

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

**IN RE: THE PERFORMANCE OF THE
PUERTO RICO ELECTRIC POWER
AUTHORITY**

CASE NO.: NEPR-MI-2019-0007

SUBJECT: October 20, 2021 Technical
Conference.

RESOLUTION

On May 14, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("May 14 Resolution") through which it initiated a proceeding to establish the quarterly reporting of performance metrics for the operation of the electric system. Pursuant to the May 14 Resolution, the Energy Bureau has received quarterly metric data reported from the Puerto Rico Electric Power Authority ("PREPA") regarding its performance.

On June 22, 2021, LUMA Energy, LLC as Management Co., and LUMA Energy Servco, LLC (collectively, "LUMA") submitted a document titled *Motion Submitting Quarterly Performance Metrics and Request for Additional Time to Submit Data on Several of the Metrics* ("June 22 Motion"). LUMA submitted the quarterly report for the months of March, April, and May 2021 on performance metrics based on data collected prior to the Interim Service Commencement date of June 1, 2021.

On July 6th, LUMA filed a document titled *Motion Supplementing Quarterly Performance Metrics Report and Requesting Leave to Defer Reporting of Specified Metrics* ("July 6th Supplemental Submission"). LUMA requested the Energy Bureau to consider the deferment of several financial metrics for the month of May 2021 because LUMA needed to reconcile certain data.¹ These metrics were: Capital expenses vs. budget (System), Capital expense vs. budget (Transmission and Distribution), Capital expenses vs. budget (Generation), Capital expenses vs. budget (Customer Service), Capital expenses vs. budget (Exec), Capital expenses vs. budget (Planning and Environmental Protection), and Accounts Payable days outstanding.

As part of the July 6th Supplemental Submission, LUMA also informed the Energy Bureau that it had not been able to collect and review data of fleet operations due to the unavailability of maintenance records and difficulties with the work order system.

On August 13, 2021, LUMA filed its *Motion in Compliance with Order Submitting Updated Quarterly Performance Metrics Report* ("August 13 Updated Submission") to inform

¹ LUMA. *Motion Supplementing Quarterly Performance Metric Report and Requesting Leave to Defer Reporting of Specific Metrics*. July 6, 2021. NEPR MI 2019-0007.



the Energy Bureau of clarifications to new performance metrics identified by the Energy Bureau.² In the August 13 Updated Submission, LUMA stated that it submitted the metric concerning the technical losses as percent of net generation and technical loss reduction as percent of net generation using PREPA's methodology. However, LUMA argues that the information is not wholly reliable the methodology used is based in an outdated study. In addition, LUMA informed the Energy Bureau that it had discovered that PREPA had limited the number of lines available to handle call center complaints.

On September 20, 2021, LUMA filed a document titled *Motion Submitting Quarterly Performance Metrics, Requesting Leave to Defer Reporting on Specified Metrics and Request for Clarifications* ("September 20 Filing"). LUMA submitted the first quarterly performance metrics collected by LUMA after the Interim Service Commencement date of June 1, 2021.

In the September 20 Filing, LUMA requested the Energy Bureau to defer the July and August data of the following financial metrics: Operational expenses vs. Budget (excluding fuel)(system), Operational expenses vs. Budget (excluding fuel)(by directorate), Capital expenses vs. budget (system), Capital expense vs. budget (Transmission and Distribution), Capital expenses vs. budget (Generation), Capital expenses vs. budget (Customer Service), Capital expenses vs. budget (Exec), Capital expenses vs. budget (Planning and Environmental Protection), Cost of generation by customer (for the month of August 2021), Timely submission of the Monthly Operating Report, and Accounts payable days outstanding.

The Energy Bureau's review of the September 20 Filing has identified several metrics regarding reliability from the perspective of the transmission and distribution system, and from generators across the electric system that require further review. These metrics include:

- LUMA's reporting of System Average Interruption Duration Index (SAIDI) versus PREPA's historical reporting of SAIDI including, but not limited to outage causes categories.
- LUMA's reporting of System Average Interruption Frequency Index (SAIFI) versus PREPA's historical reporting of SAIFI including, but not limited to outage causes categories.
- LUMA's reporting of increased monthly SAIDI for several municipalities including, but not limited to: Utuado, Vega Baja, Corozal, Caguas, Humacao, Fajardo, Canóvanas, Mayagüez, San Germán, San Sebastián, Guayama, Monacillos, Río Piedras, Santa Isabel, and Guaynabo.
- LUMA's reporting of increased monthly SAIFI for several municipalities including, but not limited to: Guayama, San Sebastián, Mayagüez, Fajardo, Canóvanas, Cayey, Vega Baja, Utuado, Quebradillas, and Arecibo.
- LUMA's reporting of increased forced outage percentages across specific plants including, but not limited to San Juan-steam, Palo Seco-steam, Aguirre-combined cycle, and Mayaguez.

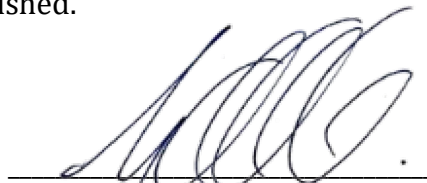
² LUMA. *Motion in Compliance with Order Submitting Updated Quarterly Performance Metrics Report*. August 13, 2021. NEPR MI 2019-0007.



- LUMA's reporting of decreased availability percentages across specific plants.
- LUMA's reporting of decreased purchased energy from power purchasing operating agreements (PPOA's) from AES and EcoEléctrica.

Based on the above, the Energy Bureau **ORDERS** LUMA and PREPA to attend a Virtual³ Technical Conference **on October 20, 2021, at 10:00 a.m.** As part of the Technical Conference, LUMA and PREPA will have the opportunity to discuss their comments and to answer questions from the Energy Bureau. The Energy Bureau will also provide an opportunity for stakeholders to present additional written comments regarding the reliability performance of LUMA, generation reliability performance of PREPA, and other metrics identified by LUMA for deferment and/or clarification.

Be it notified and published.



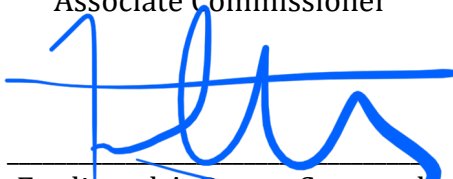
 Edison Avilés Deliz
 Chairman



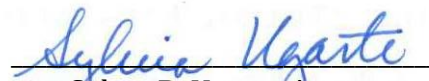
 Ángel R. Rivera de la Cruz
 Associate Commissioner



 Lillian Mateo Santos
 Associate Commissioner



 Ferdinand A. Ramos Soegaard
 Associate Commissioner



 Sylvia B. Ugarte Araujo
 Associate Commissioner




³ The Energy Bureau will hold the Technical Conference via the *Microsoft Teams* platform. The login information will be provided through separate communication.

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 5, 2021. I also certify that on October 15, 2021 a copy of this Resolution and Order was notified by electronic mail to the following: margarita.mercado@us.dlapiper.com, jmarrero@diazvaz.law, and kbolanos@diazvaz.law. I also certify that today, October 15, 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 October 15, 2021.





Sonia Seda Gaztambide
Clerk