

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

**NEPR**

**Received:**

**Nov 30, 2021**

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**IN RE:**

IMPLEMENTATION OF THE PUERTO  
RICO ELECTRIC POWER AUTHORITY  
INTEGRATED RESOURCE PLAN AND  
MODIFIED ACTION PLAN

**CASE NO. NEPR-MI-2020-0012**

**SUBJECT: Informative Motion on Timeline to Submit  
Report on Resource Planning Process for Next IRP  
Cycle and Draft RFQ and RFP for IRP Consultant and  
Request for Additional Time.**

**INFORMATIVE MOTION ON TIMELINE TO SUBMIT THE REPORT ON  
RESOURCE PLANNING FOR THE NEXT IRP CYCLE AND THE DRAFT RFQ AND  
RFP FOR IRP CONSULTANT AND REQUEST FOR ADDITIONAL TIME**

**TO THE PUERTO RICO ENERGY BUREAU:**

**COMES NOW LUMA Energy ServCo, LLC** (“LUMA”), through the undersigned legal counsel, and respectfully submits the following:

1. On August 24, 2020, this honorable Puerto Rico Energy Bureau of the Public Service Regulatory Board (the “Energy Bureau”), issued the Final Resolution and Order in Case CEPR-AP-2018-0001 (the “August 24<sup>th</sup> Resolution”) regarding the Puerto Rico Electric Power Authority’s (“PREPA”) Integrated Resource Plan (“IRP”). In the August 24<sup>th</sup> Resolution, the Energy Bureau approved in part and rejected in part PREPA’s proposed IRP (the “Approved IRP”) and ordered the adoption and implementation of a modified Action Plan as set forth therein (the “Modified Action Plan”). *See* August 24<sup>th</sup> Resolution, Parts I to IV, VI and VII.

2. The August 24<sup>th</sup> Resolution also included a Part entitled “Preparing for the Next IRP Cycle”, containing action items and internal process improvements to be implemented by PREPA for the next IRP. *See id.*, at Part V.

3. As part of the internal process improvements, in the August 24<sup>th</sup> Resolution the Energy Bureau “order[ed] PREPA to submit, no later than a year from the notification date of [the August 24<sup>th</sup> Resolution], a detailed report describing how PREPA will improve its resource planning process” (for purposes of this writing, the “Internal IRP Process Review Report”). *See id.* at Part V, Section B (1) 1 ¶ 921 of the August 24<sup>th</sup> Resolution (“Section V(B)(1)”). This Internal IRP Process Review Report is required to contain, at a minimum, the following information:

- The specific steps that PREPA intends to take to address all deficiencies in PREPA’s Proposed IRP and the Proposed Action Plan identified in [the August 24<sup>th</sup> Resolution];
- The names and positions of PREPA executives and managers responsible for taking those steps;
- The dates by which those steps will be taken, shown in a Gantt Chart that identifies any steps critical for the timely completion of the process (i.e., steps that are prerequisites to subsequent ones);
- A description of the modeling framework that PREPA will use in the next IRP;
- A description of which internal departments, divisions, areas, or components (collectively, departments) will have responsibilities in the development of the next IRP, which shall include a description of those responsibilities, and the names of each of the departments’ leaders;
- A description of the professional development efforts [that] PREPA [...] will undertake to ensure that its personnel are sufficiently educated and experienced on the applicable public policy requirement including, but not limited to, the requirements of Act 17[-2019, as amended], Act 57[-2014, as amended], Regulation 9021, and standard industry practices regarding long-term resource planning; and
- A description of how PREPA will improve its record-keeping practices, including how it will (i) save, in digital form, vital communications, memoranda, white papers and contracts, and (ii) ensure clear lines of control and authorship for all data and analyses.

*See id.*

4. In addition, as part of the internal process improvements, the Energy Bureau also ordered PREPA to comply with the following requirements applicable to the selection of the technical consultant to be engaged by PREPA for IRP-related services (for purposes of this writing, the “IRP Consultant Contracting Process”):

- a. No later than one (1) year from the notification date of [the August 24<sup>th</sup> Resolution], PREPA shall submit for the Energy Bureau’s review and approval a draft Request for Qualification (“RFQ”) for IRP consulting services. Such draft RFQ shall set forth the minimum qualification requirements for providing IRP-related consulting services;
- b. The Energy Bureau may require PREPA to submit a modified draft RFQ, as necessary and shall issue a determination, among other things, (i) approving the final draft of the RFQ; and (ii) providing guidance and direction to PREPA as to when it must issue the RFQ;
- c. PREPA shall receive the responses from interested consultants and qualify the respondents based on the requirements contained in the approved RFQ;
- d. PREPA shall submit to the Energy Bureau a pool of potential consultants, accompanied by a certification from a responsible PREPA executive that each member of the pool satisfies the requirements of the RFQ. PREPA shall also provide to the Energy Bureau copies of any documents relied upon by PREPA in determining such certification;
- e. Upon a determination by the Energy Bureau that the members of the pool satisfy the RFQ requirements, PREPA shall submit to the Energy Bureau, for its review and approval, a draft contract for the rendering of IRP-related consulting, which shall include a detailed scope of the services covered by the contract;
- f. Upon the Energy Bureau’s approval of the draft contract, PREPA shall require proposals from the qualified consultants and commence negotiations with the qualified consultants;
- g. While PREPA will have discretion to choose one or more consultants from the proposals received, PREPA is required [to] file a report with the Energy Bureau regarding the negotiation process. PREPA shall demonstrate to the Energy Bureau’s satisfaction the rationale of the selection process. Such report shall contain, for the Energy Bureau’s approval, a final draft of the proposed contract

and a detailed description of any deviations on the terms and conditions of the contract from the draft previously approved by the Energy Bureau and a redline version highlighting such deviations; and

- h. PREPA shall execute the contract with the chosen technical consultant, after obtaining approval from the Energy Bureau.

*See id.* at Part V, Section B (2) or ¶ 922 (“Section V(B)(2)”).

5. On October 6, 2020, the Energy Bureau issued a Resolution and Order (the “October 6<sup>th</sup> Resolution”) opening this docket to “manage the implementation phase of the Approved IRP and Modified Action Plan.” *See* October 6<sup>th</sup> Resolution at p. 1.<sup>1</sup>

6. On June 1, 2021, LUMA commenced operating PREPA’s transmission and distribution system and related assets pursuant to the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed among PREPA, LUMA, LUMA Energy, LLC and the Puerto Rico Public Private Partnerships Authority dated as of June 22, 2020 (the “T&D OMA”). Under the T&D OMA, LUMA and LUMA Energy, LLC (both referred to as “Operator”) were contracted to “(i) provide management, operation, maintenance, repair, restoration and replacement and other related services for the T&D System, in each case that are customary and appropriate for a utility transmission and distribution system service provider, [...] and (ii) establish policies, programs and procedures with respect thereto” ((i) and (ii), collectively, the “O&M Services”). *See* OMA Section 5.1.<sup>2</sup>

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<sup>1</sup> In the October 6<sup>th</sup> Resolution, the Energy Bureau also indicated that it “may open in the future additional dockets related to the implementation of the Approved IRP and Modified Action Plan, as necessary.” *See id.*

<sup>2</sup> The OMA further provides that, except for those rights and responsibilities reserved for PREPA and the Puerto Rico Public Private Partnerships Authority or otherwise expressly provided in the OMA, LUMA “shall (A) be entitled to exercise all of the rights and perform the responsibilities of [PREPA] in providing the O&M Services, and (B) have the autonomy and responsibility to operate and maintain the T&D System

7. As part of the O&M Services, LUMA, as agent of PREPA, is responsible for “[f]rom time to time, or as otherwise required by [applicable law as defined in the OMA] or ordered by [the Energy Bureau], [...] prepare a proposed [IRP] for review and approval by [the Energy Bureau].” *See id.*, Section 5.6.<sup>3</sup>

8. On November 5, 2021, LUMA submitted a motion in this proceeding informing the Energy Bureau of the status of LUMA’s efforts with respect to the process to prepare for the next IRP cycle and requesting until November 30, 2021 to submit: (a) the Internal IRP Process Review Report required under Section V(B)(1); and (b) the first submittal required under the IRP Consultant Contracting Process under Section V(B)(2). *See LUMA’s Informative Motion on Status of Activities Related to Next IRP Cycle, Request for Extension to File Documents, and Request to Schedule Technical Conference* of November 5, 2021 (the “November 5<sup>th</sup> Motion”). In the November 5<sup>th</sup> Motion, LUMA also requested that this honorable Energy Bureau schedule a Technical Conference to provide more details on the matters discussed in the November 5<sup>th</sup> Motion and discuss a proposed streamlined and more cost-effective process for the IRP Consultant Contracting Process, as well as questions LUMA had regarding the implementation of the requirements applicable to the IRP preparation process.

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and establish the related plans, policies, procedures and programs with respect thereto as provided in [the OMA].” *Id.* Moreover, the OMA provides that LUMA shall function as agent of [PREPA] and PREPA “irrevocably authorizes [LUMA] to (i) represent [PREPA] before [the Energy Bureau] with respect to any matter related to the performance of any O&M Services provided by [LUMA] under [the OMA]” and “(ii) prepare all related filings and other submissions before [the Energy Bureau]” among other functions. *Id.* at Section 5.6 (a).

<sup>3</sup> Section I(A) of Annex I of the OMA also provides, in pertinent part, that the O&M Services include Operator being responsible for “preparing, presenting, [and] defending current or future [IRPs], [...], as [PREPA’s] representative before the [Energy Bureau] and any other local, state or federal government agencies”.

9. LUMA hereby informs that it has prepared preliminary drafts of the Internal IRP Process Review Report required under Section V(B)(1) of the August 24<sup>th</sup> Resolution and a draft document for purposes of meeting the Request for Qualifications (“RFQ”) and Request for Proposal (“RFP”) requirements under Section V(B)(2) of the August 24<sup>th</sup> Resolution, but these documents are not yet ready for the Energy Bureau’s review and approval. With respect to the Internal IRP Process Review Report, due to the various requirements related to the preparation of next IRP included in the August 24<sup>th</sup> Resolution and the complexities created by the interaction with other regulatory proceedings and the divided or shared responsibilities with other parties with respect to certain aspects of the IRP, including the U.S. Department of Energy, LUMA is still reviewing and revising this report to ensure that it addresses the relevant action items and considers issues related to the implementation of LUMA’s action items. As for the draft RFQ and RFP document, LUMA needs to revise the same to ensure it is thorough. LUMA estimates that it may submit these filings on December 17, 2021 and requests an extension until said date to complete its revision of the documents and submit them to this honorable Energy Bureau.

**WHEREFORE**, LUMA respectfully requests the Energy Bureau to (i) **take notice** of the aforementioned; and (ii) **grant** LUMA until December 17, 2021 to submit the Internal IRP Process Review Report and the RFQ and RFP document required under Sections V(B)(1) and V(B)(2) of the August 24<sup>th</sup> Resolution, respectively.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 30<sup>th</sup> day of November 2021.

We hereby certify that we filed this Motion using the electronic filing system of this Puerto Rico Energy Bureau and that courtesy copy of this Motion will be notified to PREPA counsel [mvazquez@diazvaz.law](mailto:mvazquez@diazvaz.law) and [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law).



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