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

IN RE: IMPLEMENTATION OF THE PUERTO RICO ELECTRIC POWER AUTHORITY INTEGRATED RESOURCE PLAN AND MODIFIED ACTION PLAN	**CASE NO.**: NEPR-MI-2020-0012 **SUBJECT:** Determination on Proposed Amendment No. 1 to the Marisol Power LLC Power Purchase and Operating Agreement

RESOLUTION AND ORDER

I. Relevant Procedural Background

On August 24, 2020, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued its Final Resolution and Order on the Puerto Rico Electric Power Authority's ("PREPA") Integrated Resource Plan ("IRP"), adopting a Modified Action Plan that directed PREPA to procure renewable energy and battery energy storage resources through six (6) successive competitive procurement rounds, known as "tranches." Through its December 8, 2020, Resolution and Order, the Energy Bureau further established the framework for implementing these procurements. As part of that framework, the second procurement round ("Tranche 2") initially contemplated the procurement of 500 MW of renewable energy resources and 250 MW of battery energy storage resources.[1]

On August 26, 2024, the Energy Bureau issued a *Resolution and Order* approving, among other agreements submitted under the Tranche 2 renewable energy and energy storage procurement process, the Power Purchase and Operating Agreement ("PPOA") between the PREPA and Marisol Power, LLC ("Marisol Power") then identified as "Service Provider B," for a 40 MW solar photovoltaic ("Solar PV") project ("Marisol Power Project").

On May 26, 2026, PREPA and Marisol Power executed the PPOA for the development, financing, construction, ownership, operation, and maintenance of a 40 MW Solar PV generation facility selected through the Tranche 2 procurement process ("Marisol Power PPOA").

On September 16, 2026, PREPA filed a motion[2] requesting approval of a proposed amendment to the Marisol Power PPOA. The proposed amendment would increase the Project's Maximum Dispatch Limit from 40 MW to 58 MW, replace Appendix H (Facility Site) and Appendix K (Operating Characteristics), and establish the contractual process and conditions for potential future capacity increases beyond 58 MW, up to a maximum of 84 MW. PREPA represented that LUMA's completed interconnection studies supported the increase to 58 MW using the existing point of interconnection and without requiring additional transmission system upgrades. PREPA further stated that the Proposed Amendment would not modify the PPOA's commercial terms or any other material economic provision. PREPA also requested confidential treatment of the Proposed Amendment, submitted as Confidential Exhibit B, asserting that it contained materials protected by the deliberative-process privilege. The September 16 Motion included the following exhibits:

Exhibit A: PREPA Governing Board Resolution 5259, adopted on August 21, 2026, titled Authorizing Amendment No. 1 to the Marisol Power PPOA.

Exhibit B: Proposed Amendment No. 1 to the Marisol Power PPOA ("Proposed Amendment").

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[1] See *In Re: The Implementation of the Puerto Rico Electric Power Authority Integrated Resource Plan and Modified Action Plan*, Case No. NEPR-MI-2020-0012, Resolution and Order, April 4, 2023, p. 1.

[2] See *Motion for Approval of Proposed Amendment No. 1 to the Marisol Power, LLC Power Purchase and Operating Agreement and Memorandum of Law in Support of Request for Confidential Treatment*, filed by PREPA on September 16, 2026 ("September 16 Motion").

On October 22, 2026, the Energy Bureau issued a Resolution and Order ("October 22 Resolution") requiring PREPA to submit additional information and supporting documentation necessary to complete its evaluation of the Proposed Amendment. Specifically, the Energy Bureau ordered PREPA to submit a complete copy of the executed PPOA, including all appendices; all interconnection studies performed by LUMA concerning the project, including those supporting the proposed increase in the Maximum Dispatch Limit from 40 MW to 58 MW and evaluating a potential increase to 84 MW; an explanation of whether the proposed increase to 58 MW would affect or delay the contractual Commercial Operation Date; and any other technical studies, analyses, reports, evaluations, or supporting documents exchanged between or relied upon by PREPA, Marisol Power, or LUMA in evaluating, negotiating, or supporting the Proposed Amendment.

On November 2, 2026, PREPA filed a *Motion in Compliance with the Resolution and Order of October 22, 2026 and Request for an Extension of Time to File Memorandum of Law in Support of Request for Confidential Treatment* ("November 2 Motion"). Through the November 2 Motion, PREPA submitted a copy of the executed agreement with Marisol Power, LUMA's technical studies and evaluations, and additional documentation supporting Proposed Amendment, including a letter from Marisol Power confirming that the proposed increase from 40 MW to 58 MW would not affect the Commercial Operation Date. PREPA also requested that the Energy Bureau deem it in compliance with the October 22 Order, grant it until November 12, 2026, to submit a memorandum supporting its request for confidential treatment, and maintain Exhibits B, C, and E under seal pending the Energy Bureau's determination.

II. Applicable Legal Framework

A. Energy Bureau's Authority

The Energy Bureau is the regulatory body responsible for overseeing and ensuring the proper execution and implementation of public policy regarding electricity service in Puerto Rico. It has the authority to (i) implement regulations and regulatory actions necessary to ensure capacity, reliability, safety, efficiency, and reasonableness in rate tariffs of the Puerto Rican electrical system; and (ii) establish guidelines, standards, practices, and processes for PREPA's procurement of energy from other electric service companies and for modernizing its power plants or energy-generating facilities.[3]

The Energy Bureau has the power to establish by regulation the rules and standards for electric service companies. This includes oversight of any transaction, action, or omission that impacts the electrical grid and electrical infrastructure in Puerto Rico. The Energy Bureau will enforce public policy standards in alignment with the Energy Public Policy as declared by legislation.

B. Criteria for the Evaluation of Power Purchase Agreements

In this case, the Energy Bureau is considering a petition to examine modifications to power purchase agreements and energy storage agreements that were initially approved after the enactment of Act 57-2014. The proposed amendments are subject to evaluation under Article 6.32 of Act 57-2014, and to the extent that they are applicable.

III. Discussion and Findings

A. Proposed Amendment to the Marisol Power PPOA

Proposed Amendment No. 1 would increase the Maximum Dispatch Limit of Marisol Power, LLC's Solar PV project from 40 MW to 58 MW. The project would continue to use its existing point of interconnection, and all other terms and conditions of the PPOA would remain unchanged.

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[3] *See*, Section 6.3 of Act No. 57-2014, known as *Puerto Rico Energy Transformation and RELIEF Act,* as amended ("Act 57-2014").

B. Compliance with Approved IRP

As part of its March 26, 2026 Resolution and Order issued in Case No. NEPR-MI-2025-0005 ("March 26 Resolution"), the Energy Bureau evaluated whether certain renewable energy and battery energy storage projects proposed through the Accelerated Procurement Process were consistent with the resource planning framework established under the Approved IRP. In doing so, the Energy Bureau considered the extent to which the proposed resources remained aligned with Puerto Rico's long-term energy planning objectives, while taking into account subsequent legislative developments, current system conditions, and the practical realities affecting the implementation of the Approved IRP. The Energy Bureau draws on the Solar PV planning analysis in Section III(B) of the March 26 Resolution in evaluating the Proposed Amendment.

Consistent with the analysis contained in the March 26 Resolution, the Energy Bureau evaluates the Proposed Amendment to determine whether the proposed increase in the Project's Maximum Dispatch Limit is consistent with the Approved IRP, as informed by Puerto Rico's current public energy policy and the operational needs of the electric system. In conducting this evaluation, the Energy Bureau considers, among other factors, the Approved IRP, the legislative changes introduced through Act 1-2025, the current condition of Puerto Rico's generation fleet, the implementation status of previously approved renewable energy and battery energy storage projects, and the continuing need to strengthen system reliability and resiliency while advancing Puerto Rico's long-term renewable energy objectives.

As discussed in the March 26 Resolution, the Energy Bureau previously determined that, notwithstanding certain deviations from the original implementation schedule contemplated in the Approved IRP, the renewable energy and battery storage resources evaluated therein were not inconsistent with the Approved IRP when considered in light of current system conditions, implementation delays, the evolution of Puerto Rico's public energy policy, and the need to ensure adequate and reliable electric service. [4] The Energy Bureau further determined that the combined Solar PV and battery energy storage capacity identified in that proceeding remained below the aggregate capacity projected for the initial five-year period of the Modified Action Plan. [5]

With respect to Solar PV, the March 26 Resolution found that the additional Solar PV capacity evaluated in that proceeding was consistent with the Approved IRP because the total Solar PV capacity identified at the time remained below the approximately 3,000 MW contemplated for the initial five-year period of the Modified Action Plan.[6]

The Proposed Amendment would increase the Maximum Dispatch Limit of the previously approved Marisol Power Solar PV project by 18 MW, from 40 MW to 58 MW. According to PREPA, LUMA's interconnection studies determined that the increase could be accommodated at the existing point of interconnection without additional transmission system upgrades.[7] The incremental 18 MW advances the Approved IRP's objective of expanding renewable generation.

Accordingly, based on the limited scope of the proposed increase and its contribution to the renewable generation objectives of the Modified Action Plan, the Energy Bureau finds that the Proposed Amendment is **NOT INCONSISTENT** with the Approved IRP.

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

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[4] *See* March 26 Resolution, pp. 7-9.

[5] *Id.*, at pp. 8-9.

[6] *Id.* at pp. 7–8.

[7] *See* September 16 Motion, ¶¶ 9–10, pp. 3–4.

C. Project Interconnection

1. Interconnection Reliability

PREPA proposes to increase the capacity of the Marisol Power PPOA from 40 MW to 58 MW. As stated above, to comply with the requirement set forth in Section 6.32 of Act 57-2014, the supporting documentation must demonstrate that the proposed expansion will not adversely affect the reliability or stability of the electric system and that it can be integrated in accordance with applicable interconnection standards and supported by the relevant technical studies.

To evaluate the aspects related to the interconnection of proposed projects to the electric system, a series of interconnection studies are typically conducted in accordance with applicable interconnection procedures and technical standards. A system impact study ("System Impact Study") evaluates the technical effects of integrating a proposed project's net capacity into the transmission and distribution grid, including an assessment of system performance, reliability, and compliance with applicable technical requirements. As part of this process, the study identifies the potential need for network upgrades or reinforcements necessary to accommodate the injection of energy and power from the project into the system and may preliminarily outline the scope of such upgrades and their potential cost implications. Subsequently, a network upgrade facility study ("Network Upgrade Facility Study") is typically conducted to further define the specific transmission and distribution improvements required outside the point of interconnection, including the scope of work, cost estimates, and implementation schedule. In parallel, a Point of Interconnection Facility Study ("POI Facility Study") focuses on the upgrades and expansions required at the interconnection point itself to ensure a safe and reliable physical interconnection, as well as the associated scope of work, cost estimates, and construction timeline, which together support determining the interconnection facility costs (including PREPA interconnection costs, where applicable).

LUMA has conducted interconnection studies in connection with the Marisol Power PPOA. In 2023, LUMA made an interconnection study that includes a Tranche 2 Point of Interconnection ("POI") Facility Study prepared by Sargent & Lundy for LUMA Energy, dated August 2, 2023 ("2023 Facility Study"), and an accompanying draft Executive Summary dated August 4, 2023. The 2023 Facility Study defines the scope of work necessary to interconnect the proposed 40 MW solar PV project to the electric grid through a new 115 kV breaker-and-a-half switching station.[8]

The proposed interconnection would require a loop-in/loop-out reconfiguration of the existing 115 kV transmission line between the Mayagüez Transmission Center and the San Sebastián Transmission Center. The scope includes two breaker-and-a-half bays, five 115 kV circuit breakers, associated switching and metering equipment, and protection, control, and telecommunications systems. The study also identifies associated work affecting the remote ends at the Mayagüez and San Sebastián transmission centers.[9]

In February 2026, LUMA updated the interconnection studies in connection with the requested capacity increase for the Marisol Power PPOA.[10] The Marisol Power PPOA Capacity Increase Study evaluated the interconnection of the project at the 115 kV

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR

[8] See Tranche 2 Point of Interconnection (POI) Facility Study, Report SL-018084, Revision 2, August 2, 2023, cover and § 1.1, p. 6 (PDF pp. 1 and 7); Executive Summary, draft dated August 4, 2023, PDF pp. 1 and 3 ("Overview" and "Introduction").

[9] See 2023 Facility Study, §§ 2.1 and 3.1, pp. 6 and 8–10 (PDF pp. 7 and 9–11); Executive Summary, PDF pp. 4–5 ("POI Project Scope of Work").

[10] The updated 2026 interconnection study consists of the following documents: (i) Increase Capacity Evaluation dated February 23, 2026 ("2026 Marisol Increase Capacity Evaluation"); (ii) Marisol Power Solar Minimum Technical Requirements (MTR) Compliance Report ("MTR Compliance Report") (unless otherwise specified, these documents are collectively referred to as the "Marisol Capacity Increase Study."

transmission line 36700.[11] The study structured in two (2) stages: Stage 1, a System Impact Study; and, Stage 2, a Minimal Technical Requirement Compliance.[12]

Regarding Stage 1, after identifying thermal and voltage violations at the proposed injection of 84 MW, LUMA performed an Injection Sensitivity Assessment.[13] The assessment identified 58 MW as the maximum injection the transmission system could accommodate without additional network upgrades under the conditions studied.[14] At 58 MW, LUMA identified no new thermal violations, no voltage violations attributable to the Project, and no exceedances of equipment short-circuit duty ratings under normal operating conditions (N-0) or single-element outage conditions (N-1).[15] Accordingly, the proposed increase to 58 MW does not require network upgrades beyond those previously identified in the Tranche 2 RFP cluster study.[16] Regarding Stage 2, LUMA evaluated whether the Marisol Power Project, as modeled at the proposed increased capacity of 58 MW and interconnected at 115 kV, met PREPA's Minimum Technical Requirements ("MTRs").[17]LUMA integrated the Project's PSS/E dynamic models into its transmission system model and tested five operating configurations, including photovoltaic generation alone, battery energy storage charging and discharging alone, and photovoltaic generation combined with battery charging or discharging. All five configurations passed the steady-state, balanced three-phase fault, high- and low-voltage ride-through, high- and low-frequency response, and fast frequency response tests.[18] LUMA concluded that the Project model met the applicable performance criteria under all tested conditions. Final validation of the model and its performance remains subject to successful field verification during commissioning.[19]

Based on LUMA's findings, the Energy Bureau concludes that the additional capacity proposed under the expansion will not have an adverse impact on the electric system, nor will it affect the project's integration into the grid from an interconnection standpoint.

2. Interconnection Cost Considerations

According to PREPA, LUMA's completed interconnection studies determined that the Project's Maximum Dispatch Limit could be increased from 40 MW to 58 MW using the existing point of interconnection and without requiring additional transmission system upgrades.[20] PREPA further states that Proposed Amendment No. 1 does not modify the commercial terms of the PPOA, including the Contract Rate, payment methodology, contractual term, allocation of commercial risks, or any other material economic provision.[21] LUMA's original interconnection studies set forth the estimated interconnection costs for the 40 MW Project.[22]

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[11] *See* 2026 Marisol Increase Capacity Evaluation, p. 3.

[12] *See* 2026 Marisol Increase Capacity Evaluation.

[13] *See* 2026 Marisol Increase Capacity Evaluation, p. 7.

[14] *Id.* at p. 8.

[15] *Id.*

[16] *Id.*

[17] *See* MTR Compliance Report, § 1.1

[18] *Id.* § 1.2, tbl. I.

[19] *Id.*, "Conclusions" and "Disclaimer."

[20] See September 16 Motion, ¶ 9, pp. 3–4.

[21] See September 16 Motion, ¶ 10, p. 4.

[22] See LUMA, *Project 367-01 Marisol Power Tranche 2 Interconnection Studies*, tbls. 1 (*Project 367-01 Overview*) and 19 (*Project 367-01 Interconnection Cost*).

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In prior orders approving capacity increases for renewable energy projects, the Energy Bureau required the Resource Provider to bear any incremental costs associated with PREPA Interconnection Facilities or System Upgrades attributable to the approved increase and prohibited recovery of those costs through the contract's interconnection cost recovery provisions. Consistent with those orders, the Energy Bureau conditions its approval of the increase in Marisol Power's Maximum Dispatch Limit from 40 MW to 58 MW on the Resource Provider bearing any such incremental costs. The interconnection cost recovery provisions in Appendix F (*Compensation*) of the Marisol Power PPOA shall not be modified to allow recovery of those costs. The capacity increase shall not result in any additional costs, liabilities, or delays to PREPA in connection with the PREPA Interconnection Facilities or System Upgrades and shall not delay the Commercial Operation Date established in the PPOA. Based on the foregoing discussion, the Energy Bureau finds that approval of the requested capacity increase is reasonable and consistent with applicable laws and regulations, subject to the following conditions.

The increase in capacity from 40 MW to 58 MW for the Marisol Power Project requires modifications to the Marisol Power PPOA to establish (i) the requirement to complete any additional interconnection studies required by the T&D Operator, each at the Resource Provider's expense, with the results confirming compliance with the applicable contract requirements and any requirements identified by the T&D Operator in the corresponding studies, and (ii) that the increased capacity will not result in any additional costs, liabilities, or delays for PREPA regarding the PREPA Interconnection Facilities or System Upgrades. Any revised System Impact Study shall detail any network upgrades required for the increased capacity and all associated costs. The Resource Provider shall bear those costs and the costs of any work on the PREPA Interconnection Facilities required to accommodate the increased capacity. The Interconnection Cost Recovery portion of the compensation will not be adjusted to cover those costs.[23]

3. Energy Price

According to PREPA, the Proposed Amendment does not modify the commercial terms of the Marisol Power PPOA, including the contract rate, payment methodology, contractual term, allocation of commercial risks, or any other material economic provision.[24]

The Energy Bureau has reviewed the Proposed Amendment. In its August 26, 2024, Resolution and Order, the Energy Bureau determined that the price proposed under the Marisol Power PPOA was reasonable, competitive, and consistent with applicable industry standards. Because the Proposed Amendment leaves the previously approved contract rate and all other material economic provisions unchanged, the Energy Bureau finds no basis to alter its prior determination regarding the reasonableness and competitiveness of that price.

4. Determination

The Energy Bureau finds that the requested modifications to the Marisol Power PPOA, as reflected in the Proposed Amendment, are reasonable, supported by the record, and consistent with the applicable laws and regulations, Puerto Rico's Public Energy Policy, and

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[23] As a guideline, a provision such as the following may be used:

> *The capacity increase approved through this First Amendment is subject to: (i) a revised Facility Study, System Impact Study, and Network Upgrade Facility Study, as applicable, in each case at the Resource Provider's cost, demonstrating an impact on the Grid System reasonably acceptable to the T&D Operator, and clearly establishing the costs related to the capacity increase (from 40MW to 58 MW); (ii) no additional costs, liability, or delays to PREPA in connection with the PREPA Interconnection Facilities or System Upgrades related to the capacity increase (from 40 to 58 MW); (iii) modification of the interconnection Agreement, as applicable, to account for the Resource Provider's payment of the additional costs associated with the capacity increase (from 400 MW to 58 MW); and (iv) PREPA's approval of a revised Proposed Design, Appendix G (Facility Site), and Appendix J (Operating Characteristics), which approval shall not be unreasonably withheld, denied, or delayed.*

[24] *Id.*

the Approved IRP. The Energy Bureau **APPROVES** the Proposed Amendment recognizing its contribution to the Island's sustainability, resilience, and affordability objectives.

IV. CONFIDENTIAL DESIGNATION AND TREATMENT

Act 57-2014 establishes that any person who has the obligation to submit information to the Energy Bureau can request privilege or confidential treatment to any information that the party submitting understands deserves such protection. Specifically, Act 57-2014 requires the Energy Bureau to treat as confidential the submitted information stated that "the Energy Bureau, after the appropriate evaluation, believes such information should be protected". In such case, the Energy Bureau "shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted."[25]

After reviewing PREPA's arguments and the relevant law, the Energy Bureau **GRANTS** confidential designation and treatment to the documents attached to the September 16 Motion, as detailed in **Part I** of this Resolution and Order.

V. CONCLUSION

For all the above reasons, the Energy Bureau **APPROVES** the Proposed Amendment, subject to the modifications outlined in **Part III(A)(2)** of this Resolution and Order, recognizing its contribution to the Island's sustainability, resilience, and affordability objectives. The Energy Bureau **ORDERS** the parties to submit, within **ten (10) days** of notification of this Resolution and Order, a clean version of the revised amendment and a redline version showing the changes made to comply with this Resolution and Order. Each version shall be submitted in both Microsoft Word and PDF formats. The parties shall also submit a copy of the fully executed amendment to the Energy Bureau within **ten (10) days** of its execution. Any subsequent amendment or modification to the Marisol Power PPOA, including its appendices, shall be submitted to the Energy Bureau for review and prior approval before execution or implementation.

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

[25] *See* Section 6.15 of Act 57-2014.

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on November 23, 2026. I also certify that on November 23, 2026, I have proceeded with the filing of this Resolution and Order and was notified by email to nzayas@gmlex.net; mvalle@gmlex.net; alexis.rivera@prepa.pr.gov; rcruzfranqui@gmlex.net; katiuska.bolanos-lugo@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; laura.rozas@us.dlapiper.com; RegulatoryPREBorders@lumapr.com; jfernandez@ecija.com, legal@genera-pr.com, regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, today November 23, 2026.

Sonia Seda Gaztambide
Clerk

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