

**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 Proponent #7.

**RESOLUTION AND ORDER**

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. 7, 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. 7 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. 7 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.

*JAB* On June 1, 2026, PREPA filed a document titled *Motion Requesting Extension of Time to File Joint Status Submission Regarding Proponent No. 7* ("June 1 Motion"). In this motion, PREPA states that, in compliance with the May 20 Resolution, the parties held a virtual meeting on May 22, 2026, during which they discussed the matters identified in the May 20 Resolution. PREPA further states that the parties require additional time to review the supporting documentation to be included in the joint status submission. PREPA requested until June 3, 2026, to file the joint status submission.

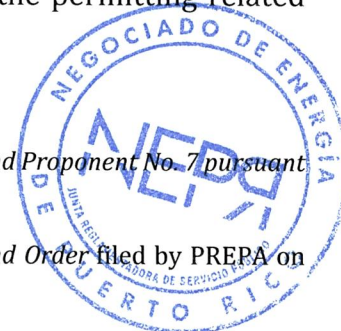
*am* On June 3, 2026, PREPA and Proponent No. 7 filed the joint status submission.<sup>1</sup> In this filing, PREPA and Proponent No. 7 provided the status of property rights, site control, permits and authorizations related to Proponent No. 7's proposed project. As part of the June 3 Motion, they submitted certain additional supporting documentation, as well as other documentation already in the record. This submission was supplemented by PREPA through the June 12 Motion.<sup>2</sup>

*1* Based on the information submitted by PREPA and Proponent No. 7, PREPA now considers that Proponent No. 7 has satisfied the site control and property rights requirements for the proposed project. Therefore, PREPA no longer disputes this matter. The Energy Bureau **DETERMINES** that Proponent No. 7 satisfies, or at a minimum, is consistent with the site control and property rights criteria that PREPA has considered adequate in this proceeding.

Regarding the status of the permits required to develop the proposed project, the Energy Bureau has reviewed the information. Based on this review, the Energy Bureau **FINDS** that the permitting progress, as well as the permitting strategy proposed by Proponent No. 7, appears consistent with permitting approaches reflected elsewhere in the record for other proponents and which PREPA has deemed reasonable. The Energy Bureau **DETERMINES** that Proponent No. 7 satisfies, or at a minimum is consistent with, the permitting-related criteria that PREPA has considered adequate in this proceeding.

*am* <sup>1</sup> See *Joint Status Submission of the Puerto Rico Electric Power Authority ("PREPA") and Proponent No. 7 pursuant to the May 20, 2026 Resolution and Order* dated June 3, 2026 ("June 3 Motion").

<sup>2</sup> See *Motion to Supplement Submission Pursuant to the May 20, 2026 Resolution and Order* filed by PREPA on June 12, 2026 ("June 12 Motion").



The record developed in this proceeding reflects that Proponent No. 7's Best and Final Offer<sup>3</sup> contemplates the development of two resources: (i) an approximately eighty-megawatt (80 MW) solar photovoltaic generation facility ("Solar PV") and (ii) a battery energy storage system ("BESS") with an installed capacity of approximately forty megawatts (40 MW), capable of providing between four (4) and six (6) hours of storage duration. The Best and Final Offer further includes separate pricing proposals applicable to each of the foregoing resources, which represent improvements over the pricing previously submitted by Proponent No. 7. The Energy Bureau further observes that the pricing proposed by Proponent No. 7 in its Best and Final Offer appears to fall within the range of prices associated with comparable resources that have been presented to and approved by the Energy Bureau.

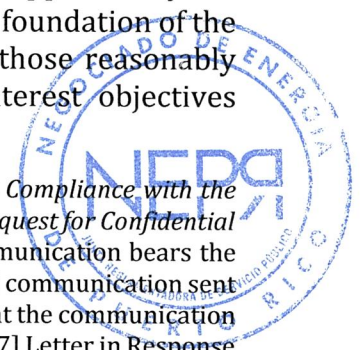
At this stage and unless PREPA determines otherwise based on its expertise and evaluation responsibilities, Proponent No. 7 has provided evidence indicating control over the proposed project site, that the permitting process has advanced to a stage consistent with other projects that have proceeded through similar procurement processes, and that the pricing reflected in its proposal appears consistent with ranges that have been considered acceptable in comparable circumstances. While the Energy Bureau is not making a final determination regarding the approval of the proposed project, the record as developed supports the continuation of the negotiation process.

As discussed throughout this proceeding, the procurement process was designed and implemented as an accelerated procurement mechanism intended, among other objectives, to facilitate the timely development of renewable generation and energy storage resources and to preserve the economic benefits associated with the availability of applicable federal incentives and tax credits. Consistent with that objective, the Energy Bureau has repeatedly emphasized that negotiations should, to the greatest extent practicable, be conducted utilizing the contractual frameworks previously approved for Tranche 4 RFP resources, as subsequently amended and accepted by the Energy Bureau from time to time. Such contractual forms were intended to provide a standardized and efficient basis for negotiations, thereby reducing transaction costs, minimizing delays, and facilitating the expeditious execution of contracts.

The proposed Solar PV and BESS facilities constitute distinct resource categories, each with different operational characteristics, performance obligations, and compensation structures. The Energy Bureau expects that each resource will be negotiated and evaluated under the contractual framework applicable to that specific resource type, rather than as a single integrated resource for contract evaluation and approval. Consistent with the foregoing, the Energy Bureau expects the parties to treat the proposed Solar PV facility and the proposed BESS facility as separate resources and distinct facilities for evaluation, negotiation, and contracting. The Solar PV facility shall be addressed through a separate Power Purchase and Operating Agreement ("PPOA"), while the BESS facility shall be addressed through a separate Energy Storage Services Agreement ("ESSA"), each subject to the contractual frameworks, principles, and guidance previously established by the Energy Bureau throughout this proceeding.

While the Energy Bureau recognizes that certain modifications to the approved contractual forms may be reasonable and, sometimes, necessary to address project-specific circumstances or to enhance the financeability and viability of a particular project, the Energy Bureau does not expect the negotiation process to serve as a vehicle for substantial departures from the contractual structures and risk allocations previously approved by the Energy Bureau. Rather, the approved contractual forms should remain the foundation of the parties' negotiations, with any proposed modifications being limited to those reasonably necessary under the circumstances and consistent with the public interest objectives

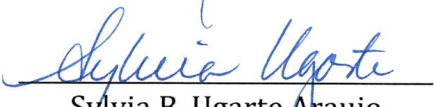
<sup>3</sup> See January 9, 2026, Proponent No. 7 letter attached as Exhibit 1 to PREPA's Motion in Compliance with the Resolutions and Orders of May 6 and May 7, 2026, and Memorandum of Law in Support of Request for Confidential Treatment, filed on May 13, 2026 ("Best and Final Offer"). Although the referenced communication bears the date of January 9, 2026, Proponent No. 7 subsequently clarified, through an electronic mail communication sent to PREPA on February 17, 2026, that such date resulted from a typographical error and that the communication had in fact been submitted on February 9, 2026. See May 13 Motion, Exhibit 2, [Proponent 7] Letter in Response to PREPA Notification and PREB Order of 02-09-26.



underlying this procurement process. PREPA and Proponent No. 7 are **DIRECTED** to continue their negotiations under the principles set forth herein and throughout this proceeding. The parties shall make a good-faith effort to resolve any remaining contractual issues and determine whether mutually acceptable agreements can be reached for each of the proposed resources. PREPA and Proponent No. 7 **SHALL** complete such negotiations within **the timeframe required to comply with the ITC deadlines, which should be within the next seven (7) days** from the notification of this Resolution and Order to complete their negotiations. If the parties reach agreement within such period, they shall jointly notify the Energy Bureau and submit the corresponding proposed contract or contracts for the Energy Bureau's review and determination within the same seven (7)-day period.

The Energy Bureau **WARNS** PREPA that, under Art. 6.36 of Act 57-2014<sup>4</sup>, non-compliance with this Resolution and Order may carry the imposition of fines.

Be it notified and published.

 _____ Edison Avilés Deliz Chairman	 _____ Ferdinand A. Ramos Soegaard Associate Commissioner
 _____ Sylvia B. Ugarte Araujo Associate Commissioner	 _____ Antonio Torres Miranda Associate Commissioner

**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 12, 2026. Associate Commissioner Lillian Mateo Santos did not intervene. I also certify that on June 12, 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; eirizarry@ccdlawpr.com.

For the record, I sign this in San Juan, Puerto Rico, today June 12, 2026.

  
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Sonia Seda Gaztambide  
Clerk



<sup>4</sup> Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").