

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

NEPR Received: May 13, 2021 5:16 PM
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IN RE: REVIEW OF T&D'S
OPERATORS SYSTEM
OPERATION PRINCIPLES

CASE NO. NEPR-MI-2021-0001

**SUBJECT: Informative Motion and Urgent
Request for Extension of Time.**

**INFORMATIVE MOTION AND URGENT REQUEST FOR EXTENSION OF TIME TO
FILE RESPONSE TO RESOLUTION AND ORDER OF MAY 11, 2021**

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 February 25, 2021, LUMA filed before this honorable Puerto Rico Energy Bureau (“Bureau”) a Petition for Approval of LUMA’s System Operation Principles (“SOP Petition”), pursuant to LUMA’s obligations under Section 4.1 (h) of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020, executed by and among LUMA, the Puerto Rico Electric Power Authority (“PREPA”) and the Puerto Rico Public-Private Partnerships Authority (“P3 Authority”) (“OMA”).
2. The contractually-mandated and intended scope of LUMA’s System Operation Principles is to include “principles related to the dispatch of Power and Electricity [...], which principles shall be generally consistent with those set forth in Schedule 1 (System Operation Principles) to Annex I (Scope of Services) [of the OMA]. . . .” *See* OMA Section 4.1(h).
3. Section I(C) of Annex I to the OMA provides the following on the services that LUMA will provide as Operator of the Transmission & Distribution System (“T&D System”):

System Operator Activities. Operator shall serve the role of T&D System operator, including (1) managing control center operations, including generation scheduling and economic/reliable T&D System dispatch; (2) balancing the supply and demand of electricity, including reacting to changes in demand in real time, adjusting generation dispatch to be in balance with demand and maintaining the T&D System at safe operating levels in accordance with Prudent Utility Practices and System Operation Principles; (3) conduct T&D System planning activities; (4) develop and implement reliability standards appropriate for the conditions in Puerto Rico; and (5) manage a transparent, equitable and open generator interconnection process.

See OMA at page I-2.

4. Per Schedule 1 to Annex I of the OMA, as Operator LUMA “will control the day-to-day dispatch and transmission of electricity throughout Puerto Rico and will be responsible for ensuring that the T&D System and all IPP-Owned Assets and Legacy Generation Assets operate in a reliable and economic fashion, and that sufficient generation capacity is available and maintained to meet resource adequacy goals.”
5. As required by Schedule 1 to Annex I of the OMA, the System Operation Principles are meant to enable LUMA to “operate the electricity supply system in a safe and reliable manner . . . use Economic Dispatch principles and Prudent Utility Practices to operate the electricity supply system as economically as possible in consideration of the electricity supply system constraints and PPOA obligations . . . [.] “balance electricity supply from available generating facilities and coordinate and communicate with Generating Facility Operators in regards to the system planning and operations functions outlined [in Schedule 1 to Annex I of the OMA.]” *Id.* at page I-19.
6. The OMA also provides for LUMA’s system planning role, “including short and long-term supply and demand forecasting, reliability planning studies, the economic and technical assessment of new projects, deactivation studies for generating facilities and other assets, and

other studies and evaluations that identify and address the reliability needs of the electricity supply system, and the current and future state of the Puerto Rico electricity supply system.”

Id. See also, Schedule 1 to Annex I of the OMA for details on OMA requirements on generating unit scheduling, dispatch operations, reserve operations and communications requirements.

7. The System Operation Principles filed with this honorable Energy Bureau incorporate the aforementioned requirements of the OMA, serve as the blueprint for how LUMA will operate the Bulk Power System¹ and establish the framework for LUMA’s planning role and with regards to future interconnection processes.
8. The purpose of the System Operation Principles submitted to this honorable Energy Bureau on February 24, 2021, is to outline the principles that LUMA will follow in the day-to day-dispatch and transmission of electricity in Puerto Rico. They include principles for management of the Bulk Power System but are not designed to include the detailed procedures and myriad mechanisms that LUMA as the Operator, per the OMA and in accordance with Prudent Utility Practice, will implement in the course of exercising its duties and obligations with regards to the different components of the T & D System. In fact, as the OMA and the System Operation Principles provide, the detailed procedures are to be adopted separately. Importantly, the System Operation Principles are subject to periodic reviews after LUMA’s steps in into its role as Operator and the electric grid is transformed and modernized with the guidance and approvals of this Bureau and in accordance with Acts 57 and 17 and applicable public policy and regulations.

¹ Section 1.0 of the System Operation Principles defines the Bulk Power System as “[t]he collection of interconnected transmission, generation and control systems necessary to operate an integrated transmission system while maintaining reliability, which includes 230 kV, 115 kV and 38 kV voltages.”

9. On April 6, 2021, this honorable Energy Bureau issued a Resolution and Order where, among others, it directed LUMA to, within ten days, provide information and responses to requests included in Attachment A to the April 6th Order (“Requests for Information”).
10. On April 27, 2021, LUMA filed before this honorable Energy Bureau its responses to the eleven requests for information that are included in Attachment A to the April 6th Order (“Responses to Requests for Information”). The Responses to Requests for Information were accompanied by several attachments. LUMA also included a *Request to Submit Portions of LUMA’s Responses to Requests for Information Confidentially and Memorandum of Law in Support Thereof* (“Request for Confidential Treatment”). With the Responses to Requests for Information, LUMA submitted detailed information to support and explain the System Operation Principles, including:
 - a. Methodology for the development and management of load forecasts, *see* RFI-LUMA-MI-21-0001-21406-PREB-001, RFI-LUMA-MI-21-0001-21406-PREB-002, and RFI-LUMA-MI-21-0001-21406-PREB-003;
 - b. LUMA’s efforts and plans to establish a new distributed and utility scale generation interconnection agreement procedure and to support integration of distributed energy resources, RFI-LUMA-MI-21-0001-21406-PREB-004;
 - c. The template of LUMA’s Plant Level Agreement, RFI-LUMA-MI-21-0001-21406-PREB-006;
 - d. Description and status of the system operations procedures that LUMA is developing and the aggressive timeline for completion of the procedures, RFI-LUMA-MI-21-0001-21406-PREB-007;

- e. Additional explanation on existing gaps in PREPA's current operations, RFI-LUMA-MI-21-0001-21406-PREB-008;
 - f. The transmission planning standards, RFI-LUMA-MI-21-0001-21406-PREB-009;
 - g. Detailed results of the inspections conducted by LUMA of transmission substations, RFI-LUMA-MI-21-0001-21406-PREB-010; and
 - h. LUMA's Assessments of PREPA's generation plants, RFI-LUMA-MI-21-0001-21406-PREB-011.
11. It is important to underscore that in the Requests for Information, this honorable Bureau did not request that LUMA file for the record the drafts of the operating procedures that LUMA is developing, nor was a discussion of the substance of the individual procedures included in the agenda for the technical conference.
12. After a series of procedural events involving the Bureau's adjudication of LUMA's Request for Confidential Treatment, the Bureau issued a Resolution and Order dated April 27, 2021 with the Subject "Determination on [C]ompleteness and Preliminary Procedural Calendar ("April 27th Order deeming the SOP filing Complete")." At page 1 of the April 27th Order deeming SOP filing Complete, this honorable Bureau held that: "Upon review of the information filed by LUMA, the Energy Bureau **DETERMINES that the SOP Petition, as clarified by the Compliance Motion is complete. The Energy Bureau can commence its evaluation of the SOP Petition.**" Based on the Bureau's finding that LUMA's SOP filing was complete, a technical conference was scheduled for May 10th and 11th, 2021 where LUMA representatives would participate to answer questions on all aspects of the SOP. *Id.* at page 2.
13. In the April 27th Order deeming the SOP filing Complete, the Bureau also directed LUMA to file a Spanish-language translation of the SOP and to submit the presentation that LUMA

would offer in the technical conference. *Id.* LUMA complied with both of these orders. *See* filings of April 30th and May 7th, 2021.

14. The April 27th Order deeming the SOP filing Complete did not include a request or order for LUMA to clarify the SOP or to file for the record the operating procedures that are currently being developed per the status informed by LUMA in its response to the Bureau's Request for Information Number 7, *see* RFI-LUMA-MI-21-0001-21406-PREB-007.
15. LUMA representatives appeared for the technical conference scheduled in this proceeding and provided extensive and detailed testimonies on May 10th and 11th, 2021. The record shows that LUMA representatives offered and requested leave to file additional information or responses with regards to several topics and/or to provide written clarifications on specific matters. The Bureau issued bench orders granting LUMA leave to provide additional information or supplemental written responses to certain questions and/or to submit clarifications by May 14th 2021. LUMA is working on those responses to be filed by May 14th.
16. During the technical conference, this honorable Bureau requested, for the first time, to receive the system operation procedures that LUMA has been developing.
17. During the evening hours of May 11, 2021, the Bureau issued a Resolution and Order ("May 11th Order") that, respectfully, runs counter to the April 27th Order deeming the SOP filing Complete. In addition to several specific requests for information, including that LUMA provide the final versions or drafts of the operating procedures and a final version or draft of the emergency response plan as it relates to the operation of the system, *see* May 11th Order at page 4, the Bureau required LUMA to clarify and discuss how LUMA "intends to implement and/or achieve the actions fostered or pursued by the corresponding principle (i.e., the mechanisms or measures LUMA will use for such implementation)." *See* May 11th Order at

page 3, item (i). In footnote 8, the Bureau indicated that the “discussion does not need to reach the degree of specificity ordinarily encountered in operating procedures and or manuals.” *See id.* The Bureau granted LUMA three days, until May 14th 2021, to comply with the May 11th Order.

18. The May 11th Order does not cite legal or regulatory authorities, OMA requirements or industry practices, to explain the determination that LUMA’s System Operation Principles should include additional explanations or information. Importantly, in requesting clarifications on the principles and their implementation, the Bureau did not include detailed findings with reference to the text of the System Operation Principles, the Responses to Requests for Information, or the testimony that LUMA representatives offered throughout the two days of the technical conference. LUMA is placed in the position of having three days to provide information and items that had not been requested previously by the Bureau and that require time and attention. This, close to three months after LUMA submitted its original filing and notwithstanding the fact that on April 27th, the Bureau deemed the filing complete.

19. It is respectfully informed that LUMA’s representatives have and continue to work in good faith and with diligence to provide additional information to further elaborate on how LUMA will implement the System Operation Principles that were filed on February 24th, 2021. LUMA’s intent is to facilitate this process within the bounds and scope of the purpose and nature of the System Operation Principles.

20. To wit, by May 14th, 2021, LUMA will provide the additional information requested by the Bureau and its consultants and offered by LUMA representatives during the technical conference, including the following topics: (1) Plant Retirements; (2) Customer Notification of Planned Outages; (3) Significant System Events; (4) System Redundancy; (5) System

Restoration; (6) Microgrid Interoperability; (7) Generator Reactive Testing; and (8) Interconnection. It is respectfully submitted that the information to be submitted by Friday, May 14, 2021, will aid the Bureau in approving the System Operation Principles and covers aspects of the requests included in the May 11th Order on plant retirements (Section III (ii) of the May 11th Order).

21. LUMA is also working to file available responses to the May 11th Order, on or before May 14, 2021, specifically being a draft of the emergency response plan (Section III (v) of the May 11th Order).
22. It is respectfully submitted that LUMA needs additional time, until May 21, 2021, to file its fulsome response to the May 11th Order, including the new clarifications requested by the Bureau (Section III (i) of the May 11th Order) and the various requests regarding the system operating procedures that are under development (Section III (vi, viii and ix of the May 11th Order).
23. LUMA notes that the Bureau's request to produce additional information and clarifications, including to produce the drafts of the operating procedures, may impact the expected timeline to complete the procedures.
24. In good faith and to place the Bureau expediently in a position to approve the System Operation Principles, LUMA will be filing the draft operating procedures for consideration by the Bureau, as requested. It is respectfully submitted that, in draft form, the documented procedures are commercially sensitive information. In the ordinary course conduct of its business and operations and to avoid premature disclosure that would be detrimental to the interests of the public and affect LUMA's ability to properly execute its obligations under the OMA, LUMA

does not disclose or publish draft documents nor draft procedures that have not been formally adopted for implementation.

25. As LUMA informed in RFI-LUMA-MI-21-0001-21406-PREB-007 and during the technical conference, LUMA personnel continue to work on the operational procedures. The work is on-going, technical, and time intensive. Typically, a system operator develops an operating procedure over months, or even years, for multiple interconnected procedures.
26. The system operating procedures that LUMA has been developing for use primarily in the control center are tailored to PREPA's operations and the realities and demands of existing infrastructures and are being developed by LUMA to effect a significant improvement in current operations. PREPA does not currently follow written policies and procedures in carrying out its system operations. In order to facilitate an orderly transition, LUMA has also documented the "as-is" system operations practices.
27. The additional time requested herein is necessary for LUMA to fully analyze the Bureau's requests and address the same. Also, as the Bureau knows, LUMA's representatives are preparing for and will participate in the coming days in technical conferences before this Bureau on LUMA's proposed System Remediation Plan, Case No. NEPR-MI-2020-0019 (May 14th and May 17th) and Terms of Service, Case No. NEPR-MI-2021-0007 (May 18th, 2021). Those appearances require time and attention and will preclude LUMA representatives from being able to fully respond to the May 11th Order by May 14th.

WHEREFORE, LUMA respectfully requests that this Bureau **take notice** of the aforementioned, and **grant** LUMA until May 21, 2021, to respond to the May 11th Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of May 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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