

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

<b>NEPR</b>
<b>Received:</b>
<b>Jun 22, 2022</b>
<b>9:58 AM</b>

**IN RE:**  
IN RE: PUERTO RICO ELECTRIC POWER  
AUTHORITY PERMANENT RATE

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

**SUBJECT: Motion in Compliance with  
Resolution and Order of June 17, 2022, and  
Request for Confidential Treatment**

**MOTION IN COMPLIANCE WITH RESOLUTION AND ORDER OF  
JUNE 17, 2022, AND REQUEST FOR CONFIDENTIAL TREATMENT**

**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”), through the undersigned counsel, and respectfully state and request the following:

1. On May 31, 2022, LUMA filed before the Puerto Rico Energy Bureau (“Energy Bureau”) a *Motion Submitting CILTA, SUBA-HH, and SUBA-NHH Proposed Factors and Request for Confidential Treatment* (“May 31<sup>st</sup> Submission”). LUMA submitted the annual proposed contributions in lieu of taxes cost adjustment (“CILTA”), help to human subsidies (“SUBA-HH”), and non-help to human subsidies (“SUBA-NHH”) factors reconciliations. It also presented the CILTA, SUBA-HH and SUBA-NHH proposed riders to be applied from July 2022 until June 2023. As part of the filing, LUMA included excel spreadsheets filed publicly and confidential excel spreadsheets with formulae intact.

2. On June 15, 2022, LUMA filed before the Energy Bureau a *Motion Submitting Quarterly Reconciliations and FCA, PPCA and FOS Calculated Factors and Request for Confidential Treatment* (“June 15<sup>th</sup> Submission”). LUMA submitted the quarterly reconciliations for the Fuel Charge Adjustment (“FCA”) and Purchased Power Charge Adjustment (“PPCA”)

riders for March through May 2022, and the factors for the FCA, PPCA, and Fuel Oil Subsidy (“FOS”) riders for the period from July 1 until September 30, 2022. As part of the filing, LUMA included excel spreadsheets filed publicly and confidential excel spreadsheets with formulae intact.

3. On June 17, 2022, the Energy Bureau entered a Resolution and Order in which it requested LUMA to provide or clarify the following information concerning the May 31<sup>st</sup> Submission, on or before June 22, 2022, at 10 a.m. (“June 17<sup>th</sup> Order”):

- a. LUMA was not responsive with respect to the information request number 1 contained in the Resolution of June 6. LUMA did not provide the reference or the source file of the information contained in cells L17 to L28 of the tab "Alumbrado 2022" of the file "2023 Subsidies Forecast -NEPR-MI-2020-0001.xlsx" nor of the new version of the referred file (i.e. "2023 Subsidies Forecast.xlsx") submitted together with the Motion of June 15. LUMA must provide the referenced files, or in the alternative, provide a detailed explanation regarding the provenance of such information. This information is necessary to validate the methodology for the computation of the estimated public lighting consumption for May and June 2022.
- b. Regarding information request number 3 contained in the Resolution of June 6, LUMA submitted two files with the following information: (i) "Load Forecast FY 2023.xlsx", and (ii) "Load forecast modifiers (Jan 2022 updated updated).xlsx". The Energy Bureau was unable to access the information contained in these files, since they contain a reference to certain databases of the Energy Information Administration that are not accessible. LUMA must submit new versions of these files and ensure that they can be accessed by people outside of LUMA's operating system.

- c. Cell C15 on the "Summary" tab of the "2023 Subsidies Forecast.xlsx" file submitted with the June 15 Motion contains a negative amount as the estimated RFR rate cost for the estimated cost for July 2022. Specifically, the cost estimate submitted is - (\$1,608,960). By definition, the cost associated with the RFR fee cannot be negative. It should be noted that, the file "2023 Subsidies Forecast - NEPR-MI-2020-000101" submitted with the Motion of May 31 establishes the amount of \$6,546,760,960 as the estimated cost of the RFR fee for July 2022. LUMA must reconcile this difference. Since this reconciliation will affect the final estimated cost of the SUBA-HH Rider and the corresponding factor, LUMA must submit a new version of the files that will be affected by this change. To that end, since LUMA will have to make a new run with respect to the cost of the SUBA-HH Clause, it is highly probable that the estimated costs of the Contribution in Lieu of Taxes will change. Therefore, LUMA will have to submit new cost estimates with respect to the CILTA clause. In the alternative, LUMA shall certify that the CILTA clause did not suffer significant changes due to the correction in the Street Lighting cost estimate.
- d. Cell C12 of the "Summary" tab of the "2023 Subsidies Forecast.xlsx" file submitted with the June 15 Motion contains the amount of zero as the estimated cost of the Fuel Subsidy - Residential. However, the same Cell in the file "2023 Subsidies Forecast - NEPR-MI-2020-0001.xlsx" submitted with the Motion of May 31 details the amount of \$2,313,413 for the same subsidy. LUMA must reconcile this difference since, by definition, the estimated cost of the referred subsidy cannot be zero.
- e. Cells J4 to M9 of the "COMB" tab of the "2023 Subsidies Forecast.xlsx" file submitted with the June 15 Motion contain blue manuals, which do not contain the reference or

source file. LUMA must provide the reference files, or in the alternative, provide a detailed explanation of the source of information. Likewise, cells 14 to 19 of the same tab indicate that the information provided in the tab corresponds to the months from July 2019 to December 2019. LUMA should explain why it did not use more updated information (e.g. corresponding from July 2021 to December 2021) as part of the computation of the estimated costs of the residential fuel subsidy.

- f. The "Attachment 5 -CILT and SUBSIDIES RIDERS 202 3.xlsx" file submitted with the June 15 Motion does not match the "Attachment 5" tab of the "JULY-SEPT 2022 Factors.xlsx" file submitted with the June 15 Informative Motion. LUMA should reconcile this difference.

4. The Energy Bureau also required LUMA to provide or clarify the following information concerning the June 15<sup>th</sup> Submission, on or before June 22, 2022, at 10 a.m. (“June 17<sup>th</sup> Order”):

- a. The "Attachment 3" tab of the "JULY-SEPT 2022 Factors.xlsx" file contains the PROMOD run, which calculates the estimated cost of fuel purchases and energy purchases for July, August, and September 2022. These results are based, in part, on the cost projections of the different fuels used by the Authority and the cogenerator EcoEléctrica. LUMA did not provide a detailed description of the methodology used to compute the price estimates for these fuels. Therefore, LUMA should provide such description, including the worksheets in native format with the formulas intact and any database used for such computation.
- b. An estimate of the incremental cost of using diesel fuel in San Juan units 5 and 6, relative to the cost if natural gas had been used, during March and April 2022.

- c. An estimate of the incremental cost of the use of residual fuel in the Costa Sur 5 and 6 units, relative to the cost if natural gas had been used, during March, April, and May 2022.
- d. The natural gas nominations for the San Juan and Costa Sur plants for March, April, and May 2022.
- e. Describe the impact, if any, that LUMA's inability to make an economic dispatch of natural gas had on the system's units during March, April, and May 2022. If there was an impact on fuel cost, describe, quantify, quantify, quantify, and explain it in detail.
- f. Describe the impact, if any, on the energy purchase cost of LUMA's inability to perform an economic dispatch of the system's units during March, April, and April. If there was an impact on the energy purchase cost, describe, quantify and explain it in detail.

5. Additionally, the Energy Bureau scheduled a Technical Conference on June 24, 2022, at 10 a.m. to discuss the May 31<sup>st</sup> and June 15<sup>th</sup> Submissions. It instructed LUMA and the Puerto Rico Electric Power Authority (“PREPA”) to bring any employees who worked the underlying data for those submissions as witnesses.

6. LUMA hereby submits its responses and clarifications for the requests issued by the Energy Bureau in the June 17<sup>th</sup> Order, regarding the May 31<sup>st</sup> and June 15<sup>th</sup> Submissions. The responses and clarifications are included as **Exhibit 1** to this Motion.

7. Further, in response to the June 17<sup>th</sup> Order requests on the May 31<sup>st</sup> Submission, LUMA also submits revised reconciliations of the CILTA, SUBA-HH, and SUBA-NHH, for the period from May 2021 to April 2022. First, the total Contribution in Lieu of Taxes (“CILT”) cost, the prior period adjustment, and other adjustments to the billing from previous fiscal years totaled

\$61,610,438.57, while the revenue was \$54,337,791.46. The revenue insufficiency was \$7,272,647.10. LUMA has revised the Fiscal Year 2023 CILTA factor to be \$0.007362 /kWh.

8. Second, the SUBA-HH cost, in addition to the prior period adjustment, was \$165,282,463.14. The revenue totaled \$163,145,980.96 for insufficiency of \$2,136,482.19 to be recovered in the next fiscal year. LUMA has revised the Fiscal Year 2023 SUBA-HH factor to be \$0.014129 /kWh.

9. Lastly, the SUBA-NHH cost plus the prior period adjustment was \$9,878,162.17, and the revenue was \$10,515,299.90 for a refund of \$637,137.62 to the customers in the Fiscal Year 2023. LUMA has calculated the Fiscal Year 2023 SUBA-NHH factor to be \$0.000749 kWh.

10. As such, the CILTA forecast cost is now \$114,271,989.26. For the SUBA-HH and SUBA-NHH subsidies, the forecast costs are now \$231,140,110.83 and \$13,008,450.97, respectively.

11. Finally, the Estimated Retail kWh sales for July 2021 to June 2022 were 16,510,449,707.44 (kWh).

12. LUMA's aforementioned submissions include Excel spreadsheets being filed publicly via email in a file entitled Values submitted with this Motion. Alongside this Motion, LUMA is also submitting via email confidential Excel spreadsheets with formulae intact submitted in a file entitled Confidential.

**A. Confidential Folder**

<b>File Name</b>
Subsidies May 2021 and April 2022 (CC&B Reports Supporting)
Public Lighthing (May 2021 - April 2022)
Load forecast modifiers (Jan 2022 updated)
Load Forecast FY 2023
Customers Estimated FY 2023
CELI FY 2022
CELI FY 2021 (Act June 2021)
Attachment 5 - CILT and SUBSIDIES RIDERS 2023
ANNUAL RECONCILIATION-CILT AND SUB RIDERS-MAY 2021 TO APRIL 2022 5-20-2022
2023 Subsidies Forecast
2023 Revenues Forecast

**B. Public Files in Values Folder**

<b>File Name</b>
Subsidies May 2021 and April 2022 (CC&B Reports Supporting)
Public Lighthing (May 2021 - April 2022)
Load forecast modifiers (Jan 2022 updated)
Load Forecast FY 2023
Customers Estimated FY 2023
CELI FY 2022
CELI FY 2021 (Act June 2021)
Attachment 5 - CILT and SUBSIDIES RIDERS 2023
ANNUAL RECONCILIATION-CILT AND SUB RIDERS-MAY 2021 TO APRIL 2022 5-20-2022
2023 Subsidies Forecast
2023 Revenues Forecast

13. The confidential Excel files described above and submitted herein include spreadsheets submitted in native format (.xls) and with formulae intact. They include formulae and original calculations made by LUMA personnel that reveal confidential procedures. They have sensitive commercial information belonging to LUMA and/or PREPA and are thus protected by law, which should not be disclosed in its native form.

14. The Excel spreadsheets that have been submitted today in native form and with formulae intact in the file entitled *Confidential* are protected as trade secrets. They have commercial value to LUMA and PREPA as they reveal confidential processes and analyses to

produce calculations supporting the public filings of the proposed FCA, PPCA, and FOS factors. LUMA and PREPA keep and maintain these native files confidentially and do not disclose them to the public or unauthorized third parties. Thus, LUMA respectfully requests that the Excel files submitted today in the file entitled *Confidential*, be received, kept, and maintained confidentially by this Energy Bureau.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **deem** LUMA complied with the June 17<sup>th</sup> Order; and **grant** the request to keep confidentially the spreadsheets that have been filed in excel format and with formulae in the file entitled *Confidential* that is submitted with this Motion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, on this 22<sup>nd</sup> day of June 2022.

I hereby certify that I filed this Motion using the electronic filing system of this Energy Bureau. I will send an electronic copy of this Motion to counsel for PREPA Katuska Bolaños-Lugo, [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law), and to the Independent Consumer Protection Office, through Director Hannia Rivera, [hrivera@oipc.pr.com](mailto:hrivera@oipc.pr.com).



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Exhibit 1

# Permanent Rate June 17, 2022 Responses

June 17, 2022 Resolution and Order Responses

**Theme:** Permanent Rate – CILT and Subsidies Riders

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### **SUBJECT**

Permanent Rate – CILT and Subsidies Riders

### **SUBJECT**

LUMA was not responsive to information requirement number 1 contained in the Resolution of 6 June. LUMA did not provide the reference or file source of the information contained in cells L17 to L28 of the tab "Lighting 2022" from the file "2023 Subsidies Forecast - NEPR-MI-2020-0001.xlsx" nor of the new version of the aforementioned file (i.e., "2023 Subsidies Forecast.xlsx") presented together with the Motion of June 15. LUMA must provide the files of reference, or in the alternative, provide a detailed explanation regarding the origin of such information. This information is necessary to validate the methodology for the calculation of the estimated consumption of public lighting for the months of May and June 2022.

### **RESPONSE**

The reference or file source of the information contained in cells L17 to L28 of the data was added at the bottom of the TAB Alumbrado 2022 (Assumptions)

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

Regarding the request for information number 3 contained in resolution 6 In June, LUMA filed two files: (i) "Load Forecast FY 2023.xlsx", and (ii) "Load forecast modifiers (Jan 2022 updated).xlsx". The Energy Bureau could not access the information contained in these files as they contain a reference to certain Energy Information Administration databases that do not, they are accessible. LUMA must introduce new versions of these files and ensure which can be accessed by people outside the LUMA operating system.

### RESPONSE

It is not clear which modifier the Energy Bureau is referring to. LUMA assumes PREB is referring to the DG, the methodology was added to the bottom of the tab DG. Even though, the EIA data was not used for the FY 2023 estimation, the long-range forecast used this EIA data for the determination of the DG capacity:

<https://www.eia.gov/outlooks/aeo/data/browser/#/?id=30-AEO2021&region=0-0&cases=ref2021&start=2019&end=2050&f=A&linechart=ref2021-d113020a.4-30-AEO2021~ref2021-d113020a.86-30-AEO2021~ref2021-d113020a.87-30-AEO2021~ref2021-d113020a.91-30-AEO2021~ref2021-d113020a.92-30-AEO2021&ctype=linechart&sourcekey=0>

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

Cell C15 of the "Summary" tab of the "2023 Subsidies Forecast.xlsx" file filed with the Motion of June 15 contains a negative amount such as the estimated cost of the RFR rate for the month of July 2022. Specifically, the cost Estimated submitted is —(\$1,608,960). By definition the cost associated with the RFR tariff it cannot be negative. It should be noted that the file "2023 Subsidies Forecast - NEPR-MI-2020-0001.xlsx" presented together with the Motion of May 31 establishes the amount of \$6,546,775 as the estimated cost of the RFR rate for the month of July 2022. LUMA must reconcile this difference. Since this reconciliation affects the final estimated cost of the SUBA-HH Clause and the corresponding factor, LUMA must present a new version of the files that will be affected by this change.

### RESPONSE

There was an issue with the links in the confidential folder within the June 15, 2022 filing. The public folder values are correct. The links have been updated which fixes the RFR rate in the confidential folder. The amount is different from the May 31, 2022 submission because the changed of the Public Lighting provided in the June 15.

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

Cell C12 of the “Summary” tab of the “2023 Subsidies Forecast.xlsx” file filed alongside the June 15 Motion contains the amount of zero as cost Estimated Fuel Subsidy — Residential. However, the same Cell in the file “2023 Subsidies Forecast — NEPR-MI-2020-0001.xlsx” presented together with the May 31 Motion details the amount of \$2,313,413 for the same subsidy. LUMA must reconcile this difference since by definition the estimated cost of this subsidy cannot be zero.

### RESPONSE

There was an issue with the links in the confidential folder within the June 15, 2022 filing. The public folder values are correct. The links have been updated which fixes the fuel cost amount in the confidential folder. The amount is different from the May 31, 2022 submission because the changed of the Public Lighting provided in the June 15.

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

Cells J4 to M9 in the “COMB” tab of the “2023 Subsidies Forecast.xlsx” file presented together with the Motion of June 15 contains manuals in blue, which do not contain the reference or file of origin. LUMA must provide the reference files, or alternatively, provide a detailed explanation regarding the source of such information. Similarly, cells 14 to 19 of the same tab indicate that the information provided corresponds to the months of July 2019 as of December 2019. LUMA must explain the reasons why you did not use most up-to-date information (e.g. for the months of July 2021 to December 2021) as part of the calculation of the estimated costs of the subsidy by residential fuel.

### RESPONSE

The source data is provided via report from the Customer Care and Billing system. The report was last completed in 2020. At the moment LUMA does not have the script required to generate this report but anticipates that it can be completed in Fall 2022. In lieu of a current report, LUMA continued to utilize the 2019 proportion data. The 2019 forecast costs are similar to the actual costs realized.

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### **SUBJECT**

Permanent Rate – CILT and Subsidies Riders

### **REQUEST**

El archive “Attachment 5 – CILT and SUBSIDIES RIDERS 202 3.xlsx” submitted with the June 15 Motion does not agree with the “Attachment 5” tab of the file “JULY-SEPT 2022 Factors.xlsx” presented together with the Informative Motion of 15 of June, LUMA must reconcile this difference.

### **RESPONSE**

There was an issue with the links in the confidential folder within the June 15, 2022 filing. The public folder values are correct. The links have been updated and now the files agree in the confidential folder. The amount is different from the May 31, 2022 submission because the changed of the Public Lighting provided in the June 15, 2022 filing but remains unchanged from the public values in the same filing.



# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

The "Attachment 3" tab in the "JULY-SEPT 2022 Factors.xlsx" file contains the PROMOD run, where the estimated cost of purchasing fuel is calculated and the purchase of energy for the months of July, August, and September 2022. These results are based, in part, on the cost projections of the various fuels used by the Authority and the Cogenerator EcoEléctrica. LUMA does not presented a detailed description of the methodology used for the computation of estimates of prices of these fuels. Therefore, LUMA must provide the aforementioned description, including the worksheets in native with the formulas intact and any databases used for such computation.

### RESPONSE

PREPA provides fuel costs to LUMA to run in PROMOD. Please find attached, files "*Fuels Forecast Calculation.xlsx*" and "*Fuels Forecast Calculations Supporting Documents.pdf*" provided by PREPA.

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

An estimate of the incremental cost of diesel fuel use in San Juan units 5 and 6, relating to the cost if natural gas had been used, during the months March and April 2022.

### RESPONSE

PREPA provides the incremental cost analysis. Please find attached, file “*SJ-NFE Costo Incremental (marzo y abril 2022).pdf*” provided by PREPA.

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

An estimate of the incremental cost of using residual fuel in the units Costa Sur 5 and 6, relative to the cost if natural gas had been used, during the month's March, April, and May 2022.

### RESPONSE

PREPA provided the incremental cost analysis. Please find attached, file "CS-Naturgy Costo Incremental (marzo, abril y mayo 2022).pdf" provided by PREPA.

LUMA's calculation of the incremental cost analysis is different than PREPA as LUMA looks at the incremental cost to customers, whereas PREPA's analysis is the request for reimbursement.

LUMA's calculation of the incremental cost of using Residual Fuel Oil in Costa Sur 5 & 6 instead of using Natural Gas is calculated by multiplying the amount of fuel (measured in MMBTUs) consumed by Residual Fuel Oil by the differential cost premium for using Residual Fuel Oil. This differential cost premium is the difference in fuel price (measured in MMBtus) between natural gas and the more expensive Residual Fuel Oil. This is shown in the table below. The dollar cost impact will fluctuate from month to month depending on the fuel price differential and how much of the total fuel was consumed as Residual Fuel Oil versus Natural Gas.

## Costa Sur 5 & 6

	March	April	May	Total
MWh Gen	319,940	183,010	272,830	775,780
MMBtus Consumed (N.G)	1,563,566	631,328	1,063,776	3,258,670
MMBtus Consumed (Residual)	1,982,777	1,459,289	2,007,100	5,449,166
N.G. \$/MMBtu	\$ 10.853	\$ 11.736	\$ 13.957	12.038
Residual \$/MMBtu	\$ 17.945	\$ 19.075	\$ 20.497	19.188
Differential \$/MMBtu of Residual over N.G	\$ 7.092	\$ 7.339	\$ 6.540	6.955*
<b>Premium for using Residual</b>	<b>\$ 14,062,120</b>	<b>\$ 10,709,037</b>	<b>\$ 13,126,034</b>	<b>\$ 37,897,191</b>

\* Weighted Average

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### **SUBJECT**

Permanent Rate – CILT and Subsidies Riders

### **REQUEST**

Natural gas nominations for the San Juan and Costa Sur plants, corresponding to the months of March, April, and May 2022.

### **RESPONSE**

LUMA does not participate in natural gas nominations. PREPA has provided the gas nominations for San Juan and Costa Sur and all PREPA generation facilities. In the following files:

- SAN JUAN COMBINED CYCLE NINETY DAY PROGRAMME JULY 2022
- SAN JUAN COMBINED CYCLE JULY (HOURLY) PROGRAMME
- NFE Daily Hours June 2022
- ECOELECTRICA NINETY DAY PROGRAMME JULY 2022
- COSTA SUR NINETY DAY PROGRAMME JULY 2022

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

*Permanent Rate – CILT and Subsidies Riders*

### REQUEST

Describe the impact, if any, that the inability of fuel had on the cost of fuel LUMA to carry out an economical dispatch of the units of the system during the months of March, April, and May 2022. If there is an impact on the cost of fuel, describe, quantify, and explain it in detail.

### RESPONSE

LUMA conducts system constraint economic dispatch of its units every hour based upon power plant availability and production cost, which is determined largely by fuel cost. Each hour, LUMA dispatches the less expensive units to meet system demand in order to ensure that all customer load is being served and avoiding load shed events in a way that considers if relative cost of these units changes and system constraints.

# Permanent Rate June 17, 2022 Resolution and Order Response

## NEPR-MI-2020-0001

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### SUBJECT

Permanent Rate – CILT and Subsidies Riders

### REQUEST

Describe the impact, if any, that the LUMA's inability to carry out an economical dispatch of the system units during the months of March, April, and May 2022. If there is an impact on the cost of energy purchase, describe, quantify and explain it in detail.

### RESPONSE

The cost of energy purchases is also affected by economic dispatch decisions but to a much lesser extent than fuel cost impacts of dispatch of the PREPA legacy generation plants. This is because IPPs are already dispatched as much as they are available because, in the case of renewable PPOAs, they are treated as must-run units, while in the case of AES and EcoElectrica, they are the cheapest units on the system so LUMA generally always tries to maximize their use.

The one impact that does affect utilization of the IPP plants is outage schedules. Every week and every month, System Operations adjusts outage schedules due to emerging issues with all other plants and dispatch of these IPPS could be adjusted to support the needs of the portfolio. These decisions are almost always based upon meeting customer load and in general. To the extent that running these other fuels, diesel and bunker fuel, require additional planned outages this could affect the utilization of IPP plants.