

**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: Determination for Proponent No.
3 ESSA Contract

RESOLUTION AND ORDER

On July 20, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") approved Proponent No. 3's proposed Energy Storage Services Agreement ("ESSA"), subject to certain modifications ("July 20 Resolution"). Among other things, the Energy Bureau ordered the parties to remove all degradation provisions from the proposed contract to ensure consistency with the proposal evaluated and approved during the procurement process. The Energy Bureau also required revisions to ensure that the project satisfied the approved six-hour energy storage requirements, that the technical specifications accurately reflected the project's contracted performance, and that all provisions of the proposed contract consistently reflected the approved twenty (20)-year contract term.

On July 30, 2026, the Puerto Rico Electric Power Authority ("PREPA") filed a *Second Motion in Compliance with the July 20, 2026, Resolution and Order* ("July 30 Motion"), informing the Energy Bureau that Proponent No. 3 had revised the proposed ESSA to incorporate the modifications required by the July 20 Resolution and submitting the revised ESSA ("Revised Proposed Contract") for the Energy Bureau's review and approval. PREPA also requested confidential treatment for the revised draft contract.

Upon review of the Revised Proposed Contract, the Energy Bureau finds that PREPA and Proponent No. 3 addressed several of the modifications required by the July 20 Resolution. However, they failed to comply with the requirement to eliminate all provisions and references contemplating degradation of the Facility. As stated in the July 20 Resolution, the record does not contain any explanation or justification supporting the inclusion of degradation.

Although certain provisions addressing energy degradation were removed from the Revised Proposed Contract, the *Degradation* section of Appendix J continues to include tables and degradation-related calculations that are inconsistent with the Energy Bureau's prior directives. In addition, references to "expected degradation" and "applicable degradation" remain in other provisions of the Revised Proposed Contract, including the *Discharging and Charging* section of Appendix J.

Accordingly, the Energy Bureau **APPROVES** the Revised Proposed Contract, subject to the condition that, prior to execution, PREPA and Proponent No. 3 **SHALL REMOVE** all remaining references to "expected degradation" and "applicable degradation," as well as all provisions and tables contemplating degradation of the Facility, consistent with the July 20 Resolution. PREPA and Proponent No. 3 **SHALL NOT EXECUTE** the Revised Proposed Contract unless and until all such changes have been made. The Energy Bureau further **GRANTS** confidential designation and treatment to the Revised Proposed Contract submitted as an exhibit to the July 30 Motion.

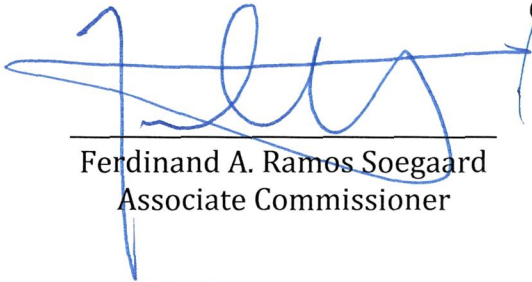
The Energy Bureau **WARNS** PREPA that, in accordance with Art. 6.36 of Act 57-2014, non-compliance with this Resolution and Order may carry the imposition of fines.

Be it notified and published.

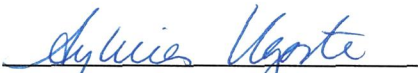




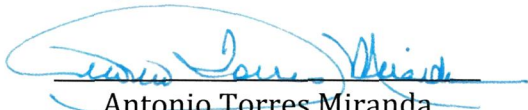
Edison Avilés Deliz
Chairman



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

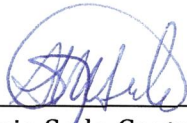


Omar M. Rodríguez González
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on September 21 2026. I also certify that on September 21, 2026 I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and a copy was notified by electronic mail to the following: alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net.

I sign this in San Juan, Puerto Rico, today September 21, 2026.



Sonia Seda Gaztambide
Clerk

