

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

IN RE: AMENDMENTS TO POWER
PURCHASE AGREEMENT: NON-
OPERATIONAL PROJECT (XZERTA-TEC
SOLAR I, LLC)

CASE NO.: NEPR-AP-2021-0002

SUBJECT: Order Requiring Updated Project
Status Report and Completion Schedule

RESOLUTION AND ORDER

I. Relevant Background

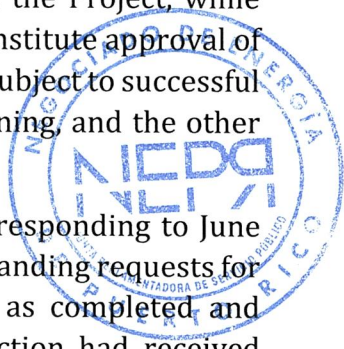
On March 17, 2021, the Puerto Rico Electric Power Authority ("PREPA") filed before the Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") a petition seeking approval of an amended and restated Renewable Power Purchase and Operating Agreement ("PPOA") with Xzerta-Tec Solar I, LLC ("Xzerta") to develop a 60 MW photovoltaic renewable energy project in Hatillo, Puerto Rico (the "Project"). On May 11, 2021, the Energy Bureau issued its Final Resolution and Order approving the amended PPOA, subject to the terms and conditions established therein. PREPA and Xzerta subsequently executed the amended and restated PPOA on June 4, 2021. Among other continuing obligations, PREPA and Xzerta had to submit monthly progress reports about the status and development of the Project.

The administrative record reflects that the Project has experienced substantial delays during its development, including delays associated with interconnection studies and design, revised interconnection configurations, right-of-way and easement matters, product approvals, procurement, and commercial and contractual disputes among Xzerta, PREPA, and LUMA Energy ServCo, LLC and LUMA Energy, LLC (collectively, "LUMA"). On February 21, 2023, Sargent & Lundy completed an Interconnection Study confirming that Xzerta's preliminary design satisfied the applicable Minimum Technical Requirements. A revised Interconnection Study was later completed on April 29, 2024, approving a aerial transmission-line configuration. During this period, the Energy Bureau issued several orders addressing project delays and disputes, including the Resolution and Order of April 15, 2024, directing the parties to diligently pursue the dispute-resolution process established in Article 22.12 of the PPOA.

By 2025, the record reflected that the principal contractual disputes had been substantially resolved. Xzerta also executed an electricity grant agreement with the Puerto Rico Department of Housing under the CDBG-DR Energy Grid Rehabilitation and Reconstruction Program. On August 26, 2025, after reviewing Xzerta's requests and the monthly progress reports, the Energy Bureau extended the period for issuance of the Full Notice to Proceed ("FNTP") through October 15, 2025, and authorized PREPA to exercise its contractual discretion to issue the FNTP subject to appropriate conditions and safeguards.

On October 14, 2025, PREPA issued and notified the FNTP to Xzerta. The FNTP authorized Xzerta to proceed with the construction and implementation phase of the Project, while expressly clarifying that preliminary acceptance of the design did not constitute approval of the detailed design or the Project as a whole. Final acceptance remained subject to successful field implementation, relay synchronization, system testing, commissioning, and the other applicable requirements of the PPOA.

On August 3, 2026, PREPA filed the Project Monthly Status Report corresponding to June 2026. That report states that LUMA had responded to and closed all outstanding requests for information by mid-June 2026; the relay study had been confirmed as completed and approved; and the long-lead items directly related to the interconnection had received approvals. The report further states that Eaton submitted a 100% detailed-design package



on June 30, 2026, but Xzerta identified discrepancies and returned the package for correction, with resubmission moved to July 2026. Procurement of long-lead items was likewise moved to July 2026. The report indicates that the Puerto Rico Department of Housing had approved the notice to proceed for construction and disbursement, while contractor selection, procurement, installation, and testing remained in progress or had not yet commenced. The report identifies an amended Commercial Operation Date ("COD") of November 2027, but a separate project timeline dated June 3, 2026 reflects Final Acceptance and COD in September 2029. The record therefore reflects a material need to reconcile the Project's current schedule and establish definite milestones for completion.

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. Additional load-shedding events were reported during July and early August as generation units became unavailable. 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.

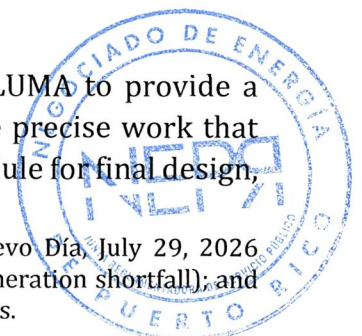
In addition, Article 6.22(a)(8) of Act 57-2014 requires electric service companies and the transmission and distribution contractor to submit any information, data, document, or specific report that the Energy Bureau deems necessary to exercise its functions. Article 6.24 further authorizes the Energy 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 administrative record demonstrates that the Project has advanced materially since the Energy Bureau's August 26, 2025 Resolution and Order and PREPA's subsequent issuance of the FNTF. Nevertheless, nearly ten months after issuance of the FNTF, important implementation activities remained pending as of the June 2026 report, including finalization of the detailed design, procurement of long-lead equipment, contractor selection, construction, and testing. The record contains materially different projected dates for Commercial Operation. Under these circumstances, continued reporting without a reconciled and definite critical-path schedule is insufficient for the Energy Bureau to discharge its statutory oversight responsibilities.

The Energy Bureau finds it necessary to require Xzerta, 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 final design,

¹ Publicly reported generation-related outage information referenced above: El Nuevo Día, July 29, 2026 (EcoEléctrica/Aguirre load shedding); El Nuevo Día, July 21, 2026 (San Juan Unit 6 generation shortfall); and related summer 2026 reporting concerning generation deficiencies and limited reserves.

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



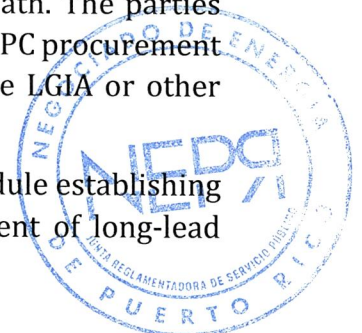
procurement, construction, testing, interconnection, energization, and commercial operation. To the extent the parties disagree about responsibility for any remaining activity or schedule impact, each party shall state its position with specificity and identify the contractual, technical, or regulatory basis for that position.

The Energy Bureau further reminds Xzerta, PREPA, and LUMA that 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.

III. Order

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

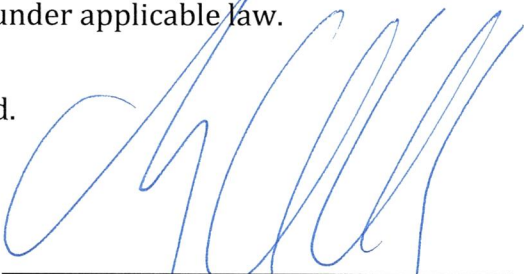
1. Within ten (10) calendar days from the notification of this Resolution and Order, Xzerta, PREPA, and LUMA SHALL FILE a joint verified status report on the Xzerta-Tec Solar I Project. If the parties are unable to agree on any portion of the report, the joint filing shall identify each disputed matter and separately state each party's position.
 - a) The status report SHALL provide a current percentage of completion for each material phase of the Project, including final and detailed design, financing and grant disbursement, contracting and EPC procurement, long-lead equipment procurement, construction of the generation facility, construction of the interconnection facilities, transmission-line work, protection, control and communications systems, testing, commissioning, and any other activity required to achieve Commercial Operation.
 - b) The status report SHALL identify every remaining action, deliverable, approval, design review, request for information, equipment approval, purchase order, agreement, permit, easement, construction activity, test, inspection, or other prerequisite necessary to: (i) complete the detailed design; (ii) commence and complete procurement; (iii) commence and complete construction; (iv) complete the interconnection facilities; (v) achieve energization; and (vi) achieve Commercial Operation, Substantial Completion, and Final Completion. For each item, the report shall identify the responsible party, 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 specifically address the 100% detailed-design package submitted by Eaton on June 30, 2026, including the discrepancies identified by Xzerta, the date on which a corrected package was or will be resubmitted, the status of any required LUMA review or approval, and whether any remaining design issue or request for information prevents procurement or construction from proceeding.
 - d) The status report SHALL identify each long-lead item required for the Project and state, for each item: (i) whether technical approval has been obtained; (ii) whether a purchase order has been issued; (iii) the manufacturer or supplier; (iv) the currently quoted manufacturing lead time; (v) the expected delivery date; and (vi) whether the item is on the Project's critical path. The parties shall also state the present status of contractor selection, the EPC procurement process, financing disbursement, and any amendment to the LGIA or other agreement necessary for construction work at Hatillo TC.
 - e) The status report SHALL include a detailed critical-path schedule establishing firm target dates for completion of final design, procurement of long-lead



items, selection and mobilization of the EPC contractor, commencement and completion of construction, completion of interconnection facilities, testing, energization, Commercial Operation, Substantial Completion, and Final Completion. The parties SHALL reconcile the November 2027 COD referenced in the June 2026 monthly report with any project schedule identifying a later COD, including the project timeline dated June 3, 2026. The parties shall not use "TBD," "under review," "in progress," or substantially similar indefinite terminology for principal 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. Xzerta, PREPA, and LUMA SHALL explain the causes of each material delay affecting the Project since issuance of the FNTF on October 14, 2025, 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. Nothing in this paragraph shall relieve the parties from identifying earlier delays that continue to affect the present critical path.
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 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. Xzerta, 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.

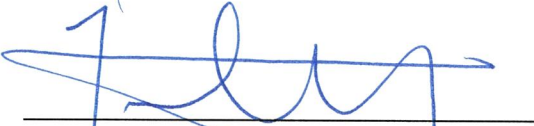
Be it notified and published.



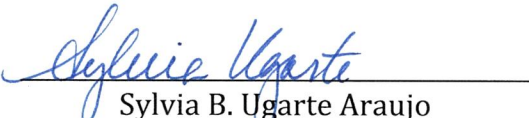
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner



CERTIFICATION

I 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

