

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

NEPR

Received:

Jan 14, 2021

6:35 PM

IN RE:

REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S
SYSTEM REMEDIATION PLAN

CASE NO.: NEPR-MI-2020-0019

SUBJECT:

Motion submitting presentation in compliance with order.

**MOTION IN COMPLIANCE WITH ORDER SUBMITTING LUMA'S
PRESENTATION GIVEN ON JANUARY 12, 2021, AT THE PRE-FILING TECHNICAL
CONFERENCE**

TO THE PUERTO RICO ENERGY BUREAU:

COME NOW, LUMA ENERGY, LLC as Management Co., and LUMA ENERGY SERVCO, LLC (collectively, LUMA), through the undersigned legal counsel and respectfully submits the following:

1. On January 12, 2021, LUMA appeared before the Puerto Rico Energy Bureau (Energy Bureau) for a Pre-Filing Technical Conference in this case that was held via videoconference.
2. With leave from the Energy Bureau, Mr. Mario Hurtado, Vice President, Regulatory, of LUMA Energy LLC, Management Co., offered an electronic presentation that was projected and shared on screen.
3. The Energy Bureau issued a verbal order directing LUMA to file a copy of the presentation for the record.
4. With this motion, and in compliance with the order of the Energy Bureau, LUMA is submitting a copy of the presentation in pdf format.

WHEREFORE, LUMA respectfully requests that the Energy Bureau accepts this filing and deems that LUMA complied with the order issued during the Pre-Filing Technical Conference held on January 12, 2021, directing LUMA to file for the record a copy of LUMA's presentation made during the Pre-Filing Technical Conference.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of January 2021.

I hereby certify that I filed this motion using the electronic filing system of the Puerto Rico Energy Bureau where counsel for Puerto Rico Electric Power Authority, Maraliz Vázquez-Marrero, mvazquez@diazvaz.law; Joannely Marrero-Cruz, jmarrero@diazvaz.law; and Katiuska Bolaños-Lugo, kbolanos@diazvaz.law, are registered participants and receive notices of filings.

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SRP Technical Conference

NEPR-MI-2020-0019

January 12, 2021



Recovery and transformation

- In order to integrate laws, regulations and policy objectives, LUMA established a strategic framework
- This framework focuses on improving the delivery of electricity to the customer and addressing key stakeholder input and requirements
- Thus far LUMA has used this framework to guide planning, as a tool for prioritization of the many programs necessary for remediation and for overall improvement of utility service
- Consistent with the principles PREB specified in its December 31, 2020 Resolution and Order NEPR-2020-0019 and with Prudent Utility Practice

Mission

Recover and transform the utility to deliver customer-centric, reliable, resilient, safe, sustainable electricity at reasonable prices.

Key Goals



PRIORITIZE SAFETY

Reform utility activities to support a strong safety culture focused on employee safety and the safety of the people of Puerto Rico



IMPROVE CUSTOMER SATISFACTION

Transform operations to deliver a positive customer experience and deliver reliable electricity at reasonable prices



SYSTEM REBUILD AND RESILIENCY

Effectively deploy federal funding to restore the grid and improve the resilience of vulnerable infrastructure



OPERATIONAL EXCELLENCE

Enable employees to pursue operational excellence through new systems, processes and training



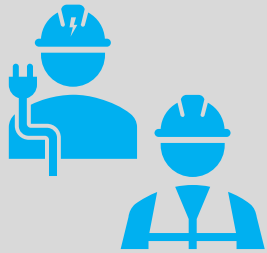
SUSTAINABLE ENERGY TRANSFORMATION

Modernize the grid and the utility to enable the sustainable energy transformation



LUMA's approach

People First. Safety Always.



- *LUMA puts people first, customers and employees*
- *The health and safety of our employees and customers are our top priority*

Data Driven Decision Making



- *Collect data where possible and in line with prudent utility practices*
- *Adhere to codes and standards to collect, validate and review data*
- *Use data to drive decisions, assess risk and report results*

Leading with Solutions



- *Assess the situation, apply expertise, develop solutions for the path forward*
- *Analyze alternatives, compare and contrast trade-offs and recommend cohesive solutions*

Transparent and Collaborative

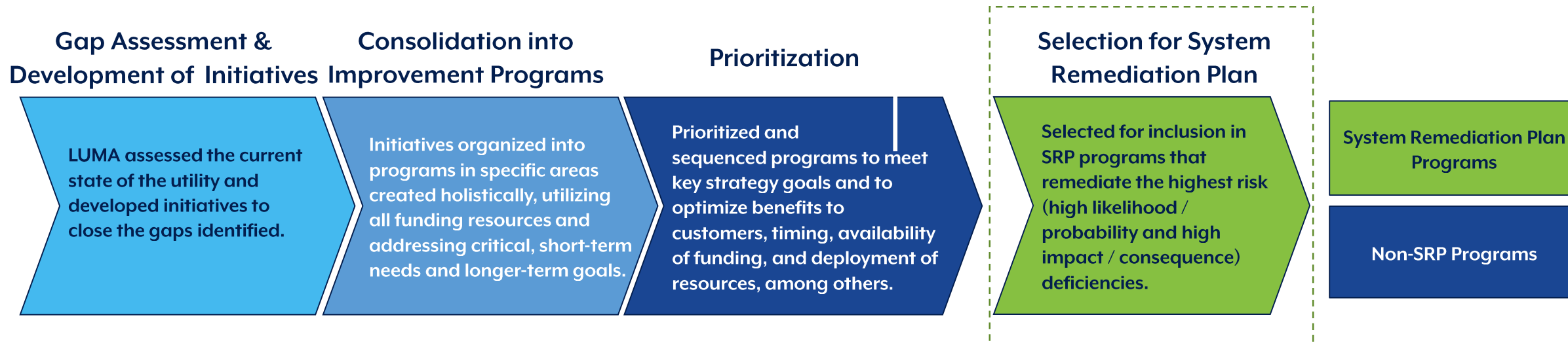


- *Consider customer impacts and engage with PREB, key stakeholders and customers*
- *Lead ongoing engagement*
- *Ensure accountability*



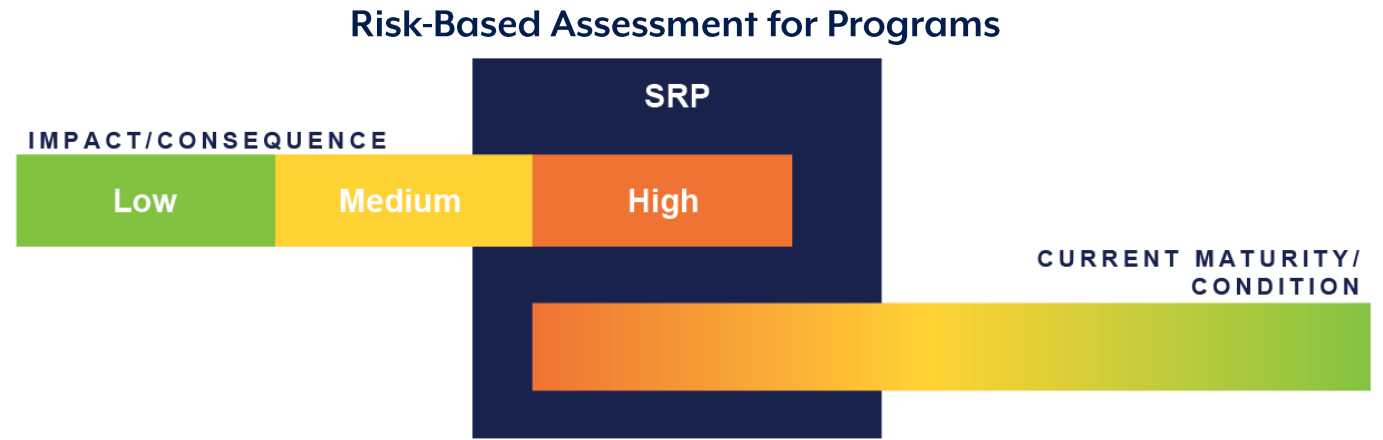
System Remediation Plan in context

Components of the T&D system and utility operations do not currently meet standards of performance required by Puerto Rico laws and regulations. The proposed System Remediation Plan seeks to remediate, repair, replace and stabilize T&D system equipment, systems, practices and services, in order to **enable LUMA to perform the O&M Services in compliance with law, regulations, and Contract Standards, including Prudent Utility Practice.**



Focus of System Remediation Plan

- LUMA identified programs that address the items with the highest potential risk to the utility, its employees and customers. These programs were included in the System Remediation Plan.
- Once programs were categorized as SRP, LUMA determined the point at which the gaps and asset deficiencies could be defined as remediated, and identified the key program elements and estimated resources, and timing, including when the program will accomplish the initial goals of remediation.
- It must be noted that reaching remediation does not equal complete correction of deficiencies. Further corrections and improvements must continue to be performed to achieve the goals consistent with the laws, regulations and strategic objectives.
- LUMA anticipates that as work proceeds, we will have a more comprehensive picture of the state of the T&D system, and the pace of improvements. Annual reviews and updates will be performed, reflecting not only the progress made on specific programs, but also the effect of continually improving source data and information.



Main deliverables to PREB

Initial Budgets

Delineate the financial resources to be utilized to carry out the recovery and transformation in line with currently applicable rate order

System Remediation Plan

Focus on most critical deficiencies to be addressed early to bring utility assets and activities in line with laws, regulations and contract standards

Performance Metrics

Measure starting points, goals and progress based on key measures related to improving customer service, reliability, safety, and operational excellence

System Operation Principles

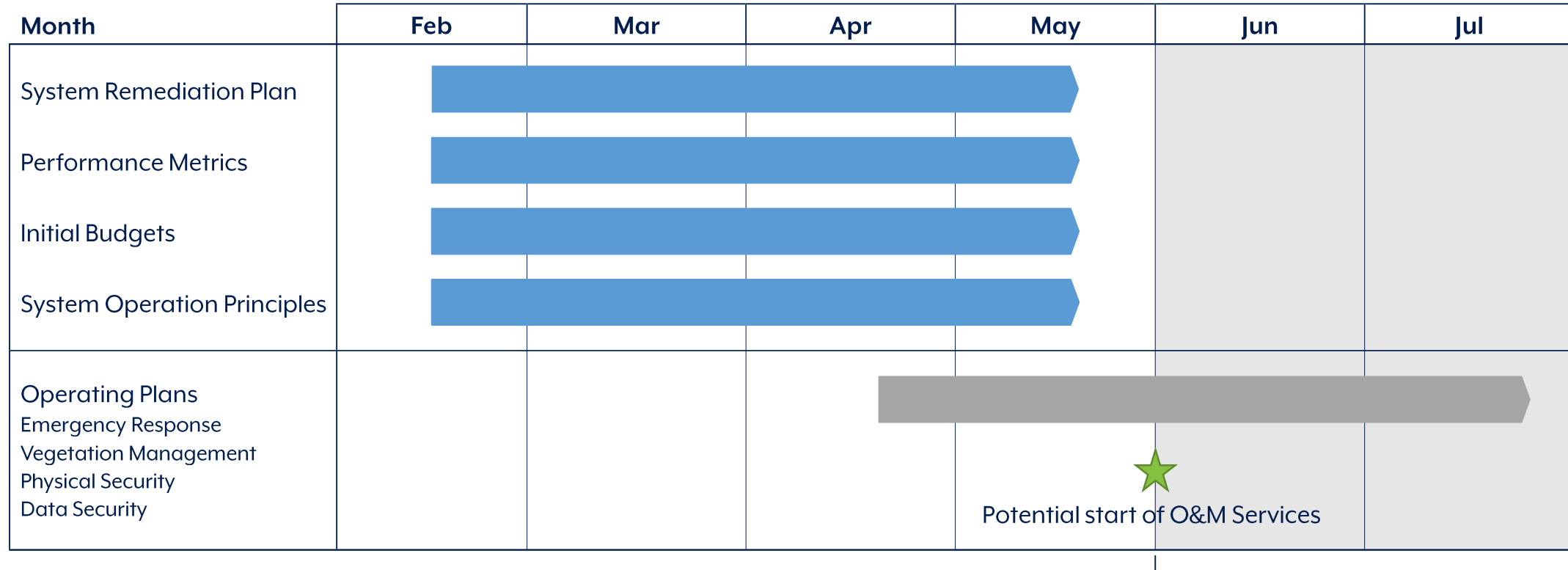
Set broad rules for real-time operation of the Bulk Power System, dispatch of power plants, as well as short- and long-term system and resource planning

Operating Plans

These plans for vegetation management, emergency response, physical security and data security are focused and operational in nature

LUMA proposed timeline for discussion for PREB reviews

Current projected start of operations – mid-2021



N.B. Dates and durations are approximate.

These Front-End Transition Period reviews are the initial steps in receiving feedback and approvals from PREB. LUMA anticipates that as work proceeds as part of the O&M Services, we will continue on-going processes with PREB.





Thank you

