

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

NEPR

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IN RE: PUERTO RICO ELECTRIC
POWER AUTHORITY INTEGRATED
RESOURCE PLAN

CASE NO. CEPR-AP-2018-0001

SUBJECT: RESPONSE TO
PREPA's MOTION TO QUASH

LOCAL ENVIRONMENTAL ORGANIZATIONS' RESPONSE TO PREPA's
MOTION TO QUASH

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW, Local Environmental Organizations¹, address PREPA's Motion to Quash the February 9, 2020 Request of Information.

PREPA has not been responsive to information requests from the Energy Bureau and from intervenors. PREPA's Motion to Quash acknowledges that there were "questions it failed to answer during the hearings..."² and as detailed below, PREPA has refused to provide critical information that the Energy Bureau requested months ago. PREPA's failure to provide information underlying its Preferred Plans and Action Plan is another reason for the Energy Bureau to reject those flawed plans, and instead require PREPA to take the Action Plan steps laid out by LEOs.

¹ Comité Diálogo Ambiental, Inc., El Puente de Williamsburg, Inc. -Enlace Latino de Acción Climática, Comité Yabucoño Pro-Calidad de Vida, Inc., Alianza Comunitaria Ambientalista del Sureste, Inc., Sierra Club and its Puerto Rico chapter, Mayagüezanos por la Salud y el Ambiente, Inc., Coalición de Organizaciones Anti-Incineración, Inc., Amigos del Río Guaynabo, Inc., Campamento Contra las Cenizas en Peñuelas, Inc., and CAMBIO Puerto Rico, Inc., ("Local Environmental Organizations")

² PREPA Motion to Quash Section II Para. 4

Local Environmental Organizations' February 9, 2020 Request Of Information included three information requests. LEOs also provided a compilation of other requests made during the hearing, not made by LEOs, in order to aid the information-gathering process: these included requests from the Energy Bureau, from other intervenors, and information that PREPA had agreed to provide. LEOs do not consider those items to be information requests from LEOs and do not address them here. Rather, Local Environmental Organizations will address PREPA's failure to answer each of LEOs' three information requests in turn.

Local Environmental Organizations' February ROI #1

On Tuesday, February 4th, Mr. Paredes was unable to provide the current, updated figure on the percentage of non-technical losses, but explained he would be able to do so once he returned to his office on Monday. This figure is intended to be a measure of electricity theft. Please provide the current, updated figure on the percentage of non-technical losses.

The question itself states, and PREPA's Motion to Quash does not refute, that Eng. Paredes agreed to provide this information. PREPA's response is silent regarding the failure to answer this question. PREPA's failure to complete the record in this case is another reason for the Energy Bureau to reject PREPA's Preferred Plans and Action Plan.

Local Environmental Organizations' February ROI #2

On Wednesday, February 5th, Mr. Paredes was unable to state whether the proposed Palo Seco gas-fired plant, or any of the infrastructure accompanying the plant, was in a tsunami flood area. Please confirm that the Palo Seco plant, depot and accompanying infrastructure¹ are in a tsunami flood area, as shown in the Grid Modernization Plan p. 107, Figure 6-6 titled "Map of Palo Seco Plant and Depot in Flood Area." Figure 6-6 cites "PREPA, December 20, 2018" as the source of this information.

PREPA's Motion to Quash Section II paras. 1 and 2 state PREPA's argument for refusing to provide this confirmation. LEOs disagree with PREPA's argument, but LEOs acknowledge that Grid Modernization Plan p. 107 speaks for itself, and clearly shows that the proposed Palo Seco plant, depot, and accompanying infrastructure would be in a tsunami flood area. LEOs consider this question settled.

Finally and most importantly, PREPA refuses to answer a question that has been repeatedly asked by the Energy Bureau and LEOs, and reiterated in LEOs' briefs: what is the cost of PREPA's "hedge" proposal?

Local Environmental Organizations' February ROI #3

On Thursday, February 6th, Dr. Bacalao and Dr. Saenz were unable to provide a complete answer to the question: "What is the cost of preliminary permitting and engineering for each of the Yabucoa and Mayaguez Ship-Based LNG Terminal and 302 MW F-Class CCGT"?

a. Please provide the cost of preliminary permitting and engineering for each of the Yabucoa and Mayaguez Ship-Based LNG Terminal and 302 MW F-Class CCGT.

b. This may overlap with the Bureau's request for as much detail as possible on the costs and information on each one of the many tasks outlined in Exhibit 10-5. For each task: is this task to be outsourced? If so, what is the expected cost? If not, which person (or Department) within PREPA will handle the task, and how many hours is it expected to take?

The Energy Bureau first asked for the costs of PREPA's "hedge" proposal, specifically "the estimated costs for preliminary permitting and engineering for each of the Yabucoa and Mayaguez Ship-Based LNG Terminal and 302 MW F-Class CCGT" seven months ago in the Energy Bureau's very first Request Of Information, Question 1-15. PREPA's ROI response merely regurgitated estimates for construction of the completed CCGTs and terminals themselves, rather than the costs of permitting and engineering for these facilities. The figures in PREPA's response were already listed on IRP Page 10-7, so they clearly were not responsive to the question asked. In short, PREPA deliberately hid the true cost of PREPA's "hedge" proposal from the Energy Bureau and the public.

During Panel H of the evidentiary hearing, Local Environmental Organizations pointed out that PREPA had failed to answer PREB ROI 1-15 on the

cost of PREPA's "hedge" proposal.³ PREPA agreed to provide a written response.⁴

The Energy Bureau's consultants reiterated the importance of this information:

Mr. Fagan: I'll just note for the record that that question was of particular importance to us also. We had noticed that the response to 1.15(a) had indicated that there were no further estimated costs. But in thinking through the Action Plan items, that would be very helpful information to the extent that Mr. Hubbard or anyone else could expand upon the response to 1-15(a).

Dr. Hopkins: One potential expansion would be to the extent that cost is laid out in any sort of stages that Figure 10-5 has an initial phase with the red colors and a later phase with the green colors, to the extent that information is broken out in time or through phases, that would be of interest to us.⁵

PREPA uses seventeen pages of its briefs to defend the "hedge" proposal, for outside consultants to spend years planning multiple new gas-fired plants and gas fired terminals.⁶ Yet PREPA refuses to provide the truth on how many tens of millions of dollars this scheme will cost, and how many PREPA personnel will be pulled away from renewable energy projects to be forced to work instead on the gas-fired projects favored by PREPA's senior management.

Usually PREPA merely refuses to provide project information to the public; this time PREPA has gone a step further and refuses to provide project information to the Energy Bureau itself. PREPA has the audacity to do this while asking the Energy Bureau for approval of these very projects. Essentially PREPA asks the

³ Negociado de Energía en vivo, *Evidentiary Hearing / CEPR-AP-2018-0001*, YouTube (Feb.6, 2020) <https://youtu.be/UGn8uAvm5NQ?t=1001>

⁴ Id.

⁵ Id.

⁶ PREPA Brief at 3, 16, 17, 23, 26, 27, 28, 29, 32, & 33. PREPA Reply Brief at 8, 25, 33-35, 37, 51.

Energy Bureau for a blank check for projects that directly conflict with Law 17-2019's goal to rid the island of imported fossil fuel.

On the subject of information missing from the record, we note that PREPA's CEO, José Ortiz, made public statements last week that further demonstrate why the Energy Bureau should reject the "hedge" proposal:

...by late August we should have 1000 MW in reserve. That's a lot, like never before. So we'll be better than before because we devoted a lot of money and improvements to many of the units that were non-operational for many years, like San Juan 7, 8, and 9, like the peaking units around the Island, we installed also three new peaking units. So we're going to have a lot of additional sources by the end of August to in order to supply enough capacity.⁷

PREPA has already spent time and money on restoring existing units, which will provide more than enough capacity even as the island's demand decreases. With these resources in hand, PREPA must now fully focus on transforming the island's grid with renewables, storage, distributed renewables and storage, energy efficiency, and demand response: without being distracted by the "hedge" proposal.

⁷ "Puerto Rico and COVID-19: Impact on the Grid" Webinar, week of April 13th, (14:20-15:25)
<https://app.gotowebinar.com/unified/index.html#/webinar/1512009214340290315/attend/3214130180151987728>

Conclusion

The time has come and gone for PREPA to provide information in time for parties to react in testimony and briefing. We urge the Energy Bureau to reject PREPA's Preferred Plans and Action Plans, including the "hedge" proposal, for all the reasons detailed in our briefs and also because PREPA refuses to provide the most basic cost information on the "hedge" proposal.

Respectfully submitted,

s/ Pedro Saadé

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CERTIFICATE OF SERVICE

We hereby certify that, on April 24, 2020, we have filed this Response via the Energy Bureau's online filing system, and sent to the Puerto Rico Energy Bureau Clerk and legal counsel to: secretaria@energia.pr.gov; astrid.rodriguez@prepa.com; jorge.ruiz@prepa.com; n-vazquez@aeepr.com; c-aquino@prepa.com and to the following persons:

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Respectfully submitted on this day April 24, 2020

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