

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

IN RE: REVIEW OF T&D OPERATOR'S
SYSTEM OPERATION PRINCIPLES

CASE NO.: NEPR-MI-2021-0001

SUBJECT: Resolution and Order on the
Completeness of LUMA's System Operating
Principles Plan Filing,

RESOLUTION AND ORDER

I. Introduction

On June 22, 2020, the Puerto Rico Electric Power of Puerto Rico ("PREPA"), the Puerto Rico Public-Private Partnerships Authority, LUMA ENERGY, LLC¹ as ManagementCo, and LUMA ENERGY SERVCO, LLC² as ServCo (collectively, "LUMA") entered into an Operation and Maintenance Agreement ("OMA") under which LUMA will manage PREPA's transmission and distribution system ("T&D System").

As a certified electric service company and the operator of the T&D System, LUMA is subject to compliance with applicable statutory and regulatory requirements. Furthermore, pursuant to Section 4.1(h) of the OMA, LUMA is required to prepare a System Operation Principles Plan ("SOP Plan"). It is important to note that the System Operation Principles are the norms and rules which shall govern the dispatch of power and electricity through the PREPA electric grid.

On January 15, 2021, the Energy Bureau of the Puerto Rico Service Regulatory Board ("Energy Bureau") issued a Resolution and Order commencing this proceeding and ordering PREPA and LUMA to ensure that any filing to be executed before the Energy Bureau under Section 4.1(h) of the OMA is aligned with: (i) the public policy established in Act 57-2014³ and Act 17-2019⁴; and (ii) prudent utility practices, as applicable ("January 15 Resolution").⁵ The Energy Bureau also ordered PREPA and LUMA representatives to attend a Pre-Filing Technical Conference which was held remotely on January 29, 2021 to clarify PREPA and LUMA's questions regarding the filing.⁶

¹ See *In re: Request for Certification LUMA ENERGY, LLC*, Case No. NEPR-CT-2020-0008.

² See *In re: Request for Certification LUMA ENERGY SERVCO, LLC*, Case No. NEPR-CT-2020-0007.

³ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended.

⁴ Known as the *Puerto Rico Energy Policy Act*.

⁵ See *In Re: Review Of T&D Operator's System Operation Principles*, Resolution and Order, January 15, 2021.

⁶ See <https://youtu.be/nagZXTDiqn0>.



On February 25, 2021, LUMA filed a document titled *LUMA's Submittal and Request for Approval of System Operation Principles* ("February 25 Request") for Energy Bureau's review and approval. The February 25 Request included a document titled *System Operations Principles* ("SOPs") said document was identified as Exhibit 1. In the February 25 Request, LUMA behests the Energy Bureau to accept the SOPs and approve them in their entirety.⁷

II. Determination on Completeness

As with any other proceeding, the Energy Bureau conducted a preliminary review of the February 25 Request. As a result of such review, the Energy Bureau found that the February 25 Request lacked an in-depth discussion of key matters, supporting data, analysis, and assessments that are necessary for the Energy Bureau's adequate evaluation of the same. Therefore, the Energy Bureau **DETERMINES** that the February 25 Request **is incomplete**.

III. Conclusion

For the reasons discussed above, the Energy Bureau **DETERMINES** that the February 25 is incomplete and **ORDERS** LUMA to, **on or before ten (10) calendar days from the notice of this Resolution and Order**, (i) provide the information identified in Attachment A of this Resolution and Order; and (ii) modify the February 25 Request accordingly. The Energy Bureau will commence the evaluation process of the February 25 Request once LUMA files the information and documentation identified in Attachment A of this Resolution and Order and the Energy Bureau determines it is complete.

Furthermore, the Energy Bureau **ORDERS** PREPA to **immediately** provide LUMA any information and/or documentation requested by LUMA to timely comply with this Resolution and Order and any assistance required by LUMA to clarify any of the information and/or documentation requested. Finally, the Energy Bureau will establish the procedural calendar⁸ for the instant case once LUMA complies with the foregoing orders and the Energy Bureau determines that the petition is complete.

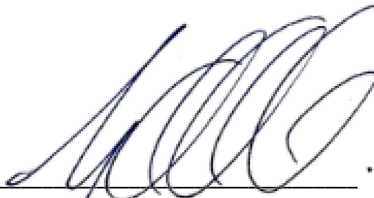
The Energy Bureau **WARNS** LUMA and PREPA that, noncompliance with any provision of this Resolution and Order, may result in the imposition fines under Act 57-2014 and the applicable Energy Bureau's regulations and/or any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

⁷ See February 25 Request, p. 13.

⁸ Aligned with the transparency and public participation afforded to stakeholders and the general public in our proceedings, the procedural calendar in the instant case will include a commenting period and public hearings.



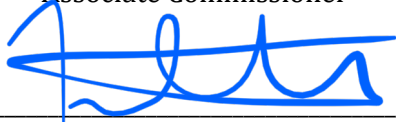
Be it notified and published.



Edison Avilés Deliz
Chairman



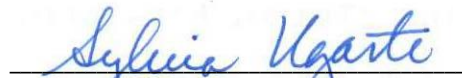
Ángel R. Rivera de la Cruz
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on April 6, 2021. Associate Commissioner Ángel R. Rivera de la Cruz concurs with the result without a written opinion. I also certify that on April 6, 2021 a copy of this Resolution and Order was notified by electronic mail to the following: mmercado@mercado-echagaray-law.com, margarita.mercado@us.dlapiper.com, jmarrero@diazvaz.law and kbolanos@diazvaz.law. I also certify that today, April 6, 2021, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today April 6, 2021.


Sonia Seda Gaztambide
Clerk


Attachment A

1. Provide a detailed discussion, including the methodology to be used by LUMA for the development of load forecasts⁹, including, but not limited to, (i) on a daily and day-ahead basis load forecast; and (ii) sub-hourly, hourly, daily, weekly, and monthly generation forecasts, particularly from wind and solar resources.
2. Provide a detailed discussion on how LUMA will use and manage load forecasts in the Energy Management System (“EMS”). Describe LUMA’s intended process for procuring a new EMS system, and the anticipated timeline for such a system to be installed and operational.
3. Provide a detailed discussion on how LUMA will use and manage load forecasts in performing Security Constrained Economic Dispatch (“SCED”).
4. Provide a detailed discussion of the mechanisms, procedures, tools, platforms and manuals to be used by LUMA to ensure compliance with the provisions of Act 17-2019, regarding the processing and handling of requests for interconnection to the PREPA grid, including the completion of interconnection studies and evaluations, when required.¹⁰
5. Provide a detailed discussion on the safeguards and procedures to be implemented by LUMA to ensure non-discriminatory access to the Puerto Rico electric transmission and/or distribution system.
6. Provide a copy of the Agreed Operating Procedures referenced in Schedule 1 to Annex I of the OMA¹¹ and an explanation as to why the Agreed Operating Procedures were not included in the SOPs Plan.

⁹ See SOPs Plan, Section 3.1, p. 12.

¹⁰ The discussion shall contemplate potential scenarios where a large interconnection queue forms in Puerto Rico.

¹¹ Regarding the Agreed Operations Procedures, Schedule 1 to Annex I System Operations Principles of the OMA document states:

The Operator and Generating Facility Operators shall maintain detailed written operating procedures based on the Operator’s standard operating procedures, taking into consideration the design of each generating facility and its interconnection to the electricity supply system. These written operating procedures shall also take into account security-constrained economic dispatch, ensuring non-discriminatory treatment of resources. The Agreed Operating Procedures shall define the procedures to be used to integrate the generating facility’s output into the electricity supply system.



7. LUMA discusses numerous areas where it intends to develop specific procedures in addition to the SOP.¹² More specifically, LUMA states that it has identified (i) 12 **critical** operating procedures to be revised and re-written prior to commencement; (ii) 13 non-critical operating procedures to be revised and re-written within six months of commencement; (iii) and 4 operating procedures to be completed within 12 months after commencement of operations.¹³ For each of the specific procedures listed in Appendix A.2 of the SOP, submit the following:
 - a. A detailed discussion on how LUMA intends to operate the system in an improved manner while lacking the foregoing operating procedures, some of which LUMA itself identifies as critical; and
 - b. A detailed and aggressive completion timeline.
8. Describe how gaps identified in LUMA's review of PREPA system operations will affect the implementation of the SOPs Plan and related policies and procedures, and how LUMA believes it will affect implementation of Security Constrained Economic Dispatch, reliability management, and other principles and expectations for industry standard operations.
9. Submit the Transmission Planning Standards used for contingency planning.
10. Submit the Transmission Center Inspections Reports.
11. Submit the Generation Plant Inspection Reports.



¹² See Section 2.5 of the SOPs Plan.

¹³ See Appendix A.2 of the SOPs Plan for a list of the specific procedures to be developed by LUMA.