

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

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**IN RE:**

IN RE: PUERTO RICO ELECTRIC POWER  
AUTHORITY PERMANENT RATE

**CASE NO. NEPR-MI-2020-0001**

**SUBJECT: Urgent Request for Extension of Time to  
Comply with October 5<sup>th</sup> Resolution and Order on  
Analysis on Potential Insurance Claims**

**URGENT REQUEST FOR EXTENSION OF TIME TO COMPLY WITH PORTION  
OCTOBER 5<sup>th</sup> RESOLUTION AND ORDER ON ANALYSIS OF POTENTIAL  
INSURANCE CLAIMS**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU:**

COME now **LUMA Energy, LLC** (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”), (jointly referred to as the “Operator” or “LUMA”), and respectfully state and request the following:

1. On September 30, 2021, this Energy Bureau issued a Resolution and Order setting the factors for the FCA, PPCA and the Fuel Oil Subsidy (“FOS”) rider factors that will apply from October 1<sup>st</sup>, 2021 until December 31, 2021 (“September 30<sup>th</sup> Resolution and Order”). At page 6 of the September 30<sup>th</sup> Resolution and Order, this Energy Bureau indicated that the analysis on the viability of filing insurance claims to cover the incremental costs of fuel was preliminary. The Energy Bureau directed that LUMA should keep it continually informed of developments in its analysis on insurance coverage and of any claims filed with insurers.

2. On October 5, 2021, this Energy Bureau issued a Resolution and Order, setting a public hearing to discuss the following topics:

- (i) The causes of the critical situation of generation availability that caused the significant deviation from the previously projected economic dispatch;
- (ii) The measures taken, if any, to try to avoid the load shifts experienced in the past few days; and
- (iii) The course of action or specific corrective measures taken, or to be taken, to try to prevent or avoid the situation of insufficient available generation from happening again.

*See* October 5<sup>th</sup> Resolution and Order at page 1.

3. The Energy Bureau also directed that on or before October 14, 2021, LUMA shall provide a “final answer on the possibility of covering the incremental costs caused by the deviation in the previously projected dispatch under the insurance policy of the Authority and/or the Federal Emergency Management Agency (FEMA).” *Id.* at page 2.

4. On October 13, 2021, LUMA requested an extension until October 21, 2021 to comply with that portion of the October 5<sup>th</sup> Resolution and Order that required LUMA’s analysis on potential insurance coverage for the incremental costs of fuel due to recent load shed events and outages (“October 13<sup>th</sup> Motion”). LUMA explained that to comply with the order issued by the Energy Bureau, it had submitted a request to PREPA for information on recent outages and load shed events and that the information requested is necessary to enable LUMA’s analysis of potential insurance claims. LUMA further explained that PREPA had agreed to provide the information on or October 14, 2021 at noon.

5. In the October 13<sup>th</sup> Motion, LUMA informed in good faith and based on the information available at the time, that it needed until October 21, 2021 to complete the requisite analysis of potential insurance claims or potential availability of insurance coverage for incremental fuel costs related to load shed events and outages. LUMA also explained that after it received the information

on the recent load shed events and outages, LUMA would need several business days to review the information, issue follow up requests, as needed, and complete its analysis to submit a report to the Energy Bureau.

6. Finally, in the October 13<sup>th</sup> Motion, LUMA requested clarification that it was the proper party to submit to the Energy Bureau the data on the status of independent power producers for the past five (5) years, which per the October 5<sup>th</sup> Resolution and Order, PREPA was required to file by October 14, 2021. LUMA requested an extension of time, until October 21, 2021, to submit said information.

7. On October 15, 2021, this honorable Energy Bureau issued a Resolution and Order granting LUMA until October 21, 2021, to file the information on potential insurance claims and clarified that LUMA should produce the historical on independent power producers. The Energy Bureau also rescheduled the public hearing for October 25, 2021.

8. It is respectfully informed that as of the filing of this Motion, LUMA has not received from PREPA the information that is necessary to comply with that portion of the October 5<sup>th</sup> Resolution and Order that requires LUMA's answer on availability of insurance coverage due to incremental fuel costs due to recent load shed events and outages.

9. LUMA has followed up with PREPA on the status of its response to the request for information on this matter and apprised PREPA of the need to file a request for additional time to comply with the October 5<sup>th</sup> Resolution and Order. PREPA personnel have informed LUMA that the PREPA employee who may gather and provided the information on outages, is currently on sick leave for at least the next two (2) weeks. Thus, PREPA is currently unable to answer the information request on recent outages and LUMA cannot conclude the analysis on the facts

underlying the outages and the impact those outages had on the PREPA generation plants, operations, and infrastructure.

10. LUMA respectfully submits that given the aforementioned situation, it cannot currently provide the Energy Bureau a definite time frame to submit its analysis on availability of insurance coverage or potential insurance claims due to recent outages or load shed events. LUMA currently estimates that it will need at least thirty (30) days from October 21, 2021, until November 22, 2021, to receive relevant information from PREPA, issue follow up requests, as needed, and complete its analysis to submit a report to the Energy Bureau. This is a time-intensive endeavor that cannot be completed until LUMA is able to allot several business days to review the relevant data on outages that was requested to PREPA and consult internally with LUMA's risk management division, outside advisors, and insurance brokers.

11. In good faith compliance with the October 5<sup>th</sup> Resolution and Order, LUMA will inform this Energy Bureau if the exchange of information with PREPA and LUMA's analysis conclude prior to November 22, 2021. LUMA will also timely inform this Energy Bureau if there are any delays in the process.

12. This request for extension is filed given that LUMA does not currently have a certain time frame to receive information that is currently under PREPA's control and that LUMA requires to finalize its analysis on the availability of insurance coverage and viability of filing insurance claims for fuel costs related to recent outages or load shed events. Circumstances beyond LUMA's sole control impede LUMA from filing its response to the October 5<sup>th</sup> Resolution and Order, by October 21, 2021.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **grant** LUMA at least thirty (30) days, until November 21, 2021 to comply with that portion of the October 5<sup>th</sup> Resolution and Order that requires LUMA to submit its analysis on potential insurance coverage.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 20<sup>th</sup> day of October 2021.

I hereby certify that I filed this Motion using the electronic filing system of this Energy Bureau.



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