

**GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO 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 regarding Proponent No. 3 Proposed Contracts Modifications

RESOLUTION AND ORDER

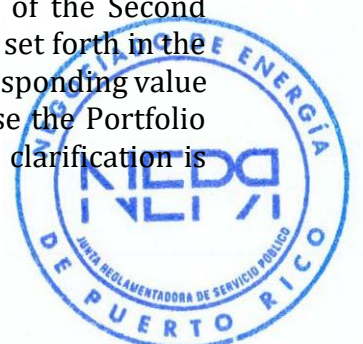
On June 17, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 17 Resolution") determining that the revised agreements submitted by the Puerto Rico Electric Power Authority ("PREPA") and Proponent No. 3 did not fully comply with the pricing framework previously approved by the Energy Bureau. Accordingly, among others, the Energy Bureau ordered PREPA and Proponent No. 3 to revise the proposed Solar PV agreements by adopting one of two alternative approaches: (1) revising all Solar PV agreements so that each project reflects the identical First-Year Base Rate and compensation structure specified by the Energy Bureau, consistent with the previously approved individual project pricing framework ("First Alternative"); or (2) if Proponent No. 3 elected to retain differing First-Year Base Rates under a portfolio-based pricing structure, revising all eleven (11) Solar PV agreements to incorporate a contractual Portfolio Pricing Adjustment mechanism ensuring that the portfolio's weighted-average levelized cost of energy ("LCOE") does not exceed the maximum LCOE authorized by the Energy Bureau ("Second Alternative"). The June 17 Resolution also provided proposed contractual language for the Portfolio Pricing Adjustment mechanism to be incorporated into the affected agreements, or a substantially similar provision subject only to minimal modifications necessary to conform to the terms of each agreement.

On June 24, 2026, PREPA and Proponent No. 3 filed a *Joint Motion in Compliance with Resolution and Order* ("June 24 Motion") submitting revised Power Purchase and Operating Agreements ("PPOAs") and Energy Storage Services Agreements ("ESSAs") ("Revised Agreements") for the Energy Bureau's review. PREPA and Proponent No. 3 represented that the revised Agreements implement the modifications required by the June 17 Resolution, including revising the Naguabo Solar Farm LLC as a single 45 MW Solar PV facility and incorporating the portfolio-based pricing approach authorized by the Energy Bureau, with certain revisions described in confidential Exhibit A.

Upon review of the Revised Agreements, the Energy Bureau finds that PREPA and Proponent No. 3 did not merely implement the alternative authorized in the June 17 Resolution. Instead, they submitted a materially revised Portfolio Pricing Adjustment provision that modifies substantive elements of the mechanism provided by the Energy Bureau, thereby exceeding the limited conforming modifications authorized by the June 17 Resolution. Accordingly, the revised Agreements do not comply with the Energy Bureau's directives.

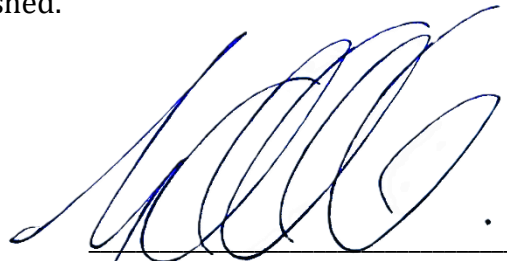
PREPA and Proponent No. 3 are therefore hereby **ORDERED** to revise the Agreements to incorporate the Second Alternative using the language set forth in the June 17 Resolution, subject only to such conforming modifications as may be necessary to identify the applicable Agreement and the corresponding projects. PREPA and Proponent No. 3 **SHALL FILE** the revised Agreements **no later than 1:00 p.m. on June 26, 2026**.

The Energy Bureau clarifies, for the sake of precision, that, for purposes of the Second Alternative, the Target Portfolio Weighted Average Levelized Cost of Energy set forth in the Confidential Annex A attached hereto shall govern and shall replace the corresponding value reflected in Annex A to the June 17 Resolution. Proponent No. 3 shall revise the Portfolio Pricing Adjustment provision in the affected Agreements accordingly. This clarification is



intended solely to ensure precision and consistency and does not alter the analysis, findings, or determinations set forth in the June 17 Resolution.

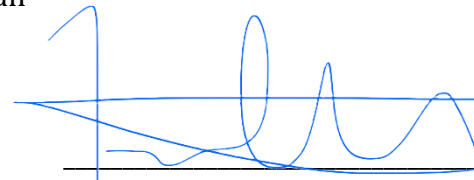
The Energy Bureau **WARNS** PREPA that failure to comply with this Resolution and Order will result in the imposition of fines under Section 6.36 of Act 57-2014. Be it notified and published.



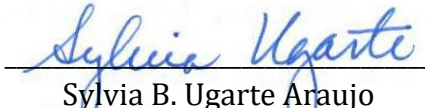
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 25, 2026. I also certify that on June 25, 2026 a copy of this Resolution and Order was notified by electronic mail to the following: alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; also certify that today, June 25, 2026, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today June 25, 2026.



Wanda I. Cordero Morales
Interim Clerk



Annex A [REDACTED]

Section 2- Alternate Portfolio Approval

Target Portfolio Weighted Average LCOE (\$/MWh) [REDACTED]

