

# How is Puerto Rico's energy transformation process impacted by COVID-19?

By Malu Blázquez Arsuaga, Executive Director of Relmagina Puerto Rico

Just before Puerto Rico started facing the COVID-19 pandemic, we were immersed in the middle of various processes related to our energy transformation process: evaluation of a new Integrated Resource Plan (IRP) prepared by PREPA by the Puerto Rico Energy Board (PREB); PREPA debt restructuring and updating of Fiscal Plan supervised by the Fiscal Supervisory Board; and privatization efforts commenced by the P3 agency. The PREB was expecting all final legal briefs to be submitted by interveners by March 20, 2020 so they could then complete their evaluation process and make a final determination in the near future on the final IRP that must guide our investments to transform our energy infrastructure system. Due to the Governor's Executive Order [OE-2020-029](#), this deadline has been postponed by PREB to [April 12](#), and it will be postponed further if the Governor extends the stay at home requirements beyond this date. **A final IRP approved by PREB is necessary to guide our long-term investments in our energy infrastructure**, and it is needed as soon as possible so that in the meantime PREPA decisions and actions do not sabotage the best long-term Integrated Resource Plan for Puerto Rico.

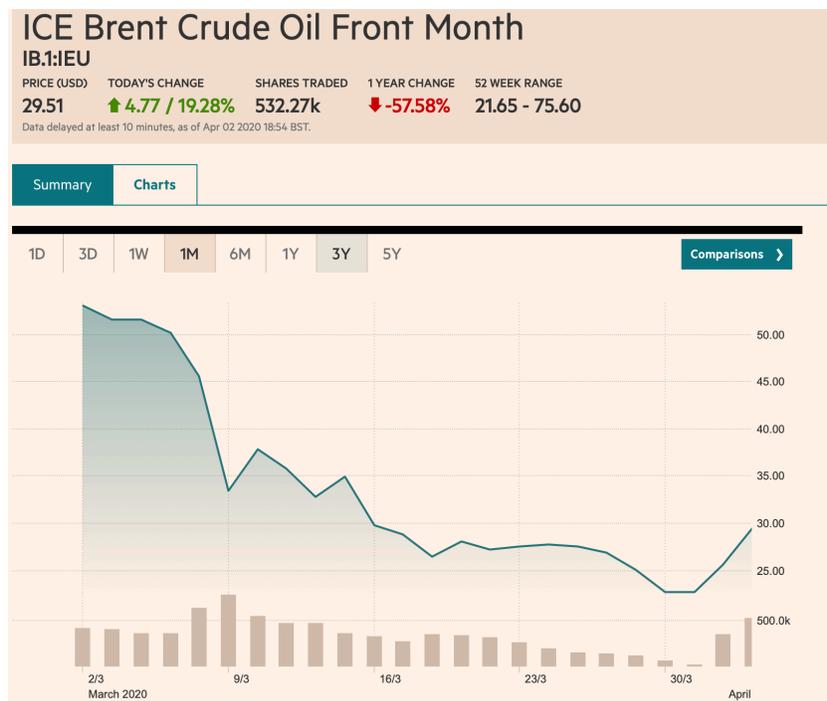
As you all are aware, the early 2020 earthquakes caused significant structural damages to the Costa Sur plant and reduced PREPA's generation capacity by 820 MW. Due to this situation, on March 12, 2020, PREPA initiated an RFP process for Temporary Emergency Generation (process approved by PREB) to temporarily supply 500 MW to cover shortage expected for the summer months where demand was estimated (prior to the pandemic) to peak at 2,418 MW. PREPA has not made this RFP accessible to the public, causing various [organizations](#) and groups, including Relmagina, to request it be made public. Proposals in response to this RFP are due April 7, 2020. The Consumer Representative on the PREPA Board of Directors, [Tomás Torres Placa](#), **claims we could experience selective interruptions in power service beginning in late May** due to our reduced capacity and the fact that a plan has not been developed or implemented to repair the Costa Sur plant by the summer. Yet, PREPA CEO, [José Ortiz](#), **now claims they need to reevaluate whether it is actually necessary to acquire the temporary generation** due to the fact that overall power demand has decreased due to the pandemic stay in home requirements, causing many businesses to close operations or operate in limited capacity with significant lesser power demand.

## RESUMEN DE GENERACIÓN



Source: [AEE](#), snapshot 4/12/2020 11:00 AM

The good news for consumers is that in March 2020 petroleum barrel prices decreased by more than 50%, therefore lower fuel costs will translate into lower power bills for consumers. According to Mr. Jose Ortiz, since PREPA modifies and submits rates every three months to PREB, these lower fuel costs are expected to be reflected in our PREPA invoices from July-September 2020 by reducing current rate of \$0.22 KW/hour to \$0.17 KW/hour. Other positive news for consumers is that the [Fiscal Supervisory Board](#) recently requested the Court an extension for the hearing for PREPA's Restructuring Support Agreement (RSA) given the uncertainties caused by the pandemic. We have no recent updates on efforts related to contracting a private entity to operate PREPA's Transmission & Distribution System, even though the P3 agency had communicated it would be announcing the selected proponent early 2020. We will be tracking and monitoring all of these efforts and promoting the transformation of our electrical system to a more affordable, reliable, innovative system that reduces impacts to our health and environment.



Source: [Financial Times](#)