

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

**IN RE: LUMA INITIAL BUDGETS AND  
RELATED TERMS OF SERVICE**

**CASE NO.: NEPR-MI-2021-0004**

**SUBJECT: Fiscal Year 2023 Budgets  
Annual Examination – Scheduling of  
Technical Conference Closed Session**

**RESOLUTION AND ORDER**

**I. Introduction**

On February 24, 2021, LUMA ENERGY, LLC as ManagementCo, and LUMA ENERGY SERVC0, LLC as ServCo (collectively, "LUMA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Petition for Approval of Initial Budgets and Related Terms of Service* ("Initial Budgets Petition"), under Act 57-2014,<sup>1</sup> as amended by Act 17-2019,<sup>2</sup> and pursuant to LUMA's obligations under Section 4.2 (e) of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("OMA"), dated June 22, 2020, executed by and among the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3 Authority"), and LUMA.

On May 31, 2021, the Energy Bureau issued a Resolution and Order ("May 31 Resolution"), through which it conditionally approved LUMA's Initial Budgets, corresponding to the budget for Fiscal Year 2022 ("FY22"). The Energy Bureau also directed LUMA to comply with several conditions and filing requirements.

On April 2, 2022, LUMA filed a document titled *Submission of Annual Budgets for Fiscal Years 2023 through 2025* ("Annual Budget Request") through which it filed for the Energy Bureau's review and approval LUMA's Fiscal Year 2023 Annual Budget including the Operating budget, the Capital Budget, and LUMA's allocation of the Generation budget.

On July 13, 2022, LUMA filed a document titled *Motion Submitting Fiscal Year 2023 Annual Budget as Approved and Certified by the Financial Oversight and Management Board for Puerto Rico* ("July 13 Petition"). Along with the July 13 Petition, LUMA included a Resolution from the Financial Oversight and Management Board for Puerto Rico ("FOMB") certifying the PREPA budget for fiscal year 2023 ("FY23 Certified Budget"). The July 13 Petition also includes LUMA's proposed annual budget for FY23, which purportedly are based on the FY23 Certified Budget ("LUMA's FY23 Budget"). LUMA requests that the Energy Bureau take notice of FY23 Certified Budget.

On July 16, 2022, the Energy Bureau issued a Resolution and Order ("July 16 Resolution"), whereby, it took notice of LUMA's filing of the July 13 Petition. The Energy Bureau commenced review of the July 13 Petition in accordance with the authority granted by Act 57-2014 and the OMA. The Energy Bureau ordered LUMA to file, on or before July 29, 2022, an executive summary in Spanish of the July 13 Petition and certain additional information to facilitate the public's easy review of the proposed budget.

**II. Discussion**

In its review of the Initial Budgets Petition and the LUMA's FY23 Budget, the Energy Bureau required additional information to supplement and support LUMA's filings, issued multiple Requirements of Information (ROI) and held several Technical Conferences, to obtain additional information and seek clarification relative to the proposed budgets.

<sup>1</sup> The Puerto Rico Energy Transformation and RELIEF Act, as amended.

<sup>2</sup> The Puerto Rico Energy Public Policy Act.





These methods of securing necessary information, along with technical conferences and public comments, which are also part of this proceeding, are used to enable the Energy Bureau to develop a full record and, thereby, facilitate its full and effective review, evaluation, and determination of LUMA's FY23 Budget. ROIs enables the Energy Bureau to direct LUMA and PREPA to provide additional and clarifying information. Technical Conferences provide the opportunity for direct questioning of LUMA and PREPA. In addition to issuing ROIs, the Energy Bureau often issues Bench Orders during Technical Conferences which require LUMA and PREPA to provide information they did not produce during the Technical Conferences.

Act 57-2014 states that any person having the obligation to submit information to the Energy Bureau, can request privilege or confidential treatment to any information that the party submitting understands deserves such protection and establishes procedures to be followed.<sup>3</sup> The Energy Bureau also addressed confidentiality in resolutions<sup>4</sup> which adopted norms and procedures pursuant to Act 57-2014.

Under Act 57-2014 and the Energy Bureau orders, LUMA requested confidential treatment for certain specific ROI responses and certain specific responses to Bench Orders or parts of it and other information it provided.

### III. Conclusion

The Energy Bureau requires additional information to facilitate its review of LUMA's FY23 Budget.

The Energy Bureau considers it necessary at this moment to schedule a Technical Conference closed session. LUMA representatives and their consultants must be prepared to answer questions from the Energy Bureau, its staff, and consultants, regarding documents and matters, for which, LUMA has requested confidential treatment.

To appropriately manage the confidentiality of the documents for which confidential treatment has been requested, attendance during the Technical Conference closed session at which those matters will be discussed, will be restricted to LUMA and any consultants it deems necessary for such discussions and to answer questions posed by the Energy Bureau and its consultants.<sup>5</sup>

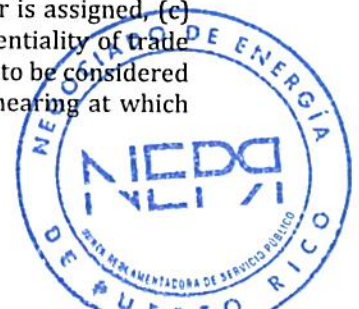
The Energy Bureau **ORDERS** LUMA to ensure that its personnel and/or consultants appear during the Technical Conference to respond to questions by the Energy Bureau, its staff, and consultants. The Technical Conference closed session will be held on **Tuesday December 13, 2022 at 1:00 pm. EST.**

The Energy Bureau **WARNS** LUMA that noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000.00 per day. The Energy Bureau **WARNS** LUMA that any person who intentionally violates any provision of Act 57-2014, as amended, omits, disregards, or refuses to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau and that if recurrence occurs, the established

<sup>3</sup> Section 6.15 of Act 57-2014, as amended.


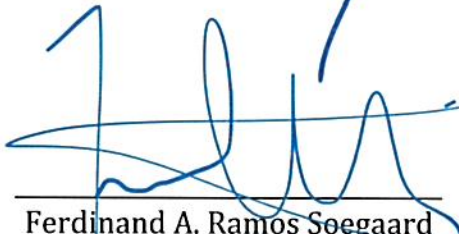
<sup>4</sup> See, Resolution, *In Re: Policy on Management of Confidential Information in Procedures Before the Commission*, Case No. CEPR-MI-2016-0009, August 31, 2016 and September 21, 2016.

<sup>5</sup> We note that this practice is analogous to that found in other jurisdictions. For example, New York State Regulation 16 CRR-NY 6-13, Records containing trade secrets, confidential commercial information or critical infrastructure information, (e) Status of Records prior to department determination, (1) states, "Until such time as the department makes a determination, confidential information submitted in accordance with subdivision (b) of this section shall be excepted from disclosure and be maintained apart and in a secure manner from other department records," and 16 CRR-NY 6-14, Special rules applicable when a presiding officer is assigned, (c) which states, "The presiding officer shall take appropriate measures to preserve the confidentiality of trade secrets, confidential commercial information or critical infrastructure information. Measures to be considered include but are not necessarily limited to: (4) restricting attendance during portions of a hearing at which confidential proof is to be introduced."



penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

Be it notified and published.

  
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Edison Avilés Deliz  
Chairman  
\_\_\_\_\_  
Ferdinand A. Ramos Soegaard  
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 November 28, 2022. Associate Commissioner Lillian Mateo Santos did not intervene. I also certify that on November 28, 2022 a copy of this Resolution and Order was notified by electronic mail to the following: [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com); [ana.rodriguezrivera@us.dlapiper.com](mailto:ana.rodriguezrivera@us.dlapiper.com); [jmarrero@diazvaz.law](mailto:jmarrero@diazvaz.law) and [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law). I also certify that today, November 28, 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 November 28, 2022.

  
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Wanda I. Cordero Morales  
Interim Clerk