

**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: PREPA AND LUMA Reported
Reliability Metrics.

RESOLUTION

On August 18, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order (“August 18 Resolution”) that summarized and presented the first 12 months of LUMA’s¹ operation of the Puerto Rico transmission and distribution system. The August 18 Resolution solely focused on metrics provided by LUMA and PREPA² for the period starting June 1, 2021 through May 31, 2022. The August 18 Resolution also summarized LUMA’s performance relative to the Energy Bureau’s established benchmarks and baselines developed in this proceeding.

The Energy Bureau notes that PREPA’s reliability performance has been a long-standing issue. The November 23 Report³ noted:

PREPA’s customers experience a level of interruption above that of most other U.S. utilities by a factor of four or more. PREPA’s system is characterized by frequent interruptions, many of which are sustained. Some of these interruptions—like the September 21, 2016 outage—have their origins in large-scale transmission and generation faults that cascade through the PREPA system. Other outages occur due to the deterioration of the distribution system. PREPA states that “the physical structural/mechanical and electrical deterioration of critical components in the transmission and sub-transmission lines have directly caused significant grid outages and service interruptions...Physical access to repair or replace structures is very difficult, which consequently means that in addition to the long service interruptions, the system is exposed to the potential risk of multiple contingencies and cascading outages.”⁴

In its August 18 Resolution, the Energy Bureau provides several figures illustrating LUMA’s performance for the last twelve months. The Energy Bureau now **DETERMINES to** extend the analysis to include PREPA’s performance since June 2019 for comparison purposes of reliability trends over a 36-month period. The Energy Bureau notes that the PREPA reliability metrics presented for such period have been restated by LUMA to be consistent with LUMA’s methodology that has been established in this proceeding and restated in the December 22 Submission.

The Energy Bureau **ORDER** PREPA to file, on or before September 1, 2022, a motion explaining, to the extent possible, the causes of their non-positive negative performance for

¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”).

² Puerto Rico Electric Power Authority (“PREPA”).

³ See, “Expert Report: State of PREPA’s System, Load Forecast, Capital Budget, Fuel Budget, Purchased Power Budget, Operations Expense Budget” (“November 23 Report”) that documented historically poor reliability provided by Puerto Rico Electric Power Authority (“PREPA”).


⁴See, *Expert Report: State of PREPA’s System, Load Forecast, Capital Budget, Fuel Budget, Purchased Power Budget, Operations Expense Budget, In re: Revisión de Tarifa de la Autoridad de Energía Eléctrica*, Caso Núm.: CEPR-AP-2015-0001, November 23, 2016, p. 32.

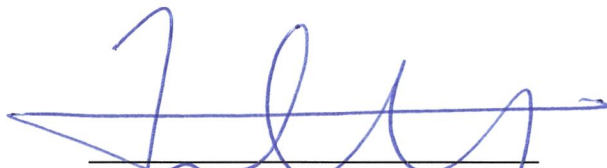


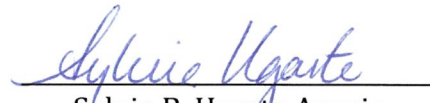
the period from June 2019 to May 31, 2021. For the avoidance of doubt, this information is in addition to the compliance with the August 18 Resolution.

In expanding the scope of our historical evaluation, we take into account that for the period examined in our August 18 Resolution (June 1, 2021 to May 31, 2022), (i) the performance of LUMA remained within the expected baseline target for approximately eighty four percent (84%) of the metrics evaluated, while (ii) the performance of PREPA remained within the expected baseline target for approximately fifty percent (50%) of the metrics evaluated.

Be it notified and published.


Lillian Mateo Santos
Associate Commissioner


Ferdinand A. Ramos Soegaard
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 24, 2022. Chairman Edison Avilés Deliz did not intervene. I also certify that on this date a copy of this Resolution was notified by electronic mail to: margarita.mercado@us.dlapiper.com, jmarrero@diazvaz.law, kbolanos@diazvaz.law, hrivera@jrsp.pr.gov. I also certify that today, August 24, 2022, I have filed the Resolution issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today August 24, 2022.


Sonia Seda Gaztambide
Clerk

