

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

**IN RE:** ACCELERATED EVALUATION OF RENEWABLE ENERGY AND ENERGY STORAGE PROJECT PROPOSALS TO SECURE FEDERAL INVESTMENT TAX CREDITS (ITCs)

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

**SUBJECT:** Resolution and Order pertaining to Proponent No. 3.

**RESOLUTION AND ORDER**

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On May 20, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("May 20 Resolution") in which it identified, regarding Proponent No. 3, discrepancies in the record about property rights and site control for the proposed project location, as well as unresolved issues regarding the status and progress of required permits and authorizations. Although Proponent No. 3 submitted documentation addressing site control and permitting matters, the Energy Bureau determined these issues remained insufficiently clarified. The Energy Bureau ordered the Puerto Rico Electric Power Authority ("PREPA") and Proponent No. 3 to meet and confer within ten (10) days of notice of the Resolution and Order to evaluate and clarify the outstanding discrepancies. The parties were further directed to jointly submit a status report to the Energy Bureau indicating whether sufficient clarification or agreement had been reached to allow the continuation of the contract evaluation and negotiation process.

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On June 1, 2026, PREPA filed a *Motion in Compliance with the Resolution and Order Regarding Proponent No. 3*, informing that representatives of PREPA and Proponent No. 3 held a meeting during which they discussed the matters identified by the Energy Bureau. PREPA further informed that, during these discussions, Proponent No. 3 provided documentation and supporting materials addressing the issues identified in the May 20 Resolution. Specifically, PREPA submitted the following documents and requested confidential treatment:

- 2024
1. Ground Lease and Purchase Option Agreement ("Original Option and Purchase Agreement")
  2. First Amendment to Ground Lease and Purchase Option Agreement ("First Amendment Option and Purchase Agreement").
  3. Second Amendment to Ground Lease and Purchase Option Agreement ("Second Amendment Option and Purchase Agreement").
  4. Proponent 3 Communication dated May 28, 2026, regarding status submission.
  5. Memo [Regarding] Site Control dated May 25, 2026 ("Site Control Memorandum").
  6. Technical Memorandum Environmental Permitting Path Forward ("Permitting Memorandum").

2024  
The Energy Bureau has reviewed the documents concerning site control submitted by PREPA, including the Original Option and Purchase Agreement, which was already part of the record, as well as the First Amendment Option and Purchase Agreement and the Second Amendment Option and Purchase Agreement,<sup>1</sup> which had not been included in the administrative record. The Energy Bureau has also reviewed the Site Control Memorandum. According to the Site Control Memorandum, the Option and Purchase Agreement constitute a valid, binding, and enforceable agreement that grants Proponent No. 3 the right to either purchase the Property or enter a long-term lease with the Grantor, whom the memorandum identifies as the legal owner of the Property. The Site Control Memorandum further states that under Section 10 of the Option and Purchase Agreement, the Grantor is prohibited from

1 Unless otherwise provided, the Original Option and Purchase Agreement, the First Amendment to the Option and Purchase Agreement, and the Second Amendment to the Option and Purchase Agreement shall be collectively referred to as the "Option and Purchase Agreement."



selling or leasing the Property to any third party and is obligated to execute all necessary private and public documents. The Site Control Memorandum also acknowledges that Proponent No. 3 has not yet exercised its option to purchase or lease the Property. The Site Control Memorandum concludes that Proponent No. 3 maintains site control over the Property under the Option and Purchase Agreement.

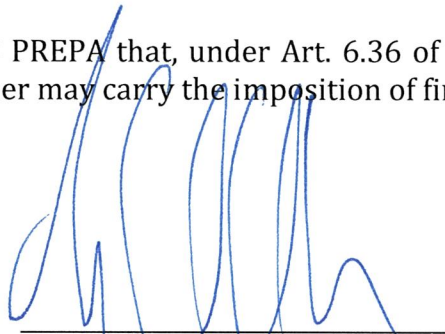
The documents reviewed, particularly the Second Amendment to the Option and Purchase Agreement, do not make it unequivocally clear what the current term of the option is. However, based on the review of all the documents, the Energy Bureau understands that the intent of the contracting parties has been to provide a sufficient option period to permit the consummation of the purchase or lease of the property by Proponent No. 3 if PREPA awards a contract for the proposed project. Accordingly, and unless PREPA maintains a different position regarding the effect and interpretation of the relevant agreements, the Energy Bureau determines that Proponent No. 3 satisfies the site control requirement.<sup>2</sup>


Regarding the status of the permits required to develop the proposed project, the Energy Bureau has reviewed the information summarized in the Permit Memorandum. Based on its review thereof, the Energy Bureau finds that the permitting progress reflected in the Permit Memorandum, as well as the permitting strategy proposed by Proponent No. 3, appears consistent with permitting approaches reflected elsewhere in the record for other proponents and which PREPA has deemed reasonable. Unless PREPA, based upon its expertise and experience in the evaluation and development of generation projects, maintains a different position regarding the sufficiency of the permitting status or strategy presented by Proponent No. 3, the Energy Bureau **DETERMINES** that Proponent No. 3 satisfies, or at a minimum is consistent with, the permitting-related criteria that PREPA has considered adequate in this proceeding.

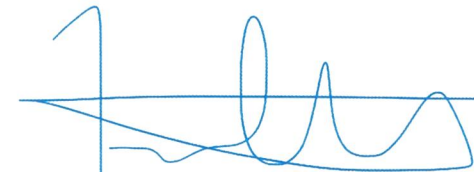
Based on the foregoing determinations, the Energy Bureau **ORDERS** PREPA and Proponent No. 3 to complete any remaining matters under negotiation within twenty (20) days of the notification of this Resolution and Order. When such term ends, PREPA and Proponent No. 3 shall jointly inform the Energy Bureau whether the negotiations have resulted in an agreement. If an agreement has been reached, the parties shall submit the proposed contract for the Energy Bureau's final review and determination.


The Energy Bureau **WARNS** PREPA that, under Art. 6.36 of Act 57-2014, non-compliance with this Resolution and Order may carry the imposition of fines.

Be it notified and published.

  
Edison Avilés Deliz  
Chairman

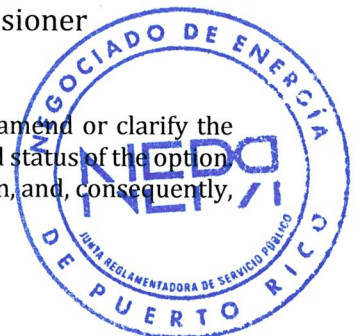
  
Lillian Mateo Santos  
Associate Commissioner

  
Ferdinand A. Ramos Soegaard  
Associate Commissioner

  
Sylvia B. Ugarte Araujo  
Associate Commissioner

  
Antonio Torres Miranda  
Associate Commissioner

<sup>2</sup> Proponent No. 3 and the option grantor are encouraged, to the extent practicable, to amend or clarify the documents evidencing such rights so that the record more clearly reflects the duration and status of the option. In particular, when the extended option period commenced, the precise term of the option, and, consequently, the date on which the option would expire.



**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 5, 2026. I also certify that on June 5, 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 alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; ysantiago@picoadvisors.com.

For the record, I sign this in San Juan, Puerto Rico, today June 5, 2026.



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Sonia Seda Gaztambide  
Clerk

