

## An Update on PREPA's Tranche 2 Bidding Process

### ATTORNEYS

- Carlos J. Fernández-Lugo
- Jorge J. García-Díaz
- Rosa Corrada
- Germán A. Novoa-Rodríguez

### PRACTICE AREAS

- Energy
- Environmental, Energy & Land Use

### An McV Energy Alert

October 10, 2022

#### **This Alert provides an update to our January 18, 2022 Energy Alert regarding the bidding process for Tranche 2 of the PR Electric Power Authority Integrated Resource Plan:**

On January 13, 2022, the Puerto Rico Energy Bureau (“Energy Bureau”) announced that it had commenced the registration process for the second tranche (“Tranche 2”) of the Puerto Rico Electric Power Authority (“PREPA”) Integrated Resource Plan and Modified Action Plan. Tranche 2 originally looked to add 500 MW of renewable energy and 250 MW of energy storage capacity to the electric distribution and transmission system through a procurement process that would ultimately deploy 3,750 MW of renewable energy resources and 1,500 MW of energy storage resources during a three (3) year period. A total of six (6) tranches are intended to be issued during said procurement process. In relation to the first tranche, through *Resolution and Order* dated September 1, 2022, in case no. NEPR-MI-2020-0012, the Puerto Rico Energy Bureau (“PREB”) approved the execution of the power purchase and operating agreements for eighteen (18) solar photovoltaic projects totaling approximately 844.8 MW, as well as energy storage services agreements for two (2) projects comprising 200 MW, although the PREB’s resolution anticipates that the contracts for up to seven (7) additional storage projects may also be approved.

On September 28, 2022, the PREB, through its Independent Coordinator Accion Group and on behalf of PREPA, issued a Request for Proposals for Tranche 2 to procure at least 1,000 MW of renewable energy resource capacity and at least 500 MW of energy storage resources capacity with an effective duration of two (2) to four (4) hours, as well associated environmental credits, plus additional capacity to be supplied by Virtual Power Plants (“VPPs”). It is noteworthy that the procured capacity doubled from that originally set for Tranche 2. Contract terms will be between twenty (20) to twenty-five (25) years, except for VPPs, which term will be between ten (10) to twenty-five (25) years.

The process opened on September 28, 2022. Requests for clarifications are due on October 12, 2022. The proposal submission deadline is November 14, 2022.

## An Update on PREPA's Tranche 2 Bidding Process

---

The content of this McV Alert has been prepared for information purposes only. It is not intended as, and does not constitute, either legal advice or solicitation of any prospective client. An attorney-client relationship with McConnell Valdés LLC cannot be formed by reading or responding to this McV Alert. Such a relationship may be formed only by express agreement with McConnell Valdés LLC.