

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

IN RE: AMENDMENTS TO POWER
PURCHASE AGREEMENT: NON-
OPERATIONAL PROJECT (CIRO ONE
SALINAS LLC)

CASE NO.: NEPR-AP-2021-0001

SUBJECT: Order Requiring Updated Project
Status Report and Completion Schedule

RESOLUTION AND ORDER

I. Relevant Background

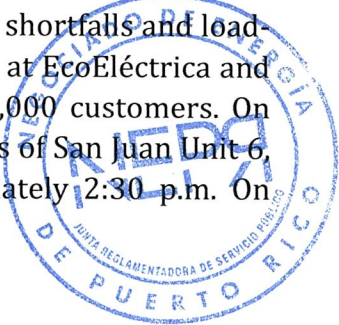
On March 17, 2021, the Puerto Rico Electric Power Authority ("PREPA") filed before the Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") a petition seeking approval of an amended and restated Renewable Power Purchase and Operating Agreement ("PPOA") with CIRO One Salinas, LLC ("CIRO One") to develop a utility-scale photovoltaic renewable energy project in Salinas, Puerto Rico. The amended project contemplated approximately 90 MW of renewable generation interconnected to the 115-kV transmission system in the Aguirre area.

On June 10, 2021, the Energy Bureau issued its Final Resolution and Order approving the amended PPOA, subject to the terms and conditions established therein. Among other continuing obligations, PREPA and CIRO One had to submit monthly progress reports on development and construction of the project. Following the assumption of the PPOA in PREPA's Title III proceeding, the project advanced through engineering, procurement, construction, and interconnection activities while PREPA, LUMA Energy ServCo, LLC ("LUMA"), and CIRO One coordinated the studies, designs, facilities, and procedures required to interconnect the project to the Puerto Rico electric system.

The administrative record reflects that the project has experienced significant delays associated principally with the interconnection process. CIRO One has reported delays relating to interconnection studies, changes to the point and configuration of interconnection, revised interconnection facilities, engineering reviews, requests for information, testing and commissioning requirements, and the construction and commissioning of a sectionalizing switchyard. The project has repeatedly attributed resulting schedule impacts to interconnection-related requirements and deliverables involving PREPA and LUMA.

On August 3, 2026, PREPA filed the Project Monthly Status Report corresponding to June 2026. That report states that engineering outside the interconnection scope has been completed; the project facility itself is reported as 100% complete, subject to completion of the second phase of the sectionalizer; full energization activities are ongoing; and the Commercial Operation Date ("COD"), Substantial Completion, and Final Completion remain listed as "TBD." The report further identifies several pending interconnection items, including completion of interconnection design based on LUMA feedback, responses to outstanding requests for information, final sectionalizer-related approvals, and additional coordination about testing, commissioning, and energization.

The need for timely completion and interconnection of available generation resources is significant under current system conditions. Recent public reports based on information from LUMA and the generation operators describe repeated generation shortfalls and load-shedding events during the summer of 2026. On July 28, 2026, outages at EcoEléctrica and Aguirre resulted in load shedding that, at its peak, affected over 377,000 customers. On August 3, 2026, LUMA activated load shedding following the abrupt loss of San Juan Unit 6, with over 114,000 customers reported without service at approximately 2:30 p.m. On



August 5, 2026, additional selective outages were reported while both Costa Sur units were unavailable, with over 73,000 customers reported without electric service during the afternoon. These events underscore the continuing fragility of generation supply and the public interest in obtaining a definite and reliable schedule for projects expected to add generation capacity to the electric system.¹

II. Discussion

Act 57-2014² grants the Energy Bureau broad authority to supervise and enforce Puerto Rico's energy public policy and to adopt the regulatory actions necessary to ensure the capacity, reliability, safety, and efficiency of the electric system. Article 6.3 authorizes the Energy Bureau to require and collect information for the proper performance of its duties, to require certified electric service companies to maintain and submit records, data, documents, and plans, and to issue orders and fashion remedies to carry out the purposes of the statute.

In addition, Article 6.22(a)(8) of Act 57-2014 requires electric service companies and the transmission and distribution contractor to submit any information, data, document, or specific report that the Energy Bureau deems necessary to exercise its functions. Article 6.24 further authorizes the Energy Bureau to require the production of records, documents, information, and data needed to fulfill its statutory responsibilities. Article 6.32 specifically places contracts between electric service companies and independent power producers, including power purchase and interconnection agreements, within the Energy Bureau's regulatory oversight and requires that interconnection not threaten the reliability or security of the electric grid.

The June 2026 status report demonstrates that, notwithstanding substantial completion of the generation facility itself, material interconnection work and regulatory milestones remain unresolved and no firm COD is identified. Given the age of this proceeding, the repeated interconnection-related delays reflected in the administrative record, and the current reliability conditions of Puerto Rico's electric system, continuation of monthly reports that list principal completion milestones as "TBD" is no longer sufficient for the Energy Bureau to discharge its statutory oversight responsibilities.

The Energy Bureau finds it necessary to require CIRO One, PREPA, and LUMA to provide a comprehensive, current, and coordinated status report establishing the precise work that remains, the party responsible for each pending item, and a definite schedule for completion, testing, interconnection, and commercial operation. To the extent the parties disagree about responsibility for any remaining activity or schedule impact, each party shall state its position with specificity and identify the contractual, technical, or regulatory basis for that position.

The Energy Bureau further reminds CIRO One, PREPA, and LUMA that non-compliance with the Energy Bureau's lawful orders is mandatory. Article 6.36(a) of Act 57-2014 authorizes the Energy Bureau to impose administrative fines of up to Twenty-Five Thousand Dollars (\$25,000) per day for violations of Act 57-2014, the Energy Bureau's regulations, or its orders, subject to the statutory limitations set forth. The Energy Bureau therefore expressly warns that failure to timely comply with the directives set forth below may result in the initiation of proceedings to impose administrative penalties and any other remedy available by law.

¹ Publicly reported outage figures referenced above: El Nuevo Día, July 29, 2026 (EcoEléctrica/Aguirre load shedding); El Nuevo Día, August 3, 2026 (San Juan Unit 6 load shedding); El Nuevo Día, August 5, 2026 (Costa Sur generation shortfall and selective outages).

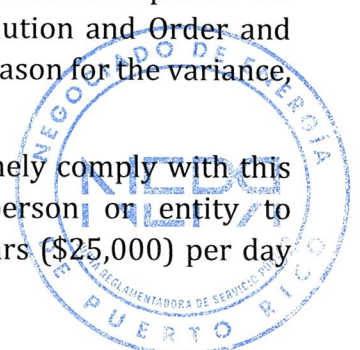
² Puerto Rico Energy Transformation and RELIEF Act, as amended ("Act 57-2014").



III. Order

WHEREFORE, the Energy Bureau hereby **ORDERS** as follows:

1. Within ten (10) calendar days from the notification of this Resolution and Order, CIRO One, PREPA, and LUMA SHALL FILE a joint verified status report on the CIRO One Salinas project. If the parties are unable to agree on any portion of the report, the joint filing shall identify each disputed matter and separately state each party's position.
 - a) The status report SHALL provide a current percentage of completion for the generation facility and for each material component of the interconnection facilities, including the sectionalizing switchyard and any remaining transmission, protection, control, communications, metering, testing, commissioning, easement, access, or transfer work required for permanent interconnection.
 - b) The status report SHALL identify every remaining action, deliverable, approval, study, design review, request for information, test, inspection, agreement, permit, easement, or other prerequisite to: (i) complete the interconnection facilities; (ii) achieve full energization; (iii) achieve Commercial Operation; (iv) achieve Substantial Completion; and (v) achieve Final Completion. For each item, the report shall identify the party responsible, the date the item was first requested or became due, its present status, and the date by which it will be completed.
 - c) The status report SHALL state the project's current operating and energization status, including the maximum MW that CIRO One is authorized and technically capable of injecting into the grid; the maximum MW actually delivered to the grid to date; the date on which energy was first delivered; and whether any contractual or operational limitation prevents the project from exporting its full available capacity.
 - d) The status report SHALL include a detailed, critical-path schedule establishing firm target dates for completion of all remaining interconnection work, full energization, Commercial Operation, Substantial Completion, and Final Completion. The parties shall not use "TBD," "under review," or substantially similar indefinite terminology for these milestones unless they provide a detailed explanation identifying the specific unresolved dependency, the party responsible for resolving it, and a date certain by which the dependency will be resolved.
2. CIRO One, PREPA, and LUMA SHALL explain the causes of each material delay affecting the project since execution of the amended PPOA, including interconnection-related delays, and shall identify any requested or claimed extension of a contractual milestone, the legal or contractual basis for the extension, the period of extension claimed, and whether the other parties agree with the extension.
3. The parties SHALL identify any action, approval, waiver, determination, or other relief required from the Energy Bureau to permit the project to advance to full Commercial Operation. If no Energy Bureau action is required, each party shall expressly so certify.
4. The monthly reporting obligations previously imposed in this proceeding SHALL REMAIN IN FULL FORCE AND EFFECT. Future monthly reports shall incorporate the definite milestone dates established in response to this Resolution and Order and shall specifically identify any variance from the schedule, the reason for the variance, the responsible party, and the corrective action being taken.
5. CIRO One, PREPA, and LUMA are **WARNED** that failure to timely comply with this Resolution and Order may subject the noncomplying person or entity to administrative penalties of up to Twenty-Five Thousand Dollars (\$25,000) per day



under Article 6.36 of Act 57-2014, as amended, and to any other remedy available to the Energy Bureau under applicable law.

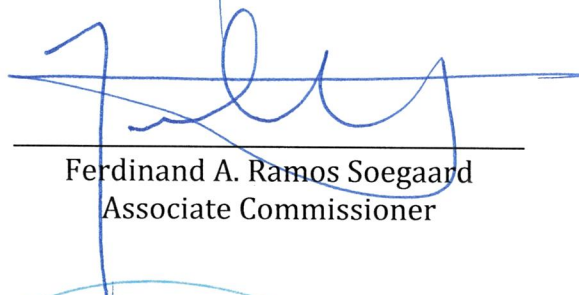
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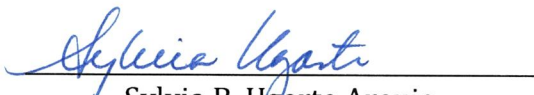
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 10, 2026. I also certify that on August 10, 2026 I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau, and a copy of this Resolution and Order was notified by electronic mail to alexis.rivera@prepa.pr.gov; laura.rozas@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, on August 10, 2026.



Sonia Seda Gaztambide
Clerk

