



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

**IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW**

**CASE NO.: CEPR-AP-2015-0001; NEPR-AP-
2018-0003**

**SUBJECT: Determination on the Permanent
Rates Rider Factors for the period of Oct-
Dec 2019.**

RESOLUTION AND ORDER

I. Introduction

The Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") approved several riders designed to recover the costs associated to fuel, purchased power, Contribution in Lieu of Taxes ("CILT") and other subsidies, as part of the Puerto Rico Electric Power Authority ("PREPA") Permanent Rate.¹ These riders are: (1) the Fuel Charge Adjustment Rider ("FCA"), (2) the Purchased Power Charge Adjustment Rider ("PPCA"), (3) the Fuel Oil Subsidy Rider ("FOS"), (4) the CILT Cost Adjustment Rider ("CILTA"), (5) the Help to Humans Subsidy Rider ("SUBA-HH"), (6) the Non-Help to Humans Subsidy Rider ("SUBA-NHH") and (7) the Energy Efficiency Rider ("EE").²

In addition, the Energy Bureau approved a reconciliation rider ("TUP") to reconcile the approved Permanent Rate with the Provisional Rate that was in effect from August 1, 2016 to April 30, 2019. In order for PREPA to apply these riders as part of the Permanent Rate, the Energy Bureau must approve the factors associated with each one.

On June 28, 2019, the Energy Bureau issued a Resolution and Order ("June 28 Resolution and Order") through which it established the quarterly factors that were in effect from July 1, 2019 to September 30, 2019, as well as the yearly factors that will be in effect from July 1, 2019 to June 30, 2020.³ The Energy Bureau also established the TUP rider factor

¹ Final Resolution and Order, Case No. CEPR-AP-2015-0001, *In Re: Puerto Rico Electric Power Authority Rate Review*, January 10, 2017.

² The EE Rider is designed to recover the costs associated with the Energy Efficiency Program. The FCA, PPCA and FOS riders are calculated on a quarterly basis, whereas the SUBA-HH, SUBA-NHH, CILTA and EE riders are calculated on a yearly basis.

³ June 28 Resolution and Order, pp. 19 – 26.

for the reconciliation of the Permanent Rate and Provisional Rate, the reconciliation for CILT and subsidies for the period of June 1, 2016 to April 30, 2019, the reconciliation of the fuel and purchased power for the months of March and April 2019 and the reconciliation of fuel and purchased power for the emergency period after the hurricanes Irma and María.⁴ Through the June 28 Resolution and Order, the Energy Bureau ordered PREPA to, on or before September 13, 2019, submit the proposed factors that will be in effect on October 1, 2019, including the proposed reconciliations for the months of May, June, July and August 2019.⁵

On September 13, 2019, PREPA filed a document titled *Request for Extension of Time to Submit Reconciliations for the Month of August 2019* ("September 13 Motion"). In the September 13 Motion, PREPA requested the Energy Bureau permission to transfer the August 2019 reconciliation to the next quarterly period (*i.e.*, the quarterly period from January 1, 2020 to March 31, 2020).⁶

On the same day, the Energy Bureau issued a Resolution and Order ("September 13, 2019 Resolution and Order") through which it denied PREPA's request to transfer the August 2019 reconciliation to the next quarterly period and ordered PREPA to attend a Technical Conference on September 17, 2019.⁷ During the Technical Conference, the Energy Bureau granted PREPA until September 20, 2019 to file the reconciliation for the month of August 2019.⁸

On September 20, 2019, PREPA filed a document titled *Motion to Submit Additional Reconciliations (August 2019) for the Determination of Factors for the Period of October to December 2019* ("September 20 Filing"). As part of the September 20 Filing, PREPA submitted quarterly factors for the FCA Rider, the PPCA Rider, and FOS Rider, to be implemented on October 1, 2019. PREPA also submitted the proposed reconciliations for the months of May, June, July and August 2019.

On September 25, 2019, the Energy Bureau issued a Resolution and Order ("September 25, 2019 Resolution and Order") through which it notified PREPA of several deficiencies in the September 20 Filing. The Energy Bureau ordered PREPA to submit certain documents and modified files on or before September 26, 2019 at 2:00 p.m.⁹ The Energy

⁴ June 28 Resolution and Order, pp. 27 – 28.

⁵ *Id.*, p. 30.

⁶ September 13 Motion, p. 2, ¶ 3.

⁷ September 13 Resolution and Order, p. 2.

⁸ At 10:38 p.m. on September 13, 2019, PREPA filed a document titled *Motion to Submit Proposed Factors for the Period of October to December 2019 and Public Lighting Report*. With this Motion PREPA filed the proposed factors for the months of October to December 2019, excluding the reconciliation for the month of August 2019.

⁹ September 25 Resolution and Order, p. 3.

Bureau also ordered PREPA to attend a Technical Conference Call on September 26, 2019.¹⁰ The purpose of the Technical Conference Call was for PREPA to answer several questions the Energy Bureau had regarding the September 20 Filing.

On September 26, 2019 PREPA filed the documents requested on the September 25, 2019 Resolution and Order ("September 26 Compliance Filing"). The Technical Conference Call was held as scheduled.

Through this Resolution and Order, the Energy Bureau establishes the quarterly FCA, PPCA, and FOS rider factors that will be in effect on October 1, 2019. The Energy Bureau also approves the EE rider factor that will be in effect from October 1, 2019 to June 30, 2020. The CILTA, SUBA-HH, SUBA-NHH and TUP rider factors, as established by the June 28 Resolution and Order in the instant case, remain unaltered.

II. Determination on Fuel and Purchased Power reconciliation for the months of May, June, July and August 2019

On the September 20 Filing and September 26 Compliance Filing, PREPA provided supporting documents to determine the Fuel and Purchased Power cost reconciliation for the months of May, June, July and August 2019. Although we analyze this reconciliation separate from the FCA and PPCA rider factors calculation contained in Part III of this Resolution and Order, it is considered the Prior Period Reconciliation, as such term is defined in PREPA's Tariff Book¹¹, for the purpose of determining the FCA and PPCA rider factors that will be in effect from October 1, 2019 to December 31, 2019.

1. Fuel

PREPA's actual fuel costs for the months of May, June, July and August 2019 are \$130,001,612.66, \$129,550,476.47, \$129,371,220.70 and \$141,434,130.00, respectively.¹² Therefore, the fuel cost for this period is \$530,357,439.83.

The Prior Period Adjustment for the months of July and August 2019, which corresponds to the actual fuel costs reconciliation for the months of March and April 2019 and the fuel costs associated with the reconciliation period after Hurricanes Irma and Maria

¹⁰ *Id.*

¹¹ See PREPA Tariff Book, Attachment to PREPA's *Moción en Cumplimiento de Orden* in the instant case, May 22, 2019. The Energy Bureau approved the Tariff Book through the May 28, 2019 Resolution and Order.

¹² See Summary of Adjustment Clauses May-June-July-August 2019.xlsx, Cell F20, "May Reconciliations", "June Reconciliations", "July Reconciliations" and "August Reconciliation Clauses" Tabs.

are \$12,455,790.72 and \$12,902,379.53, respectively.¹³ Therefore, the total Prior Period Adjustment, corresponding to the months of May, June, July and August 2019 is \$25,358,270.25. Hence, the total fuel cost to be recovered for the period of May to August 2019 is \$530,357,439.83 + \$25,358,270.25 = \$555,725,620.08.

The corresponding revenues for the same months are \$106,708,685.34, \$110,816,782.41, \$106,505,948.58 and \$110,024,858.20, respectively.¹⁴ Therefore, the total fuel revenue is \$434,056,274.53.

In this case, the revenue collected by PREPA from May to August 2019 is lower than the actual fuel costs. Therefore, PREPA must be able to recover the difference from its customers.

As such, the Energy Bureau **APPROVES** a Prior Period Reconciliation of the FCA rider in the amount of \$121,659,335.54¹⁵ as fuel cost reconciliation for the months of May, June, July and August 2019. Such adjustment will be implemented during the period of October 1, 2019 to December 31, 2019.

2. Purchased Power

PREPA's actual purchased power costs for the months of May, June, July and August 2019 are \$59,244,658.42, \$61,291,585.18, \$63,337,342.63 and \$64,803,011.52, respectively.¹⁶ Therefore, the total purchased power cost is \$248,676,597.75.

The Prior Period Adjustment for the months of July and August 2019, which corresponds to the actual purchased power reconciliation for the months of March and April 2019 and the purchased power costs associated with the reconciliation period after Hurricanes Irma and Maria are \$7,897,980.02 and \$8,181,153.49, respectively.¹⁷ Therefore,

¹³ September 26 Compliance Filing, Prior Period Adjustment Computations.xlsx, "Summary" Tab, Cells H32 and H33. The Prior Period Adjustment for the months of May and June is zero since the Permanent Rate entered into effect on May 1, 2019, thus there was no prior quarterly period before the effective date. The March/April and the Hurricanes Irma and María fuel costs reconciliation was implemented for the July-September period and are considered part of the Prior Period Adjustment for each month. See Prior Period Adjustment Computations.xlsx, "Summary" Tab, Cells F31:G32.

¹⁴ Summary of Adjustment Clauses May-June-July-August 2019.xlsx, "May Reconciliations", "June Reconciliations", "July Reconciliations" and "August Reconciliation Clauses" Tabs, Cell F25.

¹⁵ This is equal to the difference between the total fuel cost of \$555,725,620.08 and the actual revenue of \$434,056,274.53.

¹⁶ See Summary of Adjustment Clauses May-June-July-August 2019.xlsx, Cell N25, "May Reconciliations", "June Reconciliations", "July Reconciliations" and "August Reconciliation Clauses" Tabs.

¹⁷ September 26 Compliance Filing, Prior Period Adjustment Computations.xlsx, "Summary" Tab, Cells H38 and H39. The Prior Period Adjustment for the months of May and June is zero since the Permanent Rate entered into effect on May 1, 2019, thus there was no prior quarterly period before the effective date. The March/April

the total Prior Period Adjustment, corresponding to the months of May, June, July and August 2019 is \$16,079,133.51. Hence, the total purchased power cost to be recovered for the period of May to August 2019 is $\$248,676,597.75 + \$16,079,133.51 = \$264,755,731.26$.

The corresponding revenues for the same months are \$59,897,557.08, \$62,184,964.39, \$71,604,024.93 and \$73,786,878.15, respectively.¹⁸ Therefore, the total purchased power revenue is \$267,473,424.55.

In this case, the revenue collected by PREPA from May to August 2019 exceeds the actual purchased power costs. Therefore, PREPA must reimburse its customers for the difference.

As such, the Energy Bureau **APPROVES** a Prior Period Reconciliation of the PPCA rider in the amount of $-(\$2,717,693.29)$ ¹⁹ as purchased power cost reconciliation during the months of May, June, July and August 2019. Such adjustment will be implemented during the period of October 1, 2019 to December 31, 2019.

III. Quarterly factors for the October 1, 2019 to December 31, 2019 period

1. FCA

The estimated cost of fuel for the months of October, November and December 2019 are \$104,668,114.92, \$92,282,136.09 and \$75,299,761.67, respectively.²⁰ Therefore, the total estimated cost of fuel for the period of October 1, 2019 to December 31, 2019 is \$272,250,012.68.

As discussed in Part II.1 of this Resolution and Order, the Prior Period Reconciliation corresponding to the FCA rider is \$121,659,335.54. Hence, the total estimated amount to be recovered by the FCA rider during the aforementioned period is \$393,909,348.22.²¹

and the Hurricanes Irma and María purchased power costs reconciliation was implemented for the July-September period and are considered part of the Prior Period Adjustment for each month. See Prior Period Adjustment Computations.xlsx, "Summary" Tab, Cells F38:G39.

¹⁸ See Summary of Adjustment Clauses May-June-July-August 2019.xlsx, "May Reconciliations", "June Reconciliations", "July Reconciliations" and "August Reconciliation Clauses" Tabs. Cell N30.

¹⁹ This is equal to the difference between the total purchased power cost of \$264,755,731.26 and the actual revenue of \$267,473,424.55.

²⁰ September 20 Filing, OCT-DEC 2019 FACTORS -including August 2019 Reconciliation.xlsx, "Attachment 1" Tab, Lines 3 – 5.

²¹ This is equal to the sum of the estimated total fuel cost, \$272,250,012.68, and the Prior Period Reconciliation, \$121,659,335.54.

The estimated kWh sales for the months of October, November and December 2019 are 1,437,542,558, 1,293,587,008 and 1,300,936,563 respectively.²² Therefore, the total estimated kWh sales for this period is 4,032,066,119.

The FCA rider factor is calculated by dividing the total estimated amount to be recovered, \$393,909,348.22, by the total estimated kWh sales, 4,032,066,119. Therefore, the gross FCA rider factor to be in effect during the period of October 1, 2019 to December 31, 2019 is \$0.097694/kWh.

However, as determined in Part IV.1 of the June 28 Resolution and Order, the Energy Bureau approved an adjustment to the FCA rider in the amount of -(\$3,572,427), to be implemented from July 1, 2019 to March 31, 2020. This adjustment is equivalent to an adjustment to the FCA rider factor of -(0.0302) ¢/kWh (i.e., -(\$0.000302)/kWh). Therefore, applying this adjustment to the FCA rider factor results in a net factor of \$0.097392/kWh.

The Energy Bureau **ORDERS** PREPA to implement an FCA rider factor of \$0.097392/kWh for the period of October 1, 2019 to December 31, 2019.

2. PPCA

The estimated cost of purchased power for the months of October, November and December 2019 are \$64,854,290.73, \$64,294,981.74 and \$65,257,134.67, respectively.²³ Therefore, the total estimated cost of purchased power for the period of October 1, 2019 to December 31, 2019 is \$194,406,407.14.

As discussed in Part II.2 of this Resolution and Order, the Prior Period Reconciliation corresponding to the PPCA rider is -(\$2,717,693.29). Hence, the total estimated amount to be recovered by the PPCA rider during the aforementioned period is \$191,668,713.85.²⁴

As stated before, the estimated kWh sales for the months of October, November and December 2019 are 1,437,542,558, 1,293,587,008 and 1,300,936,563 respectively.²⁵ Therefore, the total estimated kWh sales for this period is 4,032,066,119.

The PPCA rider factor is calculated by dividing the total estimated amount to be recovered, \$191,668,713.85, by the total estimated kWh sales, 4,032,066,119. Therefore, the

²² September 20 Filing, OCT-DEC 2019 FACTORS -including August 2019 Reconciliation.xlsx, "Attachment 1" Tab, Lines 15 - 17.

²³ *Id.*, "Attachment 2" Tab, Lines 3 - 5.

²⁴ This is equal to the sum of the estimated total purchased power cost, \$194,406,407.14, and the Prior Period Reconciliation, -(\$2,717,693.29).

²⁵ September 20 Filing, OCT-DEC 2019 FACTORS -including August 2019 Reconciliation.xlsx, "Attachment 1" Tab, Lines 15 - 17.

gross PPCA rider factor to be in effect during the period of October 1, 2019 to December 31, 2019 is \$0.047541/kWh.

However, as determined in Part IV.2 of the June 28 Resolution and Order, the Energy Bureau approved an adjustment to the PPCA rider in the amount of \$47,734,663, to be implemented from July 1, 2019 to March 31, 2020. This adjustment is equivalent to an adjustment to the PPCA rider factor of 0.4034 ¢/kWh (*i.e.*, \$0.004034/kWh). Therefore, applying this adjustment to the PPCA rider factor results in a net factor of \$0.051575/kWh.

The Energy Bureau **ORDERS** PREPA to implement a PPCA rider factor of \$0.051575/kWh for the period of October 1, 2019 to December 31, 2019.

3. FOS

The FOS rider provides a subsidy to certain PREPA customers for the first \$30.00 per barrel of fuel oil, excluding natural gas, applied to the first 500 kWh of consumption.²⁶ It is calculated based on the estimated number of barrels and the forecasted kWh sales.²⁷ The number of estimated barrels during the October 1, 2019 to December 31, 2019 period is 2,526,793.²⁸ As we stated before, the total estimated kWh sales for the same period is 4,032,066,119.

Therefore, the FOS rider factor can be calculated as follows:

$$FOS\ rider = \frac{-\$30/BBL \times 2,526,793\ BBL}{4,032,066,119\ kWh}$$

$$FOS\ rider = -\$0.018800/kWh$$

Therefore, Energy Bureau **ORDERS** PREPA to implement a FOS rider factor equal to -(\$0.018800)/kWh for the period of October 1, 2019 to December 31, 2019.

IV. Energy Efficiency

The Puerto Rico energy public policy requires, among other things, "establish demand response, demand-side management, and energy efficiency programs and strategies that take into account short, medium, and long-term goals and incentivize customers to become more energy efficient, with a focus that results in a reduction in costs and energy

²⁶ See approved PREPA Tariff Book.

²⁷ The factor is calculated by multiplying the number of estimated barrels by \$30 and dividing that product by the number of forecasted kWh sales.

²⁸ September 20 Filing, OCT-DEC 2019 FACTORS -including August 2019 Reconciliation.xlsx, "Attachment 1" Tab, Line 30.

consumption, as well as greater stability and reliability.”²⁹ As stated on Act 17-2019, one of the initial objectives of the new energy public policy is to attain thirty percent (30%) energy efficiency by 2040.³⁰

To that effect, according to paragraph (i) of Section 6.3 of Act 57-2014³¹, the Energy Bureau has the duty and responsibility to “[e]stablish energy efficiency mechanisms and programs to gradually reach reasonable goals that ensure compliance with the energy public policy.” Moreover, Section 6.29B of Act 57-2014 provides that “the Energy Bureau may use the services of a third party to manage energy efficiency programs and assist the Bureau in overseeing compliance with the annual goals established through regulations.”

On September 4, 2019, the Energy Bureau issued a Resolution on Case No. NEPR-MI-2019-0015, through which it published the proposed Regulation for Energy Efficiency and Demand Response.³² The proposed regulation is designed to ensure that Puerto Rico reaches the thirty percent (30%) goal of energy efficiency by 2040.

The Energy Bureau expects to approve the draft regulation sometime during the next three months. The Energy Bureau also expects to, shortly thereafter, complete the competitive process to acquire the services of a Third-Party Administrator, that will be in charge of implementing and managing the Energy Efficiency programs on behalf of the Energy Bureau. Therefore, the Energy Bureau deems necessary to create the Energy Efficiency fund in order to implement such programs as soon as practicable, in order to start working towards achieving the Energy Efficiency goals established by Act 17-2019 and Act 57-2014.

To achieve this, it is necessary to establish a reasonable initial fund, taking into consideration that it is typical for new Energy Efficiency programs to ramp up their budgets, size and scope. Moreover, Energy Efficiency programs normally start with a few small projects that are gradually ramped to attain specific goals. A gradual ramp up gives time for programs to mature, for program staff to develop expertise, and for ratepayers to grow accustomed to paying for such programs. It is important to note that as of today, Puerto Rico has had no Energy Efficiency programs, likely has substantial potential for rapid savings, faces electricity cost burden, and, as presented in the proposed Integrated Resource Plan (“IRP”), is planning to acquire substantial amounts of Energy Efficiency, as required by energy public policy.³³

²⁹ Section 1.5(5)(f) of Act 17-2019, *The Puerto Rico Energy Public Policy Act*.

³⁰ *Id.*, Section 1.6(11).

³¹ *The Puerto Rico Energy Transformation and RELIEF Act*, as amended.

³² Resolution, *In Re: Regulation for Energy Efficiency and Demand Response*, Case No. NEPR-MI-2019-0015, September 4, 2019.

³³ See Appendix 4 – Demand Side Resources, Case No. CEPR-AP-2018-0001, June 7, 2019

Based on the data provided related to the Energy Efficiency programs contained in the proposed IRP, such programs will have a cost of \$421 per MWh.³⁴ Moreover, the IRP calls for a 2% per year Energy Efficiency penetration.³⁵ The forecasted demand for Fiscal Year 2020 is 15,357 GWh.³⁶ Therefore, the cost associated to a fully developed Energy Efficiency program for that period is approximately \$130 million.³⁷

Since initially the Energy Efficiency program will not be fully developed, the Energy Bureau determines that an initial Energy Efficiency fund equivalent to ten percent (10%) of a fully developed program is reasonable. As such, the Energy Bureau **APPROVES** an initial Energy Efficiency fund of \$13,000,000.00 to be collected from customers through the EE Rider during the period of October 1, 2019 to June 30, 2020.

Per PREPA's Tariff Book, the EE Rider is established on a yearly basis. However, as with the CILTA, SUBA-HH and SUBA-NHH riders, the Energy Bureau determines that it is convenient to align the EE rider reconciliation with PREPA's fiscal year. As such, the EE rider factor established herein will be in effect until June 30, 2020. Subsequent EE riders will be in effect from July 1 of a natural year to June 30 of the following year.

The estimated total sales for the period of October 1, 2019 to June 30, 2019 is 11,596,705,845 kWh.³⁸ The EE rider factor is calculated by dividing the total estimated amount to be recovered, \$13,000,000, by the total estimated kWh sales, 11,596,705,845. Therefore, the EE rider factor to be in effect during the period of October 1, 2019 to June 30, 2019 is \$0.001121/kWh.

³⁴ The proposed IRP contain four main energy efficiency programs: Commercial AC and Lighting, and Residential AC and Lighting. The estimated total cost for these programs during FY 2020 is \$110,297,390, whereas, the estimated total energy saved is 261,711 MWh. See EE-DSM Cost Calculation FOR PREPA 04-12-19_PREB Reference_30_TJP Update-v4newTRCs.053019.xlsx, June 28, 2019. Therefore, the estimated program cost during FY 2020 can be calculated as follows:

$$Cost = \frac{\$110,297,390}{261,711 \text{ MWh}} = 421.45 \frac{\$}{\text{MWh}} \approx 421 \frac{\$}{\text{MWh}}$$

³⁵ See Section 2.03(F)(3)(e) of Regulation 9021, Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority. See, also, Resolution and Order, PREPA's Informative Motion, Proposal Regarding Compliance Schedule and Update Question, Case No. CEPR-AP-2018-0001, April 26, 2019, p. 4.

³⁶ Exhibit 3-10, *Puerto Rico Integrated Resource Plan 2018-2019*, June 7, 2019.

³⁷ $Cost = 2\% \times 421 \frac{\$}{\text{MWh}} \times 15,357,000 \text{ MWh} = \$129,305,940 \approx \$130,000,000$

³⁸ September 20 Filing, Ingresos mensuales 2020 (21062019).xlsx, "oct", "nov", "dic", "ene", "feb", "mar", "apr", "may" and "jun" Tabs, Cell E101. The estimated total sales are the sum of the estimated sales for each month of the October 2019 to June 2020 period. See also Attachment 3 to this Resolution and Order.

The Energy Bureau **ORDERS** PREPA to implement an EE rider factor equal to \$0.001121/kWh for the period of October 1, 2019 to June 30, 2019.

The Energy Bureau will be the entity in charge of managing the Energy Efficiency programs, including hiring and supervising the Third-Party Administrator. As such, it will be the custodial of the Energy Efficiency funds, for which it will establish an account dedicated exclusively to such fund. This account will be separate from any and all other operational account the Energy Bureau has or may have.

Therefore, the Energy Bureau **ORDERS** PREPA to, on or before the 30th day of the month following any given billing month, transfer the funds associated with the EE Rider to the Energy Bureau Energy Efficiency account.³⁹ For security reasons, the Energy Bureau will provide PREPA the account information on a separate communication. After each transfer, PREPA will submit a report detailing the transferred amount, including all workpapers related to its calculation.

V. Rider Summary

After reviewing PREPA's filing, the Energy Bureau **APPROVES** the following factors to be implemented as part of the Permanent Rate on October 1, 2019. The CILTA, SUBA-HH, SUBA-NHH and TUP rider factors, as established by the June 28 Resolution and Order in the instant case, remain unaltered. The FCA, PPCA and FOS rider factors will be in effect during the billing period of October 1, 2019 to December 31, 2019. The EE rider factor will be in effect from October 1, 2019 to June 30, 2020.

Rider	Factor (\$/kWh)	Effective Dates
FCA	0.097392	October 1, 2019 – December 31, 2019
PPCA	0.051575	October 1, 2019 – December 31, 2019
FOS	-0.018800	October 1, 2019 – December 31, 2019
EE	0.001121	October 1, 2019 – June 30, 2019

³⁹ For example, the EE funds for the billing month of October 2019, should be transferred on or before November 30, 2019. In the case of the month of February, PREPA must transfer the funds on or before February 28. On a leap year, PREPA must transfer the funds on or before February 29.

Attachments 1 through 3 of this Resolution and Order describe the methodology for the calculation of each rider factor. Each Attachment contains a reference to the corresponding support documentation.

VI. Conclusion

The Energy Bureau **ORDERS** PREPA to apply the rider factors as detailed in Part V of this Resolution and Order. The FCA, PPCA and FOS rider factors will be in effect from October 1, 2019 to December 31, 2019. The EE rider factor will be in effect from October 1, 2019 to June 30, 2020. The CILTA, SUBA-HH, SUBA-NHH and TUP rider factors, as established by the June 28 Resolution and Order in the instant case, remain unaltered.

Finally, the Energy Bureau **ORDERS** PREPA to, **on or before 12:00 p.m. December 16, 2019**, submit the proposed factors⁴⁰ that will be in effect on January 1, 2020, including the proposed reconciliations for the months of September, October and November 2019.

Be it notified and published.

(Unavailable for signature)

Edison Avilés Deliz
Chair


Angel R. Rivera de la Cruz
Associate Commissioner
Lillian Mateo Santos
Associate Commissioner
Ferdinand A. Ramos Soegaard
Associate Commissioner

⁴⁰ The filing shall include copies of all supporting documents, workpapers and information. As per previous Energy Bureau orders, any documents in Excel format shall be submitted (i) in their native/original form with all formulas intact and (ii) as a PDF file.



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on September 27, 2019. I also certify that on September 27, 2019 a copy of this Resolution and Order was notified by electronic mail to the following: astrid.rodriguez@prepa.com, jorge.ruiz@prepa.com, n-vazquez@prepa.com, n-ayala@prepa.com, c-aquino@prepa.com, j-morales@prepa.com, hriviera@oipc.pr.gov, maribel.cruz@acueductospr.com, pga@caribe.net, jfeliciano@constructorespr.net, nydinmarie.watlington@cemex.com, epenergypr@gmail.com, aconer.pr@gmail.com, glenn.rippie@r3law.com, john.ratnaswamy@r3law.com, michael.guerra@r3law.com, pnieves@vnblegal.com, abogados@fuerteslaw.com, jorgehernandez@escopr.net, ecandelaria@camarapr.net, agraitfe@agraitlawpr.com, francisco.rullan@aae.pr.gov, mgrpcorp@gmail.com, manuelgabrielfernandez@gmail.com, mmuntanerlaw@gmail.com, licenciadamasferrer@gmail.com, kbolanos@diazvaz.law and wilma.lopez@aae.pr.gov. I also certify that today, September 27, 2019, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and I have sent a true and exact copy to the following:

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**Oficina Estatal de Política Pública
Energética**

p/c Ing. Francisco Rullán Caparrós
Lcda. Wilma I. López Mora
P.O. Box 413314
San Juan, Puerto Rico 00940

Grupo Windmar

p/c Lcdo. Marc. G. Roumain Prieto
1702 Ave. Ponce de León, 2do Piso
San Juan, Puerto Rico 00909

For the record, I sign this in San Juan, Puerto Rico, today September 27, 2019.

Wanda I. Cordero Morales
Clerk

Attachment 1
Puerto Rico Electric Power Authority
Fuel Charge Adjustment Factor
For the Months of October 2019 to December 2019



Line No.	Item	Amount	Reference
1	Calculation of Fuel Charge Adjustment Factor for October 2019 to December 2019		
2			
3	Estimated Total Cost of Fuel for October 2019	\$ 104,668,114.92	Attachment 3 L72
4	Estimated Total Cost of Fuel for November 2019	\$ 92,282,136.09	Attachment 3 L72
5	Estimated Total Cost of Fuel for December 2019	\$ 75,299,761.67	Attachment 3 L72
6			
7			
8			
9			
10	Prior Period Fuel Reconciliation May 2019	\$ 23,292,927.32	Summary of Adjustment Clauses May-June-July-August 2019.xlsx MAY RECONCILIATIONS!\$F\$29
11	Prior Period Fuel Reconciliation June 2019	\$ 18,733,694.06	Summary of Adjustment Clauses May-June-July-August 2019.xlsx JUNE RECONCILIATIONS!\$F\$29
12	Prior Period Fuel Reconciliation July 2019	\$ 35,321,062.84	Summary of Adjustment Clauses May-June-July-August 2019.xlsx JULY RECONCILIATIONS!\$F\$29
13	Prior Period Fuel Reconciliation August 2019	\$ 44,311,651.33	Summary of Adjustment Clauses May-June-July-August 2019.xlsx AUGUST RECONCILIATION CLAUSES!\$F\$29
14			
15	Estimated Retail kWh sales for October 2019	1,437,542,547.74	Ingresos mensuales 2020 (21062019).xlsx TAB oct E101
16	Estimated Retail kWh sales for November 2019	1,293,587,008.07	Ingresos mensuales 2020 (21062019).xlsx TAB nov E101
17	Estimated Retail kWh sales for December 2019	1,300,936,563.49	Ingresos mensuales 2020 (21062019).xlsx TAB dic E101
18			
19			
20			
21			
22			
23	Estimated Total Cost of Fuel	\$ 272,250,012.68	L3+L4+L5
24	Prior Period Reconciliation	\$ 121,659,335.54	L10+L11+L12+L13
25	Estimated Applicable Retail kWh Sales	4,032,066,119.30	L15+L16+L17
26			
27	Fuel Charge Adjustment for October 2019 to December 2019 (\$/kWh)	\$ 0.097694	(L23+L24)/L25
28	Storm Recovery Fuel Adjustment for July 2019 to March 2020 (\$/kWh)	\$ (0.000302)	PREB's Order June 28, 2019
29	Resulting Fuel Charge Adjustment for October 2019 to December 2019 (\$/kWh)	\$ 0.097392	L27+L28
30	Estimated Total Barrels of Oil for Fuel Oil Subsidy Factor	2,526,793.11	Attachment 3 L73-L11-L66
31			
32	Fuel Oil Subsidy Factor for \$30/barrel (\$/kWh)	\$ 0.018800	(30*L30)/L25

Attachment 2
Puerto Rico Electric Power Authority
Purchased Power Charge Adjustment Factor
For the Months of October 2019 to December 2019



Line No.	Item	Amount	Reference
1	Calculation of Purchased Power Charge Adjustment Factor for October 2019 to December 2019		
2			
3	Estimated Total Cost of Purchased Power for October 2019	\$ 64,854,290.73	Attachment 3 L86+L89
4	Estimated Total Cost of Purchased Power for November 2019	\$ 64,294,981.74	Attachment 3 L86+L89
5	Estimated Total Cost of Purchased Power for December 2019	\$ 65,257,134.67	Attachment 3 L86+L89
6			
7			
8			
9			
10	Prior Period Purchased Power Reconciliation May 2019	\$ (652,898.66)	Summary of Adjustment Clauses May-June-July-August 2019.xlsx MAY RECONCILIATIONS!\$N\$34
11	Prior Period Purchased Power Reconciliation June 2019	\$ (893,379.21)	Summary of Adjustment Clauses May-June-July-August 2019.xlsx JUNE RECONCILIATIONS!\$N\$34
12	Prior Period Purchased Power Reconciliation July 2019	\$ (368,702.28)	Summary of Adjustment Clauses May-June-July-August 2019.xlsx JULY RECONCILIATIONS!\$N\$34
13	Prior Period Purchased Power Reconciliation August 2019	\$ (802,713.14)	Summary of Adjustment Clauses May-June-July-August 2019.xlsx AUGUST RECONCILIATION CLAUSES!\$N\$34
14			
15			
16	Estimated Total Cost of Purchased Power	\$ 194,406,407.14	L3+L4+L5
17	Prior Period Reconciliation	\$ (2,717,693.29)	L10+L11+L12+L13
18	Estimated Applicable Retail kWh Sales	4,032,066,119.30	Attachment 1 L25
19			
20	Purchased Power Adjustment for October 2019 to December 2019 (\$/kWh)	\$ 0.047541	(L16+L17)/L18
21	Storm Recovery Purchased Power Adjustment for July 2019 to March 2020 (\$/kWh)	\$ 0.004034	PREB's Order June 28, 2019
22	Resulting Purchased Power Adjustment for October 2019 to (\$/kWh)	\$ 0.051575	L20+L21

Attachment 3
Puerto Rico Energy Bureau
Fuel Charge Adjustment Factor
For the Months of October 2019 to June 2020



Line No.	Item	Amount	Reference
1	Calculation of Fuel Charge Adjustment Factor for October 2019 to December 2019		
2			
3	Estimated Total Cost of Energy Efficiency for October 2019 to June 2020	\$ 13,000,000.00	September 27, 2019 Resolution and Order, Part IV
4			
5	Estimated Retail kWh sales for October 2019	1,437,542,547.74	Ingresos mensuales 2020 (21062019).xlsx TAB oct E101
6	Estimated Retail kWh sales for November 2019	1,293,587,008.07	Ingresos mensuales 2020 (21062019).xlsx TAB nov E101
7	Estimated Retail kWh sales for December 2019	1,300,936,563.49	Ingresos mensuales 2020 (21062019).xlsx TAB dic E101
8	Estimated Retail kWh sales for January 2020	1,202,961,197.64	Ingresos mensuales 2020 (21062019).xlsx Tab ene E101
9	Estimated Retail kWh sales for February 2020	1,108,949,748.16	Ingresos mensuales 2020 (21062019).xlsx Tab feb E101
10	Estimated Retail kWh sales for March 2020	1,252,949,720.21	Ingresos mensuales 2020 (21062019).xlsx Tab mar E101
11	Estimated Retail kWh sales for April 2020	1,259,500,315.10	Ingresos mensuales 2020 (21062019).xlsx Tab apr E101
12	Estimated Retail kWh sales for May 2020	1,364,123,173.14	Ingresos mensuales 2020 (21062019).xlsx Tab may E101
13	Estimated Retail kWh sales for June 2020	1,376,155,571.57	Ingresos mensuales 2020 (21062019).xlsx Tab jun E101
14			
15	Estimated Applicable Retail kWh Sales	11,596,705,845.11	L5+L6+L7+L8+L9+L10+L11+L12+L13
16			
17	Energy Efficiency Adjustment for October 2019 to June 2020 (\$/kWh)	0.001121	L3/L16