

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

IN RE: LUMA'S RESPONSE TO HURRICANE
FIONA

CASE NO.: NEPR-MI-2022-0003

SUBJECT: LUMA to prepare a stabilization plan, in coordination with PREPA and FEMA, regarding the inadequacy of dispatch of Baseload Generation to avoid load shedding events due to the impacts caused by Hurricane *Fiona*.

RESOLUTION AND ORDER

On October 6, 2022, LUMA¹ sent a letter ("October 6 Letter") to the Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") where it expressed significant concern with the availability of post-Hurricane Fiona dependable baseload generation² and describes potential significant impact to customers if mitigation measures are not employed. LUMA identifies this situation as an "emergency post Hurricane Fiona" and articulates that the dependability of the currently available baseload generation is insufficient to satisfy industry reliability standards (*i.e.*, NERC TPL standards)³. According to LUMA, not satisfying these industry standards places the utility customers at significant risk of service interruption given that the system operator would need to resort to preventive (manual) load shedding in an attempt to maintain system stability and prevent a system blackout.

On October 7, 2022, the Energy Bureau issued a Resolution and Order ("October 7 Order") scheduling a Virtual Technical Conference to be held October 11, 2022 at 1:00 p.m. to discuss the concerns expressed by LUMA in the October 6 Letter such as the (i) Dispatch Status of the available Baseload Generation post-Hurricane Fiona and (ii) the identified temporary emergency mitigation measures thought to address the generation deficiencies, if necessary, arising from Hurricane Fiona.

The Virtual Technical Conference was held as scheduled in which LUMA made a presentation and responded to questions and comments made by the Commissioners and the Energy Bureau consultants.

On October 11, 2022, LUMA filed a document titled *Motion Submitting Presentation Offered in Technical Conference of October 11, 2022* ("October 11 Motion"). LUMA states that as System Operator it must address and inform the Government of Puerto Rico and the Energy Bureau the risks from the Power Generation Portfolio to Resource Adequacy and LUMA's ability to provide safe, reliable, and affordable energy to the people of Puerto Rico.⁴ LUMA indicates that there is a potential risk of load shed due to a possible generation shortfall as a direct result caused by Hurricane Fiona.⁵ LUMA recommends that a generation risk

¹ LUMA Energy, LLC and LUMA ServCo, LLC (collectively, "LUMA").

² Aguirre Unit 1-450 MW is unavailable pre Fiona; Aguirre Unit 2-450MW is unavailable post Fiona and is expected to be online October 14, 2022 with limitation; Costa Sur 5-410MW is unavailable and expected to be online October 15, 2022 with limitations; Palo Seco Unit 4-216MW is unavailable and expected to be online October 31, 2022; San Juan Combined Cycle 5 and 6 (ST) -120MW (combined) are unavailable and expected to be online mid-December 2022; EcoEléctrica Unit 2 (CT) - 165MW is available but its natural gas reserves are expected to last until October 15 to 16, 2022. Total unavailable baseload generation presented October 11, 2022 is 1,811 MW. These unavailable units affect the required reserve calculated at 750 MW as stated in LUMA's Procedure 14 titled Policy on Reserves.

³ NERC Reliability Standard TPL-001-4, Transmission System Planning Performance Requirements.

⁴ October 11 Motion, p. 2 of the presentation.

⁵ *Id.*



mitigation plan must be implemented to protect against the risk of significant deterioration in generation availability over the next several month.⁶

Upon further analysis by the Energy Bureau of the alternatives presented by LUMA during the October 11, 2022 Virtual Technical Hearing, the Energy Bureau **ORDERS** LUMA to develop a stabilization plan, as a direct response to the effects of Hurricane Fiona, in coordination with the Federal Emergency Management Agency ("FEMA") and the Puerto Rico Electric Power Authority ("PREPA") to address any baseload generation inadequacy or shortfall that affects the dispatch availability and has the potential to cause load shedding or a blackout event of the electric system ("Stabilization Plan").

The Energy Bureau **ORDERS** LUMA to include the estimated total costs associated with the implementation of the Stabilization Plan and the portions of such costs that may be covered/reimbursed by FEMA and the portion, if any, that would not be covered/reimbursed by FEMA and therefore may be required to be recovered from ratepayers.

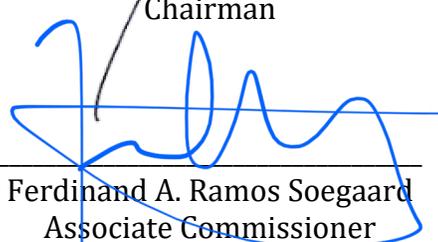
The Energy Bureau **ORDERS** LUMA to provide all supporting documentation to the Stabilization Plan and assure the participation, coordination, and consent of both PREPA and FEMA. The Energy Bureau **ORDERS** LUMA to provide the 1st and 15th day of each month, from the notice of this Resolution and Order, an updated report addressing the efforts conducted by LUMA to assure the completion of the Stabilization Plan.

The Energy Bureau **WARNS** LUMA that, noncompliance with any provision of this Resolution and Order, may result in the imposition fines under Act 577- 2014 and the applicable Energy Bureau's regulations and/or any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.



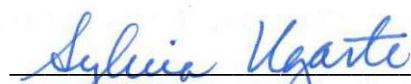
Edison Avilés Deliz
Chairman



Ferdinand A. Ramos Soegaard
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on October 12, 2022. I also certify that on October 12, 2022 a copy of this Resolution and Order was notified by electronic mail to margarita.mercado@us.dlapiper.com I also certify that today, October 12, 2022, 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 12, 2022.



Sonia Seda Gaztambide
Clerk

⁶ *Id.*

⁷ Known as *The Transformation and Energy RELIEF Act*, as amended.

