

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

**IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS**

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Technical Conference Agenda.

RESOLUTION AND ORDER

On April 20, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("April 20 Resolution") through which it established a preliminary procedural calendar for the instant case. The Energy Bureau scheduled a Technical Conference¹ to be held on May 3-5, 2021 from 9:00 a.m. to 5:30 p.m.

As established in the April 20 Resolution, during the Virtual Technical Conference, LUMA² shall present and discuss thoroughly the proposed Initial Budgets. Due to the technical nature of the Technical Conference, it will be conducted in the English language, with simultaneous translation to the Spanish language.³

The Energy Bureau, as it has done in other proceedings, has organized and structured the issues to be discussed during the Technical Conference by subject-matter. This approach allows for a more useful dialogue, a more organized record, provides for better time management and allows a more detailed and efficient discussion. Accordingly, the agenda included as Attachment A of this Resolution and Order shall govern the organization of the Technical Conference.

The Energy Bureau **ORDERS** LUMA and **PREPA** to ensure that all the persons (*i.e.*, employees, consultants, or representatives) involved in the preparation of the Initial Budgets proposal appear during the Technical Conference in accordance with the foregoing agenda and are duly prepared and ready to answer questions from the Energy Bureau, its staff, and consultants, regarding its presentation and all aspects of the proposed Initial Budgets.

During the Technical Conference, all participants **SHALL** conduct themselves efficiently and in full compliance with the procedures set forth by the Energy Bureau.


¹ Note that in order to prevent the spread of Covid-19, the foregoing Virtual Technical Conference will be held remotely via the *Microsoft Teams* platform from 9:00 am to 5:30 pm.

² LUMA Energy, LLC, as Management Co, and LUMA Energy ServCo, LLC, as ServCo.

³ The Technical Conference will be livestreamed via the Energy Bureau's YouTube Channel.



Be it notified and published.



Edison Avilés Deliz
Chairman



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 29, 2021. Associate Commissioner Ángel R. Rivera de la Cruz concurred with a written opinion. I also certify that on April 29, 2021 a copy of this Resolution and Order was notified by electronic mail to the following: margarita.mercado@us.dlapiper.com, kbolanos@diazvaz.law and jmarrero@diazvaz.law. I also certify that today, April 29, 2021, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today April 29, 2021.



Sonia Seda Gaztambide
Clerk



ATTACHMENT A

| Discussion of Issues | Time |
|---|-------------------------|
| Day 1 - May 3, 2021 | |
| LUMA's Presentation | 9:00 a.m. - 10:30 a.m. |
| Development of Initial Budgets Proposal | 10:30 a.m. - 11:30 a.m. |
| Initial Budgets Proposal considering actual rate structure (existing revenue requirement, PREPA's Fiscal Plan) | 11:30 a.m. - 1:30 p.m. |
| Lunch | 1:30 p.m. - 2:30 p.m. |
| Generation Budget | 2:30 p.m. - 4:30 p.m. |
| Development of Programs/Prioritization of Expenditures | 4:30 p.m. - 5:30 p.m. |
| Day 2 - May 4, 2021 | |
| Federal Funding and Non-Federal Funding/Procurement Manuals | 9:00 a.m. - 10:30 a.m. |
| Procurement Practices (Federally and Non-Federally Funded) | 10:30 a.m. - 11:30 a.m. |
| Coordination with PREPA's 10-Year Infrastructure Plan | 11:30 a.m. - 1:00 p.m. |
| Lunch | 1:00 p.m. - 2:00 p.m. |
| Impact of Proposed Budget on System Reliability/Grid Modernization | 2:00 p.m. - 3:00 p.m. |



| Discussion of Issues | Time |
|---|-------------------------|
| Customer Impacts | 3:00 p.m. – 4:30 p.m. |
| Regulatory Compliance | 4:30 p.m. – 5:30 p.m. |
| Day 3 – May 5, 2021 | |
| Gap Assessment | 9:00 a.m. – 11:00 a.m. |
| PREPA Historical Financial Results | 11:00 a.m. – 12:30 p.m. |
| Lunch | 12:30 p.m. – 1:30 p.m. |
| PREPA's Electrical System Assets Inspections (Distribution and Transmission Lines and /Transmission and Distribution Substations) | 1:30 p.m. – 2:30 p.m. |
| Generation Team Plant Assessment | 2:30 p.m. – 4:00 p.m. |
| Follow-up Items | 4:00 p.m. – 5:30 p.m. |



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CASE NO.: NEPR-MI-2021-0004

SUBJECT: Technical Conference Agenda.

Associate Commissioner Ángel R. Rivera de la Cruz, concurring

Today, the Puerto Rico Energy Bureau (“Energy Bureau”) issued a Resolution and Order through which it established the Agenda for the May 3 – 5, 2021 Technical Conference in the instant case. Although I disagree with scheduling the aforementioned Technical Conference, as a matter of law, I must concur with the approved Agenda.¹

* * *

On April 20, 2021, the majority of the Energy Bureau issued a Resolution and Order through which, among other things, established a preliminary procedural calendar in the instant case. The majority of the Energy Bureau scheduled the Technical Conference for May 3 – 5, 2021. I dissented of such determination.² As expressed in my April 20, 2021 dissenting opinion, scheduling the **LONE** Technical Conference so early in the process is a large deviation from the way the Energy Bureau normally evaluate petitions like the one presented in the instant case.³ As I expressed before, in the past, the Energy Bureau has always ensured that it possesses **ALL** the required and necessary information to thoroughly evaluate the proposal.⁴

¹ It important to note that, as expressed in my April 5, 2021 dissenting opinion in the instant case, I would have initiated an adjudicative proceeding, similar to the one the Energy Bureau used to establish the current rates revenue requirement in Case No. CEPR-AP-2015-0001. Resolution and Order, In Re: Review of LUMA's Initial Budgets, Case No. NEPR-MI-2021-0004, April 5, 2021 (“April 5 Order”), Associate Commissioner Ángel R. Rivera de la Cruz dissenting. As a result, I would have ordered LUMA to file a revenue requirement determination request, in accordance with the schedules listed in Regulation 8720, as described in the dissenting opinion. Since that was a minority opinion, all my analysis regarding today’s Resolution must be done in view of the provisions of the April 5 Order, as determined by the majority of the Energy Bureau. However, this must not be construed as a shift in my position. I still believe that the path forward is to determine LUMA’s Initial Budgets in a rate case-like proceeding, where a new revenue requirement can be established. Notwithstanding, I must abide by the provisions of the April 5 Order.

² See Resolution and Order, In Re: Review of LUMA's Initial Budgets, Case No. NEPR-MI-2021-0004, April 20, 2021, Associate Commissioner Ángel R. Rivera de la Cruz dissenting, p. 2.

³ *Id.*, p. 3.

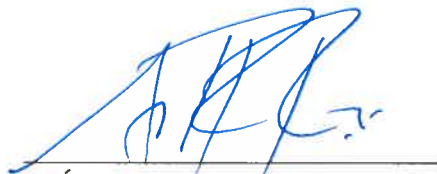
⁴ *Id.*



I still believe that, as of today, LUMA's⁵ petition is incomplete.⁶ As stated in my April 20, 2021 dissenting opinion, the Puerto Rico Electric Power Authority's ("PREPA/GenCo") Generation Budget for FY-2022, as submitted by LUMA through the *Motion Submitting PREPA's Generation Budget in Compliance with Order* ("April 22 Compliance Motion") lacks the supporting documents for each listed expense.⁷ Moreover, LUMA's *Petition for Approval of Initial Budgets and Related Terms of Service* ("February 24 Petition"), as clarified by the *Motion Submitting Clarification to Portions of LUMA's Initial Budgets* ("April 6 Motion") and supplemented by the *Motion in Compliance with Resolution and Order of April 5, 2021 and Submitting Responses to Requests for Information* ("April 12 Compliance Motion") and by the April 22 Compliance Motion, also lacks supporting documents for certain expenses listed in the proposed Initial Budget schedules, filed as part of the February 24 Petition.⁸

Notwithstanding the above, as stated before, the majority of the Energy Bureau determined the February 24 Petition, as clarified by the April 6 Motion and supplemented by the April 12 Compliance Motion and by the April 22 Compliance Motion is complete⁹ and scheduled the Technical Conference for May 3 – 5, 2021. I must abide by that decision.

Moreover, the approved Agenda contains certain provisions for the discussion of several aspects of the LUMA's petition, including the PREPA/GenCo Budget and the proposed Initial Budget. In addition, the approved Agenda provides for the analysis of the documents and information filed by LUMA so far in this case. Therefore, based on the narrow procedural construct established by the majority of the Energy Bureau for the evaluation of the February 24 Petition and the fact that I am bound by all other procedural determinations made by the majority in the instant case, I concur with the approved Agenda, as established in today's Resolution and Order.



Ángel R. Rivera de la Cruz
Associate Commissioner



In San Juan, Puerto Rico, on April 29, 2021.

⁵ LUMA Energy, LLC as ManagementCo, and LUMA Energy Servco, LLC as ServCo, collectively, "LUMA".

⁶ See Resolution, In Re: Review of LUMA's Initial Budgets, Case No. NEPR-MI-2021-0004, April 26, 2021, Associate Commissioner Ángel R. Rivera de la Cruz dissenting, p. 3.

⁷ *Id.*, p. 2.

⁸ See, in general, February 24 Petition, "Section 5_Initial Budgets Schedules_FINAL.xlsx".

⁹ Resolution, In Re: Review of LUMA's Initial Budgets, Case No. NEPR-MI-2021-0004, April 26, 2021, p. 2.