameters normally used by the industry.

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In this case, the Energy Bureau is considering a petition to examine modifications to power purchase agreements and energy storage agreements that were initially approved after the enactment of Act 57-2014. The proposed amendments are subject to evaluation under Article 6.32 of Act 57-2014, and to the extent that they are applicable.

III. Discussion and Findings¹³

A. Pattern Santa Isabel BESS

1. Interconnection Reliability

¹² See *Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, In re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001, August 24, 2020 ("Approved IRP"). Note that minor modifications and/or clarifications to the Approved IRP were introduced through a *Resolution and Order on Reconsiderations, In re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001, December 2, 2020.

¹³ In prior Resolutions and Orders issued in this case, the Energy Bureau thoroughly evaluated the proposed Tranche #1 RFP projects compliance with the requirements of the Approved IRP. Accordingly, it is unnecessary to further address this matter herein, as the findings and determinations on this issue are incorporated by reference into this Resolution and Order. See, for example, Resolutions and Orders issued in the captioned case on February 2, 2022, June 13, 2022, September 1, 2022, and June 30, 2023.



PREPA proposes to increase the capacity of the Pattern Santa Isabel BESS from 50 MW to 100 MW. As stated above, to comply with the requirement set forth in Section 6.32 of Act 57-2014, the supporting documentation must demonstrate that the proposed expansion will not adversely affect the reliability or stability of the electric system and that it can be integrated in accordance with applicable interconnection standards and supported by the relevant technical studies.

To evaluate the aspects related to the interconnection of proposed projects to the electric system, a series of interconnection studies are typically conducted in accordance with applicable interconnection procedures and technical standards. A system impact study ("System Impact Study") evaluates the technical effects of integrating a proposed project's net capacity into the transmission and distribution grid, including an assessment of system performance, reliability, and compliance with applicable technical requirements. As part of this process, the study identifies the potential need for network upgrades or reinforcements necessary to accommodate the injection of energy and power from the project into the system and may preliminarily outline the scope of such upgrades and their potential cost implications. Subsequently, a network upgrade facility study ("Network Upgrade Facility Study") is typically conducted to further define the specific transmission and distribution improvements required outside the point of interconnection, including the scope of work, cost estimates, and implementation schedule. In parallel, a Point of Interconnection Facility Study ("POI Facility Study") focuses on the upgrades and expansions required at the interconnection point itself to ensure a safe and reliable physical interconnection, as well as the associated scope of work, cost estimates, and construction timeline, which together support determining the interconnection facility costs (including PREPA interconnection costs, where applicable).

LUMA has conducted several interconnection studies in connection with the Santa Isabel BESS Project. The initial study did not adequately consider the relationship between the project and the existing interconnection infrastructure associated with Pattern Santa Isabel Wind Farm and evaluated a point of interconnection different from that proposed by Pattern.¹⁴ Subsequently, LUMA performed additional studies assessing the project's interconnection through such existing facilities, including the potential use of shared infrastructure for system integration. Specifically, LUMA prepared a facility study in connection with the proposed interconnection of the 50 MW BESS project.¹⁵ The 2023 Pattern Santa Isabel Facility Study defined the scope of work associated with the interconnection of the Santa Isabel BESS Project, as well as the corresponding cost estimates for such interconnection. Based on the information in the record and related documentation, LUMA carried out revisions to the 2023-Pattern Santa Isabel Facility Study, and the cost estimate derived from those studies (approximately \$4.6 million) was relied upon to establish the interconnection costs to be recovered by Pattern under the contract approved in the December 5 Resolution (the Pattern Santa Isabel ESSA).

In 2025, LUMA conducted updated interconnection studies in connection with the requested capacity increase for the Pattern Santa Isabel BESS.¹⁶ The Pattern Santa Isabel BESS Capacity Increase Study evaluated the interconnection of the project at the 115 kV bus of the Pattern Santa Isabel Wind Farm.¹⁷ The study is structured in three (3) stages: Stage 1, a System

¹⁴ See December 5 Resolution, p. 6.

¹⁵ See *Tranche 1 Point of Interconnection ("POI") Facility Study (Pattern AA-2-E BESS Re-evaluation)* dated August 4, 2023 ("2023-Pattern Santa Isabel BESS Facility Study").

¹⁶ The updated 2025 interconnection study consists of the following documents: (i) the *Pattern Santa Isabel BESS AA-2-E Executive Summary*, dated July 25, 2025 ("2025 Pattern Santa Isabel BESS Executive Summary"); (ii) the *Pattern Santa Isabel BESS AA-2-E Interconnection Studies Final Summary Report - Increase Capacity*, dated June 20, 2025 ("2025 Pattern Santa Isabel BESS Summary Report"); (iii) the *Pattern Santa Isabel BESS AA-2-E LUMA Interconnection Works*, dated July 25, 2025 ("2025 Pattern Santa Isabel BESS LUMA Interconnection Works"); and (iv) the *Pattern Santa Isabel BESS AA-2-E Scope of Work*, dated July 25, 2025 ("2025 Pattern Santa Isabel BESS Scope of Work"). Unless otherwise specified, these documents are collectively referred to as the "Pattern Santa Isabel BESS Capacity Increase Study."

¹⁷ See 2025 Pattern Santa Isabel BESS Summary Report, p. 3.



Impact Study; Stage 2, a Facility Study; and Stage 3, validation of compliance with the Minimum Technical Requirements ("MTR").¹⁸

With respect to Stage 1, LUMA states that the analysis identified no new thermal violations,¹⁹ no voltage and no short-circuit impacts,²⁰ and no additional network upgrades triggered by the proposed increase in capacity, other than the ones already identified as part of Tranche 1 RFP cluster study.²¹ Regarding Stage 2, LUMA states that it conducted an assessment of the previously 2023-Pattern Santa Isabel BESS Facility Study to ensure that the point of interconnection can accommodate the proposed capacity without compromising the safety or reliability of LUMA's transmission system.²² Based in this assessment LUMA confirmed that the equipment ratings identified in the prior point of interconnection facility study for the Pattern Wind Farm collector site are sufficient to accommodate the increased capacity associated with the BESS project's interconnection at the proposed point of interconnection.²³ Consequently, after verifying the interconnection requirements identified in the 2023-Pattern Santa Isabel BESS Facility Study, LUMA represents that it remains unaltered.²⁴ LUMA further states that the project complies with the tested MTRs.²⁵

Based on LUMA's findings, the Energy Bureau concludes that the additional capacity proposed under the expansion will not have an adverse impact on the electric system, nor will it affect the project's integration into the grid from an interconnection standpoint.

2. Interconnection Cost Considerations

According to the parties, the proposed capacity expansion will not result in "additional costs, liabilities (other than a PREPA Risk Event), or delays in connection with the PREPA Interconnection Facilities or System Upgrades."²⁶ Additionally, Pattern proposes a reduction in the contract price, allegedly reflecting cost savings derived from economies of scale associated with the expanded capacity, efficiencies resulting from the co-location of the Pattern Santa Isabel BESS with an existing Pattern wind farm renewable facility ("Pattern Santa Isabel Wind Farm"), and more favorable financing terms obtained through the LPO-DOE financing structure.²⁷

Under the applicable framework, renewable Resource Providers are generally responsible for the costs associated with PREPA Interconnection Facilities and any required network upgrades. LUMA's system impact study identifies and determines the scope and estimated cost of any required network upgrades, while the subsequent facilities study specifically define and quantify the costs associated with the PREPA Interconnection Facilities needed to physically interconnect the project to the grid. The Energy Bureau has determined that, for Tranche 1 projects, the network upgrade costs identified in the original system impact study studies need not be paid by the Resource Providers.²⁸ However, the costs associated with the PREPA Interconnection Facilities remain the responsibility of the Resource

¹⁸ See *Id.*

¹⁹ See Summary Report, p. 5.

²⁰ See *Id.*

²¹ See Summary Report, p. 6.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*, p. 7.

²⁶ See October 7 Motion, Exhibit III.

²⁷ See September 5 Motion, Pattern Final Offer.

²⁸ In general terms, the costs associated with such upgrades are expected to be covered through federal funds and, therefore, will not be paid by the ratepayers.



Providers; provided, further, that if the costs resulting from the facilities study estimates are lower than those originally contemplated, the corresponding portion of the contract price shall be adjusted downward to reflect such reduction.

For certain approved Tranche 1 and legacy renewable projects, the Energy Bureau has authorized capacity increases subject to specific conditions. Any additional costs related to PREPA Interconnection Facilities and/or required network upgrades arising from the approved capacity increase must be borne exclusively by the Resource Provider, and the Interconnection Cost Recovery portion of the compensation shall not be adjusted or modified to recover any such incremental costs. For these purposes, the Energy Bureau has required that the relevant contracts incorporate specific contractual provisions expressly establishing these cost responsibility conditions, including the allocation of costs associated with PREPA Interconnection Facilities, the treatment of network upgrade costs, and any corresponding price adjustments based on the final estimates derived from the applicable System Impact and Facilities Studies.²⁹ The Energy Bureau has also emphasized the importance of ensuring that the proposed capacity increase does not delay the stipulated Commercial Operation Date (“COD”).

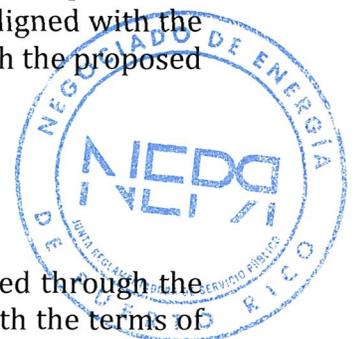
The Energy Bureau has established that any approved capacity increase, such as the proposed expansion of the Pattern Santa Isabel BESS from 50 MW to 100 MW, shall be subject to (i) the completion of revised interconnection studies, including a Facilities Study, System Impact Study, and Network Upgrade Facilities Study, as applicable, at the Resource Provider’s cost, demonstrating system impacts reasonably acceptable to the T&D Operator and identifying the costs associated with the capacity increase; (ii) a determination that the expansion will not result in additional costs, liabilities, or delays to PREPA in connection with the PREPA Interconnection Facilities or System Upgrades; (iii) the preservation of the existing contractual provisions governing interconnection cost recovery, including those set forth in Appendix F (*Compensation*), regarding any additional PREPA Interconnection Facility and/or Network Upgrade costs related to the capacity increase; (iv) the corresponding amendment of the interconnection agreement to reflect the Resource Provider’s responsibility for any additional costs associated with the expanded capacity; and (v) PREPA’s review and approval of any revised design and technical appendices, including the Proposed Design, Facility Site, and Operating Characteristics, which approval shall not be unreasonably withheld, denied, or delayed.

Consistent with the foregoing criteria established by the Energy Bureau, Section C (*Terms and Conditions*) of the proposed amendment to the Pattern Santa Isabel ESSA incorporates provisions that satisfy the requirements listed above. Likewise, Appendix F (*Compensation*) of the proposed amendment aligns with such criteria by ensuring that any additional costs arising as a result of the expansion, whether related to PREPA Interconnection Facilities or network upgrades, are to be borne by Pattern and that, if the final costs of the PREPA Interconnection Facilities are lower than initially estimated, the corresponding decrease shall be applied under the contractual framework. Notwithstanding the foregoing, and solely for purposes of contractual clarity and consistency with the criteria previously established by the Energy Bureau, Appendix F (*Compensation*) should be further revised in Section 2 (*Monthly Fixed Payment*) to expressly clarify the definition of CPPPIF. Specifically, an additional clause should be incorporated at the end of such definition to provide that, for purposes of calculating the CPPPIF only, the MCC shall be deemed not to exceed fifty (50) MW. This clarification would avoid any ambiguity in the application of the compensation mechanism and ensure that the contractual calculation of CPPPIF remains aligned with the parameters evaluated and approved by the Energy Bureau in connection with the proposed capacity increase.

3. Energy Price Reduction

The Energy Bureau has approved several BESS and PV solar projects selected through the Tranche 1 RFP, Tranche 2 RFP, and Tranche 4 RFP processes. Consistent with the terms of

²⁹ See *Resolution and Order, In Re: Implementation of the Puerto Rico Electric Power Authority Integrated Resource Plan and Modified Action Plan*, Case No.: NEPR-MI-2020-0012, October 3, 2024.



the ESSAs and the PPOA approved in those proceedings, including the Pattern Santa Isabel ESSA, the Pattern Barceloneta ESSA, and the Pattern Barceloneta PPOA, such agreements generally incorporate provisions that allow for base rate price reductions if financing is secured through the LPO-DOE financing structure. These provisions contemplate that the parties may submit limited amendments to the agreements, as may be required by the LPO-DOE as a condition to financing, thereby enabling access to LPO-DOE funding while ensuring that the economic benefits of such financing are reflected in reduced contract prices.

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According to Pattern, the lower prices proposed for the Pattern Santa Isabel BESS are attributable to efficiencies derived from the proposed expansion, including economies of scale and co-location benefits, such as the use of existing interconnection infrastructure, as well as, to a lesser extent, more favorable financing conditions obtained through LPO-DOE financing.

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The prices proposed by Pattern are approximately 7.47% lower than those previously approved for the project. Additionally, the price proposed for the Pattern Santa Isabel BESS is lower than the weighted average Levelized Cost of Storage ("LCOS") calculated for Tranche 1 RFP BESS projects before any price reductions associated with LPO-DOE financing and remains lower even when compared to the weighted average LCOS after accounting for the reductions achieved by certain projects as a result of LPO-DOE financing. Compared to the results of the Tranche 2 RFP and the Tranche 4 RFP, the proposed price for the Pattern Santa Isabel BESS is below the weighted average LCOS for Tranche 2 and marginally above the weighted average LCOS for Tranche 4.

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To evaluate the alleged price reductions and the components from which such reductions arise, the Energy Bureau notes that those attributable to financing through the LPO-DOE appear to be minimal and, in some instances, no identifiable reductions can be established under that concept.³⁰ The Energy Bureau has consistently emphasized that any claimed reductions associated with LPO-DOE financing must be supported by reasonably detailed calculations demonstrating that such reductions have materialized.³¹ In this case, however, the record does not allow the Energy Bureau to establish the existence of identifiable or quantifiable reductions specifically attributable to LPO-DOE financing. Pattern acknowledges that any potential savings under this concept were effectively offset by other project-related costs, and therefore no measurable net reductions attributable to LPO-DOE financing can be substantiated on the current record.

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The Pattern Santa Isabel BESS Capacity Increase Study includes a limited interconnection assessment, akin to an abbreviated facility study, prepared in recognition that the facility studies conducted did not reflect the current PREPA Interconnection Cost implications associated with the proposed expansion.³² While this limited study incorporates certain elements and technical inputs from the prior facility studies, it develops an updated scope of work and a revised cost estimate specifically related to the increase in project capacity from 50 MW to 100 MW.³³ According to this assessment, the estimated PREPA Interconnection Cost for the proposed expansion is approximately \$1 million.³⁴ This estimate contrasts with earlier studies, which identified PREPA Interconnection Costs of approximately \$4.6 million, thereby reflecting a substantial portion of the cost reductions associated with the proposed project expansion. The updated estimate is the amount relied upon to calculate the PREPA

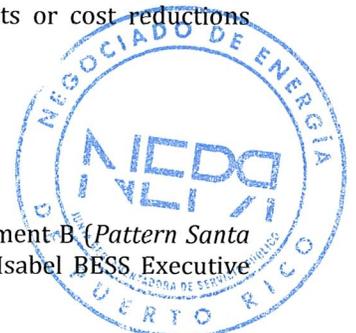
³⁰ See September 5 Motion, Pattern Final Offer.

³¹ This issue gains particular relevance considering the request submitted to the Energy Bureau to modify several provisions of the contract to accommodate the requirements of the LPO-DOE financing, thereby underscoring the need to clearly demonstrate and substantiate any claimed benefits or cost reductions associated with such financing within the contractual and evidentiary record.

³² See 2025 Pattern Santa Isabel BESS Scope of Work.

³³ *Id.*, pp. 5-9.

³⁴ *Id.*, Attachment A (*Pattern Santa Isabel Substation House Cost Estimate*) and Attachment B (*Pattern Santa Isabel Underground and Cable Replacement Estimate*). See also, 2025 Pattern Santa Isabel BESS Executive Summary, p. 5.



Interconnection Cost Recovery incorporated into the Proposed Amended Pattern Santa Isabel ESSA.³⁵

Notwithstanding the foregoing, and given the magnitude of the reductions achieved through other factors, including interconnection-related efficiencies and economies of scale, the Energy Bureau finds it reasonable at this stage not to undertake a more detailed inquiry into the portion of the reductions attributable to LPO-DOE financing. However, the Energy Bureau will continue to require, in future proceedings, that any reductions associated with LPO-DOE financing be demonstrated and materially reflected to benefit ratepayers.

The Energy Bureau has reviewed the Proposed Amended Pattern Santa Isabel ESSA. In its December 5 Resolution, the Energy Bureau determined that the price previously proposed for the Pattern Santa Isabel BESS was reasonable, competitive, and consistent with applicable industry standards. The price set forth in the Proposed Amended Pattern Santa Isabel ESSA is lower than the previously approved price and, therefore, remains reasonable, competitive, and consistent with industry standards, while also providing additional benefits to ratepayers in the form of reduced energy costs.

4. Determination

The Energy Bureau finds that the requested modifications to the Pattern Santa Isabel ESSA, as reflected in the Proposed Amended Pattern Santa Isabel ESSA, are reasonable, supported by the record, and consistent with the applicable laws and regulations, Puerto Rico's Public Energy Policy, and the Approved IRP. The Energy Bureau **APPROVES** the Proposed Amended Pattern Santa Isabel ESSA, subject to the modifications established in **Part III (A)(2)** and **Part III(D)** of this Resolution and Order, recognizing its contribution to Puerto Rico's sustainability, resilience, and affordability objectives.

B. *Pattern Barceloneta BESS*

1. Interconnection Reliability

PREPA proposed to increase the capacity of the Pattern Barceloneta BESS from 50 MW to 120 MW. As previously discussed, and in compliance with Section 6.32 of Act 57-2014, the supporting documentation for this project likewise demonstrates that the proposed expansion will not adversely affect the reliability or stability of the electric system and can be integrated under applicable interconnection standards and the relevant technical studies.

LUMA has conducted several interconnection studies in connection with the Pattern Barceloneta BESS Project. In its initial assessment, LUMA evaluated an alternative under which the Pattern Barceloneta BESS and the Pattern Barceloneta Solar PV projects would each develop separate step-up substations, gen-tie lines, and interconnection infrastructure at the Barceloneta Transmission Center ("Barceloneta TC").³⁶ However, this configuration was deemed suboptimal due to the limited availability of rights-of-way from the project sites to Barceloneta TC along PR-2, as well as the need to allocate space for two new 115 kV bays at Barceloneta TC, which would also lead to a substantial duplication of interconnection costs for both projects. This initial study did not adequately account for the interrelationship arising from the co-located nature of the two projects.³⁷

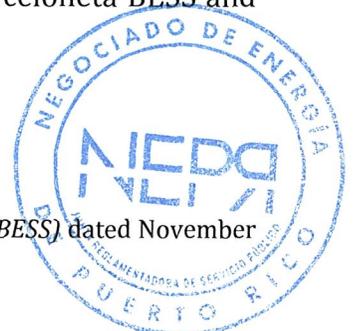
Subsequently, LUMA performed additional studies assessing the project's interconnection including the potential use of shared infrastructure for system integration. Specifically, LUMA prepared a facility study in connection with the proposed interconnection of the 50 MW Pattern Barceloneta BESS project.³⁸ The 2024 Pattern Barceloneta Facility Study defined the scope of work associated with the interconnection of the Patter Barceloneta BESS and

³⁵ See October 7 Motion, Exhibit III, Annex A, p. 18.

³⁶ See December 5 Resolution, p. 5.

³⁷ *Id.*

³⁸ See *Tranche 1 Point of Interconnection ("POI") Facility Study (W-3-P & W-2-E Solar & BESS)*, dated November 18, 2024 ("2024-Pattern Barceloneta BESS Facility Study").



Pattern Barceloneta Solar PV projects, as well as the corresponding cost estimates for such interconnection. Based on the information in the record and related documentation, LUMA carried out revisions to the 2024 Pattern Barceloneta BESS Facility Study, and the cost estimate derived from those studies (approximately \$5.9 million) was relied upon to establish the interconnection costs to be recovered by Pattern under the contract approved in the December 5 Resolution (the Pattern Barceloneta ESSA).

In 2025, LUMA conducted updated interconnection studies in connection with the requested capacity increase for the Pattern Barceloneta BESS.³⁹ The Pattern Barceloneta BESS Capacity Increase Study evaluated the interconnection of the project at the 115 kV bus of the Barceloneta TC.⁴⁰ The study structured in three (3) stages: Stage 1, a System Impact Study; Stage 2, a Facility Study; and Stage 3, validation of compliance with the MTRs.⁴¹

Regarding Stage 1, LUMA states that the analysis identified no new thermal violations,⁴² no voltage and no short-circuit impacts,⁴³ and no additional network upgrades triggered by the proposed increase in capacity, other than the ones already identified as part of Tranche 1 RFP cluster study.⁴⁴ Regarding Stage 2, LUMA states it assessed the previously 2024-Pattern Barceloneta Facility Study to ensure that the point of interconnection can accommodate the proposed capacity without compromising the safety or reliability of LUMA's transmission system.⁴⁵ Based in this assessment LUMA confirmed that the equipment ratings identified in the prior point of interconnection facility study are sufficient to accommodate the increased capacity associated with the BESS project's interconnection at the proposed point of interconnection.⁴⁶ After verifying the interconnection requirements identified in the 2024-Pattern Barceloneta Facility Study, LUMA represents that it remains unaltered.⁴⁷ LUMA further states that the project complies with the tested MTRs.⁴⁸

Based on LUMA's findings, the Energy Bureau concludes that the additional capacity proposed under the expansion will not have an adverse impact on the electric system, nor will it affect the project's integration into the grid from an interconnection standpoint.

2. Interconnection Cost Considerations

According to the parties, the proposed capacity expansion will not result in "additional costs, liabilities (other than a PREPA Risk Event), or delays in connection with the PREPA Interconnection Facilities or System Upgrades."⁴⁹ Additionally, Pattern proposes a reduction in the contract price, allegedly reflecting cost savings derived from economies of scale associated with the expanded capacity, efficiencies resulting from the co-location of the

³⁹ The updated 2025 interconnection study consists of the following documents: (i) the *Pattern Barceloneta BESS W-2-E Executive Summary*, dated July 22, 2025 ("2025 Pattern Barceloneta BESS Executive Summary"); (ii) the *Pattern Barceloneta BESS W-2-E Interconnection Studies Final Summary Report - Increase Capacity*, dated June 20, 2025 ("2025 Pattern Barceloneta BESS Summary Report"); and (iii) the *Pattern Barceloneta BESS W-2-E LUMA Interconnection Works*, dated July 22, 2025 ("2025 Pattern Barceloneta BESS LUMA Interconnection Works"). Unless otherwise specified, these documents are collectively referred to as the "Pattern Barceloneta BESS Capacity Increase Study."

⁴⁰ See 2025 Pattern Barceloneta BESS Summary Report, p. 3.

⁴¹ See *Id.*

⁴² See Summary Report, p. 6.

⁴³ *Id.*

⁴⁴ See Summary Report, p. 6.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*, p. 7.

⁴⁹ See October 7 Motion, Exhibit II.



Pattern Barceloneta Solar PV and more favorable financing terms obtained through the LPO-DOE financing structure.⁵⁰

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As discussed in Part III(A)(2) the Energy Bureau has established that any approved capacity increase, such as the proposed expansion of the Pattern Barceloneta BESS from 50 MW to 120 MW, shall be subject to (i) the completion of revised interconnection studies, including a Facilities Study, System Impact Study, and Network Upgrade Facilities Study at the Resource Provider's cost, demonstrating system impacts reasonably acceptable to the T&D Operator and identifying the costs associated with the capacity increase; (ii) a determination that the expansion will not result in additional costs, liabilities, or delays to PREPA in connection with the PREPA Interconnection Facilities or System Upgrades; (iii) the preservation of the existing contractual provisions governing interconnection cost recovery, including those set forth in Appendix F (*Compensation*), regarding any additional PREPA Interconnection Facility and/or Network Upgrade costs related to the capacity increase; (iv) the corresponding amendment of the interconnection agreement to reflect the Resource Provider's responsibility for any additional costs associated with the expanded capacity; and (v) PREPA's review and approval of any revised design and technical appendices, including the Proposed Design, Facility Site, and Operating Characteristics, which approval shall not be unreasonably withheld, denied, or delayed.

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Consistent with the foregoing criteria established by the Energy Bureau, Section C (*Terms and Conditions*) of the proposed amendment to the Pattern Barceloneta ESSA incorporates provisions that satisfy the requirements listed above. Likewise, Appendix F (*Compensation*) of the proposed amendment aligns with such criteria by ensuring that any additional costs arising as a result of the expansion, whether related to PREPA Interconnection Facilities or network upgrades, are to be borne by Pattern and that, if the final costs of the PREPA Interconnection Facilities are lower than initially estimated, the corresponding decrease shall be applied under the contractual framework. Notwithstanding the foregoing, and solely for purposes of contractual clarity and consistency with the criteria previously established by the Energy Bureau, Appendix F (*Compensation*) should be further revised in Section 2 (*Monthly Fixed Payment*) to expressly clarify the definition of CPPPIF. Specifically, an additional clause should be incorporated at the end of such definition to provide that, for purposes of calculating the CPPPIF only, the MCC shall be deemed not to exceed fifty (50) MW. This clarification would avoid any ambiguity in the application of the compensation mechanism and ensure that the contractual calculation of CPPPIF remains aligned with the parameters evaluated and approved by the Energy Bureau in connection with the proposed capacity increase.

3. Energy Price Reduction

According to Pattern, the lower prices proposed for the Pattern Barceloneta BESS are attributable to efficiencies derived from the proposed expansion, including economies of scale and co-location benefits, such as the use of existing interconnection infrastructure, as well as, to a lesser extent, more favorable financing conditions obtained through LPO-DOE financing.

The prices proposed by Pattern are approximately 8.7% lower than those previously approved for the project. Additionally, the price proposed for the Pattern Barceloneta BESS is lower than the weighted average Levelized Cost of Storage ("LCOS") calculated for Tranche 1 RFP BESS projects before any price reductions associated with LPO-DOE financing and remains lower even when compared to the weighted average LCOS after accounting for the reductions achieved by certain projects as a result of LPO-DOE financing. Compared to the results of the Tranche 2 RFP and the Tranche 4 RFP, the proposed price for the Pattern Barceloneta is below the weighted average LCOS for Tranche 2 RFP and Tranche 4 RFP.

As with the previously evaluated project (Pattern Santa Isabel BESS), and to assess the alleged price reductions and their components, the Energy Bureau notes that any reductions attributable to LPO-DOE financing appear to be minimal and, in some instances, not

⁵⁰ See September 5 Motion, Pattern Final Offer.



identifiable or quantifiable regarding the Pattern Barceloneta BESS.⁵¹ The record likewise does not establish measurable net reductions specifically attributable to LPO-DOE financing, particularly given Pattern's acknowledgment that any potential savings were offset by other project-related costs.

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The Pattern Barceloneta BESS Capacity Increase Study includes a table summarizing the alleged PREPA Interconnection Costs, which total approximately \$317,730.⁵² For cost estimation purposes, the study refers to a "Facility Study," presumably the 2024 Pattern Barceloneta BESS Facility Study, which is attached as an exhibit. However, regarding the PREPA Interconnection Costs, the referenced study does not provide a specific scope of work or any explanation detailing how \$317,730 was calculated. Unlike what occurred in the Pattern Santa Isabel BESS, no scope of work or detailed cost estimate for the PREPA Interconnection Costs associated with this project was included. Notwithstanding the foregoing, the cost estimate (\$317,730) contrasts with earlier studies, which identified PREPA Interconnection Costs for the Pattern Barceloneta BESS of approximately \$5.9 million, thereby reflecting a substantial portion of the cost reductions associated with the proposed project expansion. The updated estimate is the amount relied upon to calculate the PREPA Interconnection Cost Recovery incorporated into the Proposed Amended Pattern Barceloneta ESSA.⁵³

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Notwithstanding the foregoing, and given the magnitude of the reductions achieved through other factors, including interconnection-related efficiencies and economies of scale, the Energy Bureau finds it reasonable at this stage not to undertake a more detailed inquiry into the portion of the reductions attributable to LPO-DOE financing. However, the Energy Bureau will continue to require, in future proceedings, that any reductions associated with LPO-DOE financing be demonstrated and materially reflected to benefit ratepayers.

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The Energy Bureau reminds PREPA that each price component in the contracts must be scrutinized with substantial rigor during the project development process, given that such costs are ultimately borne by the ratepayers. PREPA shall obtain and maintain in its records the documentation to substantiate and establish the cost estimate of \$317,730 in the Proposed Amended Pattern ESSA, including all supporting materials that explain the basis, assumptions, and calculations underlying such estimate.

The Energy Bureau has reviewed the Proposed Amended Pattern Barceloneta ESSA. In its December 5 Resolution, the Energy Bureau determined that the price previously proposed for the Pattern Barceloneta BESS was reasonable, competitive, and consistent with applicable industry standards. The price set forth in the Proposed Amended Pattern Barceloneta ESSA is lower than the previously approved price and, therefore, remains reasonable, competitive, and consistent with industry standards, while also providing additional benefits to ratepayers in the form of reduced energy costs.

4. Determination

The Energy Bureau finds that the requested modifications to the Pattern Barceloneta ESSA, as reflected in the Proposed Amended Pattern Barceloneta ESSA, are reasonable, supported by the record, and consistent with the applicable laws and regulations, Puerto Rico's Public Energy Policy, and the Approved IRP. The Energy Bureau **APPROVES** the Proposed Amended Pattern Barceloneta ESSA, subject to the modifications established in **Part III (B)(2)** and **Part III(D)** of this Resolution and Order, recognizing its contribution to the Island's sustainability, resilience, and affordability objectives.

C. *Pattern Barceloneta Solar PV PPOA*

1. Energy Price Reduction

⁵¹ See September 5 Motion, Pattern Final Offer.

⁵² See 2025 Pattern Barceloneta BESS Executive Summary, p. 6.

⁵³ See October 7 Motion, Exhibit II, Annex A, p. 17.



Regarding the Pattern Barceloneta Solar PV project, Pattern requests the modification of certain contractual provisions which, according to its representations, would facilitate financing through the LPO-DOE. For such purposes, Pattern proposes a reduction in the energy price, to be effectuated through adjustments to the capacity payment component associated with the purchase of energy. However, no modifications are proposed regarding the interconnection cost recovery component of the contract, which remains unchanged. The PREPA Interconnection Cost Estimate utilized for the contractual provision related to interconnection cost recovery is approximately \$5.9 million.

As with the previously evaluated projects, the record likewise does not establish measurable net reductions specifically attributable to LPO-DOE financing. Notwithstanding the foregoing, and consistent with the analysis set forth above, the Energy Bureau finds it reasonable, at this stage, not to undertake a more detailed inquiry into the portion of the reductions allegedly attributable to LPO-DOE financing, particularly given the magnitude of the reductions achieved through other factors, including interconnection-related efficiencies and economies of scale.

In the Resolution and Orders dated May 21, 2023, and June 30, 2023, the Energy Bureau determined that the proposed prices for the Barceloneta Solar PPOA were reasonable, competitive, and aligned with industry standards. The price set forth in the Proposed Amended Pattern Barceloneta PPOA is 4.6% below the previously approved price and, therefore, remains reasonable, competitive, and consistent with industry standards, while also providing additional benefits to ratepayers in the form of reduced energy costs.

2. Determination

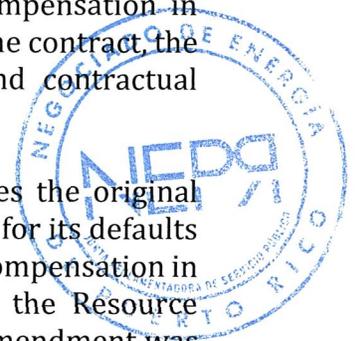
The Energy Bureau finds that the requested modifications to the Pattern Barceloneta Solar PV PPOA, as reflected in the Proposed Amended Pattern Barceloneta Solar PV PPOA, are reasonable, supported by the record, and consistent with the applicable laws and regulations, Puerto Rico's Public Energy Policy, and the Approved IRP. The Energy Bureau **APPROVES** the Proposed Amended Pattern Barceloneta Solar PV PPOA, subject to the modifications established in **Part III(D)** of this Resolution and Order, recognizing its contribution to the Island's sustainability, resilience, and affordability objectives.

D. *Modifications Required in Certain Provisions of the Proposed Amended Pattern Santa Isabel ESSA, Proposed Amended Pattern Barceloneta ESSA and Proposed Amended Pattern Barceloneta PPOA*

1. Section 7.2 (Curtailmnt for Breach) of Proposed Amended Pattern Santa Isabel ESSA and Proposed Amended Pattern Barceloneta ESSA

Section 7.2 of each of the Pattern Santa Isabel ESSA and the Pattern Barceloneta ESSA specifies that PREPA has the right, during the Supply Period, to curtail or reduce Dispatch Notices, or to disconnect the Facility, if the Resource Provider incurs certain defaults as outlined therein. In such instances, the Resource Provider is explicitly not entitled to any claim for compensation or other remedies. The Resource Provider now proposes to eliminate the phrase in the clause stating that it shall have no right to any claim for compensation or otherwise in the event of the failures described in Section 7.2. Although it could be argued that the Resource Provider would not be entitled to compensation in circumstances involving a curtailment for breach under other provisions of the contract, the language proposed to be removed introduces unnecessary ambiguity and contractual uncertainty.

This proposal for additional compensation is unwarranted and undermines the original intent of Section 7.2, which seeks to hold the Resource Provider accountable for its defaults without imposing undue financial burden on PREPA or the public. Allowing compensation in these circumstances would create a perverse incentive structure, where the Resource Provider could receive payments despite being in breach of contract. This amendment was not part of the original recommendations by the LPO-DOE to the Government of Puerto Rico and does not align with the principles of fairness and public interest that underpin the Proposed Amended Pattern Santa Isabel ESSA and Proposed Amended Patter Barceloneta



ESSA, and therefore the contracts should be modified accordingly. Additionally, any other section referencing or enabling compensation under curtailment for breach conditions must also be identified and revised accordingly.

2. Section 7.2 (Curtailment for Breach) of Proposed Amended Pattern Barceloneta PPOA

Section 7.2 of the Proposed Amended Pattern Barceloneta PPOA specifies that PREPA has the right to curtail or reduce Dispatch Notices, or disconnect the Facility, during the Supply Period if the Resource Provider incurs certain defaults as outlined therein. In such instances, the Resource Provider is explicitly not entitled to any claim for compensation or other remedies. The Resource Provider now proposes to receive compensation under such circumstances, further asserting that for the first ninety (90) days of curtailment or disconnection of the Facility under Section 7.2 (Curtailment for Breach), it should be compensated for 70% of the monthly Fixed Payment.⁵⁴

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This proposal for additional compensation is unwarranted and undermines the original intent of Section 7.2, which seeks to hold the Resource Provider accountable for its defaults without imposing an undue financial burden on PREPA or the public. Allowing compensation in these circumstances would create a perverse incentive structure, where the Resource Provider could receive payments despite being in breach of contract. This amendment was not part of the original recommendations by the LPO-DOE to the Government of Puerto Rico and does not align with the principles of fairness and public interest that underpin the Proposed Amended Pattern Barceloneta PPOA.

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This provision would also be detrimental to ratepayers, as it introduces unnecessary financial liability for PREPA, which is already operating under significant financial constraints. By shifting the cost burden to the public without corresponding benefits, this amendment contradicts the Energy Bureau's mandate to protect the public's interest. Therefore, these provisions shall not be allowed, and the Proposed Amended Pattern Barceloneta PPOA must be modified accordingly to delete them in their entirety. The definition of "Grid System Event" must be reviewed given the foregoing determination and modified if necessary to reflect that no payment will be permitted in cases of curtailment due to breach. If no modification is required, the definition remain unchanged.

Given the Energy Bureau's determination that Curtailment for Breach is not being compensated, the proposed modifications to Appendix G (1) and Appendix G (5) of the Proposed Amended Pattern Barceloneta PPOA shall be rejected. Additionally, any other section referencing or enabling compensation under Curtailment for Breach conditions must also be identified and revised accordingly.

IV. CONFIDENTIAL DESIGNATION AND TREATMENT

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Act 57-2014 establishes that any person who has the obligation to submit information to the Energy Bureau can request privilege or confidential treatment to any information that the party submitting understands deserves such protection. Specifically, Act 57-2014 requires the Energy Bureau to treat as confidential the submitted information stated that "the Energy Bureau, after the appropriate evaluation, believes such information should be protected". In such case, the Energy Bureau "shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted."⁵⁵

After reviewing PREPA's arguments and the relevant law, the Energy Bureau **GRANTS** confidential designation and treatment to the documents attached to the October 7 Motion, as detailed in **Part I** of this Resolution and Order.

⁵⁴ See each Proposed Amended Barceloneta PPOA, Appendix G (*Determination of Expected & Deemed NEO*), Item 5(c)(1).

⁵⁵ See Section 6.15 of Act 57-2014.



V. CONCLUSION

Based on the foregoing discussion, the Energy Bureau:

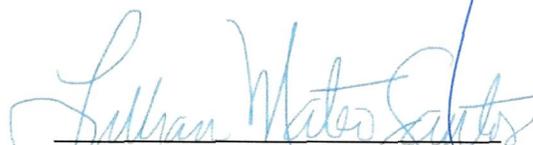
- (i) **APPROVES** the Proposed Amended Santa Isabel ESSA, Proposed Amended Barceloneta ESSA and Proposed Amended Barceloneta PPOA, subject to the modifications outlined in **Part III (A)(2), Part III (B)(2)** and **Part III(D)** of this Resolution and Order.
- (ii) **ORDERS** PREPA to submit the updated contracts within **five (5) business days** from the date of notification of this Resolution and Order. For just cause, this period may be extended to a maximum of **ten (10) business days**.⁵⁶ PREPA **SHALL** submit the updated contracts simultaneously to both the Energy Bureau and the FOMB. As part of its submittal, PREPA **SHALL** include clean and redline versions of the updated contracts. The modifications herein required **do not** require a subsequent determination by Resolution from the Energy Bureau. The required filing is for the purpose to assure it is part of the administrative file.
- (iii) **ORDERS** PREPA to submit to the Energy Bureau, within **five (5) business days** of the execution of the contracts, such executed contracts and evidence that they have been filed with the Office of the Comptroller of Puerto Rico.

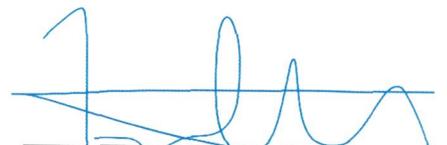
The Energy Bureau **WARNS** PREPA that, in accordance Art. 6.36 of Act 57-2014:

- (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.

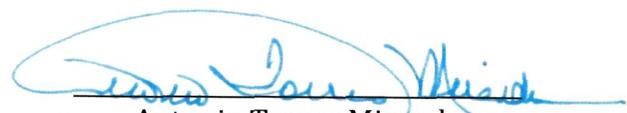
Be it notified and published.


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

⁵⁶ These shortened deadlines are set considering the simple nature of the required modifications, which are not anticipated to involve a lengthy drafting process with the Resources Provider.



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on February 20, 2026. I also certify that on February 20, 2026, I have proceeded with the filing of the Resolution and Order and a copy of this Resolution and Order was notified by electronic mail to nzayas@gmlex.net; mvalle@gmlex.net; alexis.rivera@prepa.pr.gov; rcruzfranqui@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.

For the record, I sign this in San Juan, Puerto Rico, today February 20, 2026.



Sonia Seda Gaztambide
Clerk

