

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

<b>NEPR</b>
<b>Received:</b>
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**IN RE:** ACCELERATED EVALUATION OF RENEWABLE ENERGY AND ENERGY STORAGE PROJECTS PROPOSAL TO SECURE FEDERAL INVESTMENT TAX CREDITS (ITC)

**CASE NO.:** NEPR-MI-2025-0005

**SUBJECT:** Submit PREPA and Yabucoa Energy Join Motion for Clarification Regarding Property Rights in Compliance with Resolution and Order dated May 20, 2026.

**JOIN MOTION FOR CLARIFICATION REGARDING PROPERTY RIGHTS IN COMPLIANCE WITH RESOLUTION AND ORDER DATED MAY 20, 2026**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU:**

**COMES NOW YABUCOA ENERGY and the PUERTO RICO ELECTRIC POWER AUTHORITY (“PREPA”)**, through the counsel of record, and respectfully submits and prays as follows:

1. On May 20, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order titled Resolution and Order Pertaining to Yabucoa Energy, LLC, Proponent No. 3, and Proponent No. 7 Site Control.
2. On May 8, 2026, Yabucoa Energy, LLC (“Yabucoa Energy”) filed a motion entitled Motion Requesting that the Puerto Rico Energy Bureau Take Notice (the “May 8 Motion”). Through the May 8 Motion, Yabucoa Energy informed the Energy Bureau of the status of a financeable Battery Energy Storage System (“BESS”) project that remains ready to proceed and that responded constructively to PREB’s February 6 Resolution. Yabucoa Energy attached the following exhibits to the May 8 Motion and requested confidential treatment for each thereof: (a) Exhibit 1 – Request for Status and Submission of Improved Pricing dated February 9, 2026; (b) Exhibit 2 – Letter from the purported Land Lease

Option Grantor dated October 3, 2025; (c) Exhibit 3 – Form of Bid Bond; and (d) Exhibit 4 – Premium Endorsement.

3. In its proposal, Yabucoa Energy represented that the proposed BESS project in the Municipality of Yabucoa would be located on property over which it possessed valid site control pursuant to a Lease Option Agreement.
4. However, the Energy Bureau noted the existence of conflicting information regarding the property rights and site control associated with the proposed project location. Specifically, Exhibit No. 2 to the May 8 Motion consists of a letter dated October 3, 2025, from the purported grantor of the lease option agreement concerning the alleged assignment, in favor of Yabucoa Energy, of a purported lease option agreement related to the proposed project site.
5. Accordingly, the Energy Bureau ORDERED PREPA and Yabucoa Energy to meet and confer within ten (10) days from notification of the Resolution and Order in order to clarify the foregoing issues and determine whether the necessary property rights and site control exist to permit the continued negotiation and evaluation of the proposed contract. The Energy Bureau further ordered PREPA and Yabucoa Energy to jointly file a submission informing the Energy Bureau whether an agreement or clarification sufficient to allow the continuation of the contract evaluation process had been reached.
6. In compliance with the Resolution and Order issued by the Energy Bureau, PREPA and Yabucoa Energy held a conference call on May 22, 2026, to discuss the matters addressed therein.
7. In its Resolution and Order, Energy Bureau stated that the documentation “...signed by the landowner representative do not include the referenced active Land Lease Option

Agreement nor does it mention the proposed project to be developed in such land. It actually mentions a different project.” Energy Bureau further stated that “[s]aid communication further reflects that the referenced lease option agreement pertains to a project involving a natural gas-fired electric generation facility, rather than a battery storage system of the nature proposed by Yabucoa Energy in the present proceeding. Finally, it is necessary to clarify that none of the documents contained in the administrative record establish, or otherwise tend to demonstrate, that Yabucoa Energy possesses property rights or control over the relevant site for the duration of the proposed contractual terms.”

8. In essence, the Energy Bureau requested evidence establishing that Yabucoa Energy possesses valid site control over the project site and that such site control pertains specifically to the project that is the subject of RFP No. 237366.
9. During the May 22, 2026 conference call, Yabucoa Energy explained to PREPA that it is currently in the process of finalizing a long-term land lease agreement with the Puerto Rico Land Administration. In order to demonstrate the status of the proposed lease agreement, Yabucoa Energy presented a communication from Mr. Ildefonso Ortiz, Director of Real Estate of the Puerto Rico Land Administration, stating that a letter setting forth the terms and conditions for a BESS project would soon be issued for a parcel consisting of approximately fifty (50) “cuerdas”, with cadaster number 377-000-002-04, located in Yabucoa. [Exhibit A] The information concerning the size, cadaster number, and proposed use of the parcel is consistent with the information provided by Yabucoa Energy during the RFP process.
10. Yabucoa Energy has advised that the Term Sheet and Conditions Letter has been prepared in draft form. The terms and conditions set forth therein have received preliminary approval

from both parties; however, the document has not yet been executed by the new Executive Director of the Puerto Rico Land Administration. Moreover, Yabucoa Energy understands that the finalized Term Sheet and Conditions Letter, duly approved and executed by both parties, is expected to be completed and signed before the end of the week of June 5, 2026.

11. The Order and Resolution issued by the Energy Bureau provide that the meeting between PREPA and Yabucoa Energy is intended to clarify whether the requisite property rights and land control exist to permit the continuation of negotiations concerning the contract that is the subject of the RFP. It is the position of both parties that sufficient information exists to demonstrate that Yabucoa Energy possesses the requisite land control and is currently engaged in negotiations to finalize a land lease agreement. The foregoing confirms, with respect to Yabucoa Energy, that: (i) it is in the process of formalizing a land lease agreement with the Puerto Rico Land Administration, thereby evidencing site control over the proposed project site; (ii) the property identified in RFP No. 237366 is the same property that is the subject of the proposed land lease agreement; and (iii) the landowner has authorized Yabucoa Energy to develop, construct, and operate a Battery Energy Storage System (“BESS”) project on such property.
12. Upon execution of the Term Sheet and Conditions Letter by the Puerto Rico Land Administration and Yabucoa Energy, a copy thereof shall be submitted to the Energy Bureau by motion.

**WHEREFORE**, Yabucoa Energy respectfully requests that this Energy Bureau **TAKE NOTICE** of the above for all purposes; **ACCEPT** the join motion for clarification; and **DEEM** Yabucoa Energy and PREPA to be in compliance with the Resolution and Order issued on May 20, 2026.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 1 day of June 2026.

**YABUCOA ENERGY, LLC**

s/Fernando Molini  
Fernando Molini Law Offices, PSC  
TSPR 10376  
PO Box 270448  
San Juan, PR 00928  
787-409-3383  
[moliniLawoffices@gmail.com](mailto:molinilawoffices@gmail.com)

**f/ Alexis G. Rivera Medina**  
RUA No. 18747  
Legal Affairs Director  
Puerto Rico Electric Power Authority  
[alexis.rivera@prepa.pr.gov](mailto:alexis.rivera@prepa.pr.gov)  
P.O. Box 363928  
San Juan, PR 00936  
Tel. (787) 521-4643