

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

<p>NEPR</p> <p>Received:</p> <p>Apr 22, 2021</p> <p>9:33 PM</p>

IN RE: REVIEW OF LUMA'S
INITIAL BUDGETS

CASE NO. CEPR-MI-2021-0004

**SUBJECT: Motion Submitting the Puerto Rico
Electric Power Authority's ("PREPA") Generation
Budget.**

**MOTION SUBMITTING PREPA'S GENERATION BUDGET IN COMPLIANCE
WITH ORDER**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC ("ManagementCo"), and **LUMA Energy ServCo, LLC** ("ServCo"), (jointly referred to as "LUMA"), and respectfully state and request the following:

1. On April 20, 2021, this honorable Bureau issued a Resolution and Order that sets a procedural calendar in this proceeding ("April 20th Order").
2. Among others, in the April 20th Order this honorable Energy Bureau directed that the PREPA Generation Budget be filed on or before April 22, 2021, including supporting documents in searchable pdf format and excel files in native form. *See* April 20th Order at page 2 and note 5.
3. In compliance with the April 20th Order, LUMA is hereby submitting the Generation Budget prepared by PREPA. *See* Exhibit 1 (pdf document submitted with this Motion and excel table to be filed via email).
4. LUMA looks forward to meeting the procedural calendar set by this honorable Bureau and to actively participate in this proceeding and engage in collaborative discussions with the public and stakeholders in furtherance of this Bureau's consideration and approval of the

proposed Initial Budgets. LUMA remains committed to comply with the orders issued by this honorable Bureau en route to reaching the goal of commencing operations by June 1st 2021, to deliver safe, reliable, resilient, cost-efficient and customer-centric electric power services in Puerto Rico to benefit public interests and in compliance with energy public policy.

WHEREFORE, LUMA respectfully requests that this Bureau **take notice** of the aforementioned, **receive** the PREPA Generation Budget, and **deem** that LUMA timely complied with the portion of the April 20th Order that required submission of PREPA's Generation Budget.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22nd day of April 2021.

I hereby certify that I filed this motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to the attorneys for PREPA, Joannely Marrero-Cruz, jmarrero@diazvaz.law; and Katuska Bolaños-Lugo, kbolanos@diazvaz.law.



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Exhibit 1

PREPA FY2022 GenCo Budget Request

Description	PREPA Budget Request
GenCo	
1) Labor Operating Expenses (GenCo)	
Salaries & Wages	\$ 32,670,736
Pension & Benefits	18,052,711
Overtime Pay	10,328,778
Overtime Benefits	1,175,831
Add: Net change in positions	2,933,500
Total Labor Operating Expenses (GenCo)	<u>65,161,556</u>
2) Non-Labor Operating Expenses (GenCo)	
Materials & Supplies	18,000,000
Transportation, Per Diem, and Mileage	1,500,000
Utilities & Rents	1,949,876
Communications Expenses	-
Professional & Technical Outsourced Services	5,000,000
Other Miscellaneous Expenses	12,000,000
Total Non-Labor Operating Expenses (GenCo)	<u>38,449,876</u>
3) NME (GenCo)	
Aguirre	22,300,000
Costa Sur	3,700,000
Palo Seco	9,895,000
San Juan	44,240,000
Hidrogas y Cambalache	14,105,000
División de Generación	11,648,568
Servicio de Regadío	500,000
Total NME (GenCo)	<u>106,388,568</u>
Total Generation Budget (before Shared Services)	<u>210,000,000</u>

Support Pages>>>

FY2022 Generation Budget Request

	<u>FOMB Certified Budget FY2021B</u>	<u>PREPA Budget Request FY2022B</u>	<u>Variance (FY21B v. FY22B)</u>	<u>Variance (FY21B v. FY22B)</u>	<u>Feb-YTD Actual + Projected FY2021E</u>	<u>PREPA Budget Request FY2022B</u>	<u>Variance (FY21A v. FY22B)</u>	<u>Variance (FY21A v. FY22B)</u>
Operating & Maintenance Expenses								
Labor Operating Expenses								
Salaries & Wages	37,999,696	32,670,736			32,670,736	32,670,736		
Pension & Benefits	22,866,749	18,052,711			18,052,711	18,052,711		
Overtime Pay	6,553,384	10,328,778			10,328,778	10,328,778		
Overtime Benefits	786,032	1,175,831			1,175,831	1,175,831		
Total Labor Operating Expenses	68,205,861	62,228,056			62,228,056	62,228,056		
Net change in positions		2,933,500	2,933,500			2,933,500		
Total Labor Operating with Additions & Transfers	68,205,861	65,161,556	(3,044,305)	-4.46%	62,228,056	65,161,556	2,933,500	4.71%
Non-Labor / Other Operating Expenses								
Materials & Supplies	15,416,140	18,000,000	2,583,860	16.76%	22,652,855	18,000,000	(4,652,855)	-20.54%
Transportation, Per Diem & Mileage	3,415,209	1,500,000	(1,915,209)	-56.08%	4,361,491	1,500,000	(2,861,491)	-65.61%
Utilities & Rents	4,518,682	1,949,876	(2,568,806)	-56.85%	1,949,876	1,949,876	-	0.00%
Communications Expenses	1,083	-	(1,083)	-100.00%	92	-	(92)	-100.00%
Professional & Technical Outsourced Services	10,564,936	5,000,000	(5,564,936)	-52.67%	7,439,682	5,000,000	(2,439,682)	-32.79%
Other Miscellaneous Expenses	11,590,523	12,000,000	409,477	3.53%	12,456,257	12,000,000	(456,257)	-3.66%
Total Non-Labor / Other Operating Expenses	45,506,573	38,449,876	(7,056,697)	-15.51%	48,860,253	38,449,876	(10,410,377)	-21.31%
Total Operating Expenses	113,712,434	103,611,432	(10,101,002)	-8.88%	111,088,309	103,611,432	(7,476,877)	-6.73%
Maintenance Projects ("NME")								
Aguirre	17,913,000	22,300,000	4,387,000	24.49%	9,908,423	22,300,000	12,391,577	125.06%
Costa Sur	7,550,000	3,700,000	(3,850,000)	-50.99%	16,293,408	3,700,000	(12,593,408)	-77.29%
Palo Seco	12,290,000	9,895,000	(2,395,000)	-19.49%	4,060,771	9,895,000	5,834,229	143.67%
San Juan	34,800,000	44,240,000	9,440,000	27.13%	32,760,696	44,240,000	11,479,304	35.04%
Hidrogas y Cambalache	16,100,000	14,105,000	(1,995,000)	-12.39%	6,002,166	14,105,000	8,102,834	135.00%
División de Generación	9,400,000	11,648,568	2,248,568	23.92%	9,600,859	11,648,568	2,047,709	21.33%
Servicio de Regadío	410,000	500,000	90,000	21.95%	-	500,000	500,000	
Total Maintenance Projects	98,463,000	106,388,568	7,925,568	8.05%	78,626,322	106,388,568	27,762,246	35.31%
Total Operating & Maintenance Expenses	212,175,434	210,000,000	(2,175,434)	-1.03%	189,714,631	210,000,000	20,285,369	10.69%

GenCo NME FY2022 Budget Request
Segregated by Plant, Project Category and Project Title

Summary	NME
Aguirre	22,300,000
Costa Sur	3,700,000
Palo Seco	9,895,000
San Juan	44,240,000
Hidrogas y Cambalache	14,105,000
División de Generación	11,648,568
Servicio de Regadío	500,000
Total	106,388,568

Description	Budget Request (\$)
Aguirre Combined Cycle	\$ 3,100,000
Efficiency	500,000
HRSG Improvements	500,000
Reliability	2,300,000
Auxiliary Equipment Replacement	300,000
Gas Turbine Major Inspection	1,500,000
Steam Turbine Improvements	500,000
Safety	300,000
Remove or reinforce Crane Support Structure	300,000
Aguirre Steam Power Plant	19,200,000
Reliability	18,400,000
(Se asocia a Caldera U2)o Equipos DG-Service Air Compressor Adquisition	150,000
(blanket tanques combust)Fuel Loading Arms Rehabilitation	150,000
480 Volts Breakers Replacement for Unit 1	400,000
Blanket Tanques Agua DG-DEMI 3 Pumping Station	200,000
Boiler imp Unit 1	9,000,000
Turbine Generator Unit 2 (Low Pressure Spare Turbines Recertification)	1,500,000
Unit 1 Turbine Improvemnt major overhaul	7,000,000
Safety	800,000
Fire Protection System Rehabilitation	800,000
Cambalache Power Plant	3,655,000
Reliability	3,030,000
Cambalache LTSA	3,000,000
Vacuum Truck Upgrade	30,000
Safety	625,000
GT3 Necessary Maintenances during major inspection	500,000
Instrument Air & Dryer System	125,000
Costa Sur Power Plant	3,700,000
Reliability	3,700,000
Boiler 5 Improvement	1,000,000
Boiler Feed Pump Bundle	1,200,000

Turbine 5 Improvement	500,000
Turbine 5 Rotor Repair	1,000,000
Daguao Power Station (CT's)	300,000
Reliability	300,000
Daguao 1-2 Combustion Inspection & Speed Reduction Replacement	300,000
Generation Directorate	11,648,568
Efficiency	250,000
Electric System Office Automation	250,000
Reliability	9,248,568
Battery Banks	500,000
Equipment for production	248,568
Fuel Storage Tanks	3,500,000
Security equipment	200,000
Small Improvement for Building Facilities	300,000
Water Storage Tanks	4,500,000
Safety	2,150,000
Environmental Projects	1,000,000
Safety Equipment	150,000
Vehicle Replacement	1,000,000
Hidrog-Gas CT's General Work	1,600,000
Reliability	1,600,000
Spare Generator Rotor for John Brown Frame 5000 (1)	1,000,000
Spare Speed Reductor	600,000
Hydro Gas Peaking Units	1,500,000
Efficiency	1,500,000
Frame 5 Major Inspections & components - Peaking Units	1,500,000
Hydroelectric Units	1,500,000
Efficiency	1,500,000
Hydroelectric Units Improvement NME	1,500,000
Mayaguez Power Plant	5,000,000
Efficiency	5,000,000
AERODERIVATIVE UNITS INSPECTIONS	5,000,000
Palo Seco Power Plant	9,775,000
Efficiency	3,150,000
Boilers 1,3 & 4 Air and Gas Ducts	500,000
Condensers 3 & 4	50,000
Jetty Intake Area	1,000,000
Switchgear Units 3 & 4	250,000
Travelling Screens U# 1 & 2 Waterways	350,000
WTP Retention Tank Number 3	1,000,000
Reliability	5,500,000
Boiler U # 4	1,000,000
Boilers 1, 3 & 4 Internal Tubes	1,000,000
Cooling Towers Units 3 & 4	250,000
IDF's & FDF's 3 & 4 Control Vanes	250,000
IDF's 3 & 4 Outlet Dampers	250,000
Steam Coils Units 3 & 4	750,000
Turbine Unit # 3	250,000

Turbine Unit # 4	1,000,000
WTP Filters	750,000
Safety	1,125,000
Boiler U # 4 Structure	475,000
Fire Protection System	300,000
Piping Hangers Units 3 & 4	100,000
Turbines and Transformers 3 &4	250,000
Palo Seco Power Station (CT's)	120,000
Reliability	120,000
Palo Seco 1-1 Combustor Inspection	60,000
Palo Seco 2-1 Combustor Inspection	60,000
Public Irrigation, Dams & Reservoirs Division	500,000
Efficiency	500,000
Caonillas Dam - Engineering Studies and Maintenance Work	50,000
Dos Bocas Dam Maintenance Work and Safety Studies	50,000
Garzas Dam Geotechnical and Seismic Studies & Inspection Work	50,000
Guayabal Damn Permanent Risk Reduction	75,000
Guayo Dam Maintenance Work and Safety Studies	50,000
Loco Dam Improvement Projects	50,000
Luchetti Dam - Maintenance Work and Safety Studies	50,000
Patillas Dam Seismic Retrofit	75,000
Prieto Dam Maintenance Work	25,000
Yahuecas Dam Maintenance Work	25,000
San Juan Power Plant	44,240,000
Efficiency	11,250,000
Condenser Repair U5	100,000
Natural Gas Manufacturing Surcharge - San Juan Steam Plant	10,050,000
Replacement Continuous Cleaning Condensers System 5-6	600,000
Water Wash Compressor CTG 5-6 (6)	500,000
Reliability	32,490,000
AVR CTGs 5-6 (6) confirmar inst marzo 2022	325,000
AVR STGs 5-6	400,000
Buy BFWP HP U5	1,800,000
Buy BFWP LP U5	160,000
CT 5 TURBINE AND COMPRESSOR ROTOR INSP	1,750,000
DEMI Water Tretment Resin	250,000
Filter House Overhauling CTG U5	200,000
Four Way Joint Upgrade CTG U5	450,000
General Repair STG5	6,000,000
Pressure Parts Acquisition HRSG U5	2,730,000
Pressure Parts Installation HRSG U5	3,500,000
Replace Steam By-Pass Valves U5	250,000
San Juan LTSA	10,500,000
Traveling Screens 5-8	600,000
Traveling Screens 9-10	300,000
Upgrade DCS Ovation	2,900,000
Upgrade Turbine Supervisory Instrumentation (TSI) Setpoint / Metrix U5-6	50,000
Upgrade UPS U5-6	325,000
Safety	500,000

Fire Protection for Unit 5 to 10	500,000
Yabucoa Power Station (CT's)	550,000
Reliability	550,000
Yabucoa 1-1 Excitation Control System Project & Other Maintenance Works	550,000
Total	<u>\$ 106,388,568</u>