

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

NEPR

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IN RE: THE UNBUNDLING OF THE
ASSETS OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY

CASE NO. NEPR-AP-2018-0004

SUBJECT: Informative Motion, Renewed Request to Open Regulatory Proceeding and Motion for Reconsideration of Order on Wheeling Customer Rider

INFORMATIVE MOTION ON LUMA’S ONGOING EFFORTS ON WHEELING AND NEED FOR HISTORICAL FUEL DATA, RENEWED REQUEST TO OPEN A REGULATORY PROCEEDING, AND MOTION FOR RECONSIDERATION OF ORDER ON WHEELING CUSTOMER RIDER

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC (“ManagementCo”), and LUMA Energy ServCo, LLC (“ServCo”), (jointly referred to as “LUMA”), and respectfully state and request the following:

I. Background

On March 24, 2022, and pursuant to Section 11.01 of Regulation 8543, Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings (“Regulation 8543”) and Section 3.15 of the Uniform Administrative Procedure Act for the Government of Puerto Rico, Act 38-2017 (“LPAU” for its Spanish acronym) this Puerto Rico Energy Bureau (“Energy Bureau”) issued a Final Resolution and Order in this proceeding (“Final Resolution and Order”). On page 21 of the Final Resolution and Order, this Energy Bureau determined that “further processes” were needed to adopt a standard wheeling services agreement. For this, the Energy Bureau requested stakeholder comments by April 25, 2022, and scheduled a technical conference for May 17, 2022. *See* Final Resolution and Order at page 21. Further, this

Energy Bureau determined that “a key goal of the next phase of this proceeding will be to create a feasible method for determining hourly marginal energy costs for the monthly balancing charges.” *Id.* at page 19. It also directed that LUMA should “provide a briefing on methods used for dispatching generation and the availability of the relevant hourly data on actual generation dispatch.” *Id.* at page 21.

LUMA timely submitted a *Motion for Reconsideration of Final Resolution and Order of March 24, 2022*, submitted on April 13, 2022 (“Motion for Reconsideration”).¹ On April 22, 2022, the Energy Bureau entered a Resolution and Order that accepted LUMA’s Motion for Reconsideration. Thereafter, on July 11, 2022, the Energy Bureau issued a Resolution and Order stating that it would extend for thirty (30) additional days, the timeframe to rule on LUMA’s Motion for Reconsideration.

On August 10, 2022, the Energy Bureau entered a Resolution and Order, whereas it denied LUMA’s Motion for Reconsideration (“August 10th Order”). The Energy Bureau ordered that LUMA submit a formal version of the wheeling customer rider along with a description and rationale for any proposed changes from the draft version provided as Attachment A to the Final

¹ Then, on April 20, 2022, LUMA filed a *Request for Stay of Portions of Final Resolution and Order of March 24, 2022, Pending Final Adjudication and Request for Additional Remedies*. LUMA requested this Energy Bureau stay several of the orders included in the Final Resolution and Order until the Motion for Reconsideration is adjudicated (“Request for a Stay”). Specifically, LUMA petitioned that the Energy Bureau stay the portion of the Final Resolution and Order that required LUMA to “file a formal version of the wheeling customer rider as a compliance item. . .with a description of and rationale for any changes proposed from this draft version.” *See* Final Resolution and Order on page 18. Therein, LUMA contended that there were important and weighty considerations that this Energy Bureau should ponder before implementing the Final Resolution and Order and prior to requiring that LUMA file a formal version of the wheeling customer rider. As such, it was in the public interest to conclude the process of addressing LUMA’s Motion for Reconsideration before LUMA is called upon to file the rider. Thus, LUMA requested that the Energy Bureau stay the order to file a formal version of the wheeling customer rider for at least thirty days after it issues a determination on LUMA’s Motion for Reconsideration.

Resolution and Order within seven days.²² The Energy Bureau granted twenty (20) days for stakeholders to submit comments on relevant issues for wheeling services agreements outlined in Attachment B to the Final Resolution and Order. Finally, this Energy Bureau scheduled a Technical Conference for September 23, 2022, to discuss the relevant issues for a wheeling services agreement (“September 23rd Technical Conference”).

On August 24, 2022, LUMA submitted its proposed changes to the wheeling rider with this Energy Bureau. *See Motion Submitting Proposed Changes to the Draft Wheeling Customer Rider* (“Submission of Proposed Changes to the Wheeling Rider”). Then, on August 30, 2022, LUMA submitted its responses to the questions for comments included in Attachment B to the Final Resolution and Order. *See Motion Submitting LUMA’s Responses to Questions for Comments By Stakeholders Included in Attachment B to the Resolution and Order of March 24, 2022*, filed on August 30, 2022.

On August 26, 2022, LUMA submitted a *Request Regarding the “Further Processes” Scheduled on the Wheeling Services Agreement, Request for an Agenda for the Technical Conference of September 23rd, and Submission of a Proposed Agenda* (“August 26th Motion”). LUMA requested that this Energy Bureau initiate a new non-adjudicative or “MI” proceeding to discuss the “further processes” required to implement wheeling, including the stakeholder comments on the wheeling services agreement due on August 30, 2022. LUMA also requested that this Energy Bureau issue an agenda of the topics to be discussed in the September 23rd Technical Conference and submit a proposed agenda for the technical conference.

²² On August 15, 2022, LUMA requested an extension until August 24, 2022, to submit the rider.

On September 15, 2022, LUMA filed a *Request to Postpone the Technical Conference of September 23, 2022*. LUMA requested the Energy Bureau to continue or reschedule the September 23rd Technical Conference for the week of November 7, 2022, due to pending parallel technical conferences and filing deadlines in multiple proceedings. On September 20, 2022, the Energy Bureau entered a Resolution and Order, rescheduling the Technical Conference for October 21, 2022. It also included therein the agenda for the Technical Conference.

On October 13, 2022, LUMA requested that this Energy Bureau continue or reschedule the September 23rd Technical Conference for November 14-18, 2022 (“LUMA’s October 13th Motion”). LUMA explained that a substantial portion of LUMA’s Regulatory and System Operations teams that support this proceeding had been temporarily reassigned to support emergency operations related to Hurricane Fiona and that a developing scenario of generation insufficiency placed additional strain on LUMA’s System Operations team, who would participate in the Technical Conference. LUMA further explained that personnel from LUMA’s System Operations appeared before this Energy Bureau in the proceeding *In re LUMA’s Response to Hurricane Fiona*, Case No. NEPR-MI-2022-0003 to discuss concerns with Generation resource inadequacies in the aftermath of Hurricane Fiona and that per this Energy Bureau’s orders in said proceeding, LUMA would devote resources in the coming weeks and months 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”). Finally, LUMA stated that a continuance of the Technical Conference would allow this Energy Bureau to consider the requests stated in LUMA’s August 26th Motion to open a new non-adjudicative proceeding.

On October 18, 2022, this Energy Bureau issued a Resolution and Order whereby it adjudicated LUMA's October 13th Motion and postponed *sine die* the Technical Conference that had been set for October 21st ("October 18th Order"). The Energy Bureau also stated the following: "dispatch processes and hourly marginal energy costs are an integral issue to the determination of hourly balancing charges in the wheeling services agreement. Appropriate means for the collection of the key substantive information and other next steps on wheeling and unbundling will be forthcoming from the Energy Bureau."

On November 22, 2022, this Energy Bureau issued a Resolution and Order with the subject "Determination on LUMA's Motion Submitting Proposed Changes to the Proposed Rider" ("November 22nd Order"). Therewith, this Energy Bureau accepted some of LUMA's proposed changes to the wheeling customer rider ("WCR") and included, as Attachment A, the WCR that LUMA should publish in PREPA's Tariff Book. This Energy Bureau directed that within fourteen days, LUMA should publish the WCR in PREPA's Tariff Book and that, within five days, it should inform the Energy Bureau of having complied with said requirement to publish the WCR.

In several portions of the November 22nd Order, this Energy Bureau stated that aspects of the WCR and regulatory requirements will be considered "in a subsequent proceeding." *See* November 22nd Order at pages 2 and 3. To wit, this Energy Bureau stated that the following would be considered in the "subsequent proceeding":

- Notification procedures for a customer to elect to receive supply from a retail service provider;
- Discussion on issues that may arise if the WCR conflicts with other riders;

- Clarification of terms and detailed application of provisions for the provider of last resort; and
- Proper regulatory steps on availability of the WCR for customer adoption.

LUMA hereby respectfully provides information to this Energy Bureau regarding ongoing processes and efforts by LUMA to further the Energy Bureau's directives regarding wheeling and the subject matters that will be addressed in subsequent proceedings. LUMA also informs of limitations on data gathering regarding historical fuel data. Further, LUMA respectfully renews its request for this Energy Bureau to open an "MI" proceeding to allow for collaborative discussion and consider the implementation of wheeling services in Puerto Rico and the WCR, among other related topics. Finally, LUMA respectfully requests that this Energy Bureau reconsider the text of the WCR that is included as Attachment A of the November 22nd Order and that, on reconsideration, this Energy Bureau accepts the suggestions and changes to the WCR that LUMA outlines in **Exhibit 1** to this Motion.

II. LUMA's Ongoing Efforts on Wheeling and Current Limitations on Access to Data

LUMA respectfully informs that it has continued to conduct foundational activities to support wheeling and future implementation of the WCR and a wheeling services agreement. Mainly, LUMA has adopted timelines to develop proposals on key components to implementing the WCR and the wheeling services agreement. It is respectfully submitted that LUMA's efforts to support the development of wheeling services, are highly dependent on LUMA's ongoing generation stabilization efforts that this Energy Bureau is tracking in Case *In re LUMA's Response to Hurricane Fiona*, NEPR-MI-2022-0005, which addresses baseload generation inadequacy and

shortfalls that affect dispatch availability and may cause load shedding or blackout events in the aftermath of Hurricane Fiona (“Stabilization Plan”).

Given the aforementioned, LUMA proposes that before this Energy Bureau conducts further processes regarding wheeling, this Energy Bureau should grant additional time for LUMA and public actors to implement solutions to address current and longer-term concerns with generation adequacy. This will allow LUMA to concentrate on addressing urgent generation adequacy concerns before engaging in regulatory actions and proceedings to implement the WCR, adopt a wheeling services agreement, and make wheeling services available to customers in Puerto Rico. If LUMA is allowed to continue its internal processes, including gathering fuel data, LUMA would be able to provide more up-to-date and better data before this Energy Bureau at the technical conference to discuss dispatch processes and hourly marginal energy costs which, as this Energy Bureau has stated, are integral to the determination of hourly balancing charges in the wheeling services agreement.

As part of LUMA’s efforts to advance its wheeling work, including those to comply with the directive of this Energy Bureau in the Final Resolution to “provide a briefing on methods used for dispatching generation and the availability of the relevant hourly data on actual generation dispatch,” *see* Final Resolution and Order at page 21, LUMA has requested historical fuel data from PREPA, namely, OSI Pi Detailed Fuel Data. LUMA informed PREPA that it needs hourly plant-specific data for the past five years, to comply with the directives of this Energy Bureau and to meet its obligations under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”). At this time, and despite multiple requests, however, LUMA has not received said data from PREPA. LUMA continues to work with PREPA to obtain

said information. LUMA requests that this Energy Bureau take notice of its efforts to obtain data necessary to responsibly respond to this Energy Bureau's order on generation dispatch and to consider that, LUMA requires the OSI Pi data from PREPA in order to comply with the directive of the Final Resolution and Order.

III. Renewed Request to Open an "MI" Proceeding

Given the Energy Bureau's statements in the Final Resolution and Order, the October 18th Order, and the November 22nd Order, that subsequent proceedings will be conducted on wheeling-related topics to implement the WCR and make it available for customer adoption, LUMA renews its prior requests that the Energy Bureau opens a new MI proceeding. It is respectfully submitted that because this Energy Bureau has described the scope of the subsequent proceeding to include regulatory steps to implement the WCR, the framework of a regulatory "MI" proceeding is best suited for this Energy Bureau, LUMA, and other stakeholders, to present data, proposals, and comments.

IV. Request for Reconsideration of the November 22nd Order

LUMA respectfully requests that this Energy Bureau reconsider the November 22nd Order in as much as it requires that LUMA immediately publish the WCR. Furthermore, as explained in **Exhibit 1** to this Motion, LUMA has several concerns with the determinations by the Energy Bureau regarding the text of the WCR and respectfully requests that the Energy Bureau consider LUMA's concerns and accept LUMA's proposed text changes to the WCR.

As a threshold matter, LUMA respectfully states its position that it is in the public interest and of wheeling and non-wheeling customers, to include the WCR in the PREPA Tariff Book only when the proceedings to determine the rules associated with wheeling are completed. As explained

in **Exhibit 1** to this Motion, in LUMA's experience, it is atypical to publish a rider at a time when it is not available to customers or is conditioned on consideration and approval of regulatory and contractual elements that may affect the rider and determine its implementation. LUMA considers the Tariff Book a tool and medium for customers to be aware of the applicable and current rates. Thus, industrial and commercial customers may experience confusion if the WCR is published at this time, when there are pending and further processes to implement the WCR. Publication of WCR is premature, given that changes could materially impact the operational plans of the large industrial and commercial customers who are planning to participate in wheeling.

Secondly, as explained in **Exhibit 1** to this Motion, LUMA respectfully requests that the Energy Bureau reconsider the text of the WCR that was published in the November 22nd Order to incorporate LUMA's proposals and suggestions. LUMA is available to participate in future discussions with the Energy Bureau and stakeholders, on its suggestions for the text of the WCR. Particularly, for the reasons expounded in **Exhibit 1**, which are incorporated by reference to this Motion, LUMA requests that the Energy Bureau reconsider several determinations included in the November 22nd Order regarding the WCR.

WHEREFORE, LUMA respectfully requests that this Energy Bureau **take notice** of this Motion, **maintain** the stay of the technical conference on dispatch processes and methods to determine hourly marginal costs for the monthly balancing charges until LUMA receives the OSI Pi data from PREPA and is able to review the same; **open** an MI proceeding; **reconsider** the determination that LUMA shall publish the WCR in the PREPA Tariff Book; and **consider and accept** LUMA's suggestions and proposed changes to the WCR as stated in **Exhibit 1** to this Motion.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 6th day of December 2022.

I hereby certify that this Motion was filed in the electronic docket of the Puerto Rico Energy Bureau and that a stamped copy of this Motion will be served via electronic mail to intervenors: Cooperativa Hidroeléctrica de la Montaña, via Ramón Luis Nieves, ramonluisnieves@rlnlegal.com; Office of the Independent Consumer Protection Office, Hannia Rivera, hrivera@jrsp.pr.gov, and Pedro E. Vázquez Mélenlez, contratistas@jrsp.pr.gov; Puerto Rico Manufacturer's Association via Manuel Fernández Mejías, manuelgabrielfernandez@gmail.com; and Ecoeléctricas via Carlos Colón, ccf@tcm.law. It is also certified that I will serve notice of this Motion to counsel for the Puerto Rico Electric Power Authority, Katuska Bolaños, kbolanos@diazvaz.law, and Joannely Marrero Cruz, jmarrero@diazvaz.com.

I will also send a copy of this Motion to the following individuals or entities that the Energy Bureau included in its email:

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Exhibit 1

Exhibit 1 – Wheeling Customer Rider

1.0 Introduction

LUMA intends to implement electric energy wheeling in accordance with applicable laws and Resolutions and Orders issued by the Puerto Rico Energy Bureau (PREB, Energy Bureau). When properly designed and implemented with careful attention to mitigating the significant risks that it can entail, wheeling can provide customers additional choices of energy suppliers.

The risks associated with wheeling are significant and range from cross-subsidization of wheeling costs by non-wheeling customers to increased outages and even catastrophic system failure. Wheeling requires a complex ecosystem of comprehensive and complementary rules, tariffs and agreements, enabled by systems and processes that, collectively, balances the risks associated with wheeling by placing the necessary protections. These elements add structure, clarity and are important risk management tools that are required protect both system assets and customers. Developing this ecosystem takes time and should be done in a thoughtful and deliberate manner that is scalable and sustainable. The Wheeling Customer Rider (WCR) requires an accompanying, more fulsome tariff before it can be implemented and be made available for customer use. Accompanying the WCR tariff should be an additional tariff, the Wheeling Services Agreement (WSA) tariff.

The WCR Tariff will govern the relationship between the wheeling customer and LUMA, both in its role as the Transmission and Distribution (T&D) operator and in its agency role on behalf of PREPA with its attendant Provider of Last Resort (POLR) obligation. The WSA Tariff will govern the relationship between the Retail Electricity Supplier (RES) and LUMA, both in its role as the T&D operator and in its agency role on behalf of PREPA with its attendant POLR obligation.

2.0 Requests for Clarification and Reconsideration on PREB Changes to Wheeling Customer Rider

2.1 November 22, 2022 - Wheeling Customer Rider

PREB's November 22, 2022, Resolution and Order (November 22 Order), included, as Attachment A, an updated version of the WCR. The version of the WCR in the November 22 Order includes several changes from the version that LUMA filed in its August 24 Motion. These changes are highlighted in Section 2.1.1, below, and LUMA's requests for reconsideration on the changes are outlined in Section 2.1.2. The red numbers mark the redlines for discussion in Section 2.1.2.

Exhibit 1 – Wheeling Customer Rider

2.1.1 Redline of November 22, 2022 Wheeling Customer Rider to August 24 Motion

WHEELING CUSTOMER RIDER

DESIGNATION:

WCR

AVAILABLE:

Everywhere in Puerto Rico

CUSTOMER ELIGIBILITY:

Large commercial and industrial customers (250 kVA and over) with ~~① appropriate~~ interval metering registering usage on an hourly basis, at a minimum, ~~and~~ who have entered into a Retail Supply Agreement ~~② to purchase all of their energy from~~ with an eligible retail electricity supplier ~~③ with a Wheeling Services Agreement that is currently in effect and have followed the proper notice procedures~~. If an otherwise eligible customer does not currently satisfy the metering requirement, that customer ~~④ must pay all costs associated with purchasing and installing~~ may pay to purchase and install such metering equipment or petition the Energy Bureau for specific approval of an estimated customer load shape as ~~⑤ an temporary~~ alternative means of satisfying the metering requirement ~~until such metering requirements are met~~.

WHEELING CUSTOMER RATES:

The rates for an eligible wheeling customer pursuant to this rider are the same as the otherwise applicable rates for that customer with the exception that the FCA and PPCA shall no longer be charged to that customer. All other charges will continue to apply, and the wheeling customer will be billed normally for those charges ~~⑥. Wheeling customers are not eligible for additional riders otherwise available to commercial and industrial customers~~.

PROVISIONS FOR RETURN TO THE PROVIDER OF LAST RESORT:

When a wheeling customer returns to the provider of last resort, the change of service date shall be the end of the customer's current billing period ~~⑦ as defined in the notification clause of the Wheeling Services Agreement~~, except in case of a default by the retail electricity supplier. With such a default, the change of service date shall be the day of default.

A wheeling customer electing to return to the provider of last resort shall not be eligible to elect a new retail electricity supplier for a 12-month period after the change of service date. A wheeling customer shall be eligible to transfer from one ~~eligible~~ retail electricity supplier to another eligible retail electricity supplier ~~with a Wheeling Services Agreement that is currently in effect~~ without penalty provided there is no interim period where the wheeling customer has no supplier.

A wheeling customer that returns to the provider of last resort due to the action of the retail electricity supplier, either the choice of the supplier or default, shall not be eligible to elect a new retail electricity supplier for 30 days after the change of service date. However, at the

Exhibit 1 – Wheeling Customer Rider

end of the 30-day restriction, that wheeling customer may not return to the same retail electricity supplier or any affiliate of that same supplier.

2.1.2 Requests for Clarification and Reconsideration on PREB Changes to Wheeling Customer Rider

LUMA has the following feedback regarding the changes to the WCR outlined in the November 22 Order. The red numbers tie back to the redlines in Section 2.1.1.

① PREB's Change: Deletion of the term “appropriate” when referring to interval metering equipment that can register usage on an hourly basis, at a minimum.

LUMA's Basis for Reconsideration: Meters must be revenue-grade, certified, and have remote communications ability to minimize the cost of reading the meters and the administrative burden of managing the wheeling program. The use of non-certified meters creates a significant risk of metering errors and cost leakage to non-wheeling customers. Further, the added cost to read non-remote communication meters will need to be added to the wheeling customer's bill which will create further complications and delays in setting up the internal processes to enable wheeling. It is important to be clear about the requirements in the WCR so that customers do not invest in non-certified metering and infrastructure, which is substantially less expensive and simpler to install than certified equipment. Using qualifying language such as “appropriate” or “qualified” will increase transparency of the rider and not create confusion when wheeling customers apply for the rider. Given that customers are currently making decisions now that may lead to them applying for the WCR rider, LUMA suggests that clear language around the appropriate metering should be in place in the rider now.

Suggestion: Include the word “appropriate” or “qualified” to indicate that there are requirements around metering that must be considered as customers plan to move toward a wheeling arrangement. See *Section 3.0 Proposed Revised Wheeling Customer Rider*. The language can also be expanded to say, “interval metering that meets the standards set forth in the Wheeling Services Agreement”.

② PREB's Change: Deletion of the text “to purchase all of their energy from” an eligible retail energy supplier.

LUMA's Basis for Reconsideration: LUMA proposed this text as a mechanism to ensure predictable loads, as this is important for load forecasting and grid stability. As any mismatch between the load placed on the grid and the available generation capacity will result in negative impacts on both wheeling and non-wheeling customers. Load balancing must be carefully considered to avoid catastrophic failure of the grid as wheeling is introduced in Puerto Rico. In order to enable stable and predictable load forecasts, the WCR must include at this time only those customers who purchase all of their energy from a Retail Energy Supplier.

Suggestion: Include the text “to purchase all of their energy from” in the WCR. LUMA, PREB, and stakeholders to discuss alternative approaches to load balancing in upcoming proceedings.

③ PREB's Change: Replacement of the text “with a Wheeling Services Agreement that is currently in effect” with “and have followed the proper notice procedures”.

LUMA's Basis for Reconsideration: It is important to be transparent with customers that additional supporting agreements are required before the rider can be operationalized for customer use. The WCR as included in the November 22 Order presents an oversimplified version of the requirements and may give customers the appearance that the rider is a stand-alone document, when in fact, several other elements are required to be in place before the rider can be

Exhibit 1 – Wheeling Customer Rider

implemented. Further, PREB has yet to define what the proper notice procedures are, until such procedures are clarified, LUMA suggests it is more appropriate to reference the Wheeling Services Agreement instead, as the notice procedures will be codified therein.

Suggestion: Include the text “with a Wheeling Services Agreement that is currently in effect” in the WCR. While many elements of the wheeling ecosystem still need to be developed, it is generally agreed by both LUMA and PREB that a Wheeling Services Agreement is a critical element of the tariff. Therefore, it makes sense to reference the agreement in the WCR.

④ PREB’s Change: Replacement of the text “must pay all costs associated with purchasing and installing”, with “may pay to install” when referring to interval metering equipment.

LUMA’s Basis for Reconsideration: LUMA’s concern is that the “may pay to purchase and install” language is overly broad for customers to understand the requirements and is not specific enough to specify who is required to pay for the costs. “May” suggests that there could be conditions where the customer does not have to pay the costs to purchase and install meters. If this is the case, then those conditions should be outlined in the Wheeling Services Agreement and need to be referenced in the tariff language. Further, LUMA believes the customer should pay for both the cost associated with the purchase of equipment and the installation of equipment to enable the appropriate metering. If the Energy Bureau expects to contemplate who pays for the equipment, then LUMA suggests that publication of the WCR in the Tariff Book be delayed until such time as this is determined.

Suggestion: Include the text “must pay all costs associated with purchasing and installing” or make reference to the Wheeling Service Agreement for which the payment of costs are defined, such as “must pay the costs associated with purchasing and installing, in accordance with the Wheeling Service Agreement”.

⑤ PREB’s Change: The deletion of the word “temporary”, and the text “until such metering requirements are met” when referring to the use of an estimated load shape in place of metering equipment.

LUMA’s Basis for Reconsideration: LUMA has grave concerns deleting of the word “temporary” and deleting the words “until such metering requirements are met”. It is imperative that WCR customers are metered with qualifying meters to avoid cross-subsidization which would result in increasing electricity rates to non-participants. The energy consumption of wheeling customers has the potential to be material and so it is important for rates but also for load forecasting, balancing, and grid stability that require accurate measurements. Using an estimated customer load shape on a non-temporary basis will result in cross-subsidization that will not be detected or resolved as the rider will not require the wheeling customer to ever install equipment to measure its load. It also creates issues with respect to balancing charges when the Wheeling Customer consumes more energy than the retail energy supplier produces in a specific hour. It must be clear to potential wheeling customers that the purchase and installation of metering equipment is a cost that must be considered and is not avoidable through the permanent use of an estimated load shape.

Suggestion: Include the word “temporary” and the text “until such metering requirements are met” when referring to estimated load shapes in the WCR. See *Section 3.0 Proposed Revised Wheeling Customer Rider*.

⑥ PREB’s Change: Deletion of the text “Wheeling customers are not eligible for additional riders otherwise available to commercial and industrial customers”.

Exhibit 1 – Wheeling Customer Rider

LUMA's Basis for Reconsideration: Further analysis is required to mitigate the risk of cost leakage between wheeling and non-wheeling customers. It is important to be transparent to the large industrial and commercial customers who may be making significant business decisions, that this rider may impact their eligibility for other riders. Allowing wheeling customers wheeling customers to also receive discounts from other riders will shift a greater portion of shared costs to the non-wheeling customers.

Suggestion: Include instead the text “Wheeling customers may not be eligible for additional riders otherwise available to commercial and industrial customers as set forth in the Wheeling Services Agreement”. As suggested by PREB in the November 22 Order, LUMA will develop a proposal for a more targeted approach for this issue, for discussion in a subsequent proceeding, yet to be scheduled by PREB.

⑦ Change: Deletion of the text “as defined in the notification clause of the Wheeling Services Agreement that is currently in effect”.

LUMA's Basis for Reconsideration: It is important to highlight in the WCR that there are notification procedures in place from initiation of wheeling through to return to the POLR.

Suggestion: Include the text “and following the proper notification procedures” earlier in the sentence, in reference to the POLR.

Exhibit 1 – Wheeling Customer Rider

2.2.1 Proposed Revised Wheeling Customer Rider

WHEELING CUSTOMER RIDER

DESIGNATION:

WCR

AVAILABLE:

Everywhere in Puerto Rico

CUSTOMER ELIGIBILITY:

Large commercial and industrial customers (250 kVA and over) with interval metering that meets the standards set forth in the Wheeling Services Agreement, at a minimum-who have entered into a Retail Supply Agreement to purchase all of their energy from an eligible retail electricity supplier with a Wheeling Services Agreement that is currently in effect. If an otherwise eligible customer does not currently satisfy the metering requirement, that customer may pay all costs associated with purchasing and installing such metering equipment or petition the Energy Bureau for specific approval of an estimated customer load shape as a temporary alternative means of satisfying the metering requirement until such metering requirements are met.

WHEELING CUSTOMER RATES:

The rates for an eligible wheeling customer pursuant to this rider are the same as the otherwise applicable rates for that customer with the exception that the FCA and PPCA shall no longer be charged to that customer. All other charges will continue to apply, and the wheeling customer will be billed normally for those charges. Wheeling customers may not be eligible for additional riders otherwise available to commercial and industrial customers as set forth in the Wheeling Services Agreement.

PROVISIONS FOR RETURN TO THE PROVIDER OF LAST RESORT:

When a wheeling customer returns to the provider of last resort and following the proper notification procedures, the change of service date shall be the end of the customer's current billing period except in case of a default by the retail electricity supplier. With such a default, the change of service date shall be the day of default.

A wheeling customer electing to return to the provider of last resort shall not be eligible to elect a new retail electricity supplier for a 12-month period after the change of service date. A wheeling customer shall be eligible to transfer from one retail electricity supplier to another eligible retail electricity supplier without penalty provided there is no interim period where the wheeling customer has no supplier.

A wheeling customer that returns to the provider of last resort due to the action of the retail electricity supplier, either the choice of the supplier or default, shall not be eligible to elect a new retail electricity supplier for 30 days after the change of service date. However, at the end of the 30-day restriction, that wheeling customer may not return to the same retail electricity supplier or any affiliate of that same supplier.

Exhibit 1 – Wheeling Customer Rider

2.2.2 Proposed Revised Wheeling Customer Rider - Redline

WHEELING CUSTOMER RIDER

DESIGNATION:

WCR

AVAILABLE:

Everywhere in Puerto Rico

CUSTOMER ELIGIBILITY:

Large commercial and industrial customers (250 kVA and over) with ① interval metering that meets the standards set forth in the Wheeling Services Agreement, at a minimum-who have entered into a Retail Supply Agreement ② to purchase all of their energy from an eligible retail electricity supplier ③ with a Wheeling Services Agreement that is currently in effect. If an otherwise eligible customer does not currently satisfy the metering requirement, that customer ④ must pay all costs associated with purchasing and installing such metering equipment or petition the Energy Bureau for specific approval of an estimated customer load shape as a ⑤ temporary alternative means of satisfying the metering requirement until such metering requirements are met.

WHEELING CUSTOMER RATES:

The rates for an eligible wheeling customer pursuant to this rider are the same as the otherwise applicable rates for that customer with the exception that the FCA and PPCA shall no longer be charged to that customer. All other charges will continue to apply, and the wheeling customer will be billed normally for those charges. ⑥ Wheeling customers may not be eligible for additional riders otherwise available to commercial and industrial customers as set forth in the Wheeling Services Agreement.

PROVISIONS FOR RETURN TO THE PROVIDER OF LAST RESORT:

When a wheeling customer returns to the provider of last resort ⑦ and following the proper notification procedures, the change of service date shall be the end of the customer's current billing period except in case of a default by the retail electricity supplier. With such a default, the change of service date shall be the day of default.

A wheeling customer electing to return to the provider of last resort shall not be eligible to elect a new retail electricity supplier for a 12-month period after the change of service date. A wheeling customer shall be eligible to transfer from one retail electricity supplier to another eligible retail electricity supplier without penalty provided there is no interim period where the wheeling customer has no supplier.

A wheeling customer that returns to the provider of last resort due to the action of the retail electricity supplier, either the choice of the supplier or default, shall not be eligible to elect a new retail electricity supplier for 30 days after the change of service date. However, at the end of the 30-day restriction, that wheeling customer may not return to the same retail electricity supplier or any affiliate of that same supplier.

Exhibit 1 – Wheeling Customer Rider

3.0 Concerns Regarding Incorporating the Wheeling Customer Rider into the Tariff Book

LUMA is concerned that publishing the Wheeling Customer Rider (WCR) within the Tariff Book will create customer confusion and reduce customer satisfaction. As outlined above and by LUMA in previous filings, the WCR alone is not sufficient to mitigate the variety of risks associated with wheeling. The WCR requires an accompanying, more fulsome tariff before it can be implemented and be made available for customer use.

Publishing the WCR in its Tariff Book is premature as the rules, tariff and accompanying documents (including agreements) for Wheeling, which may affect the WCR, have not yet been determined, developed, or decided upon. It is reasonable to expect that the WCR will change as LUMA, PREB, and the relevant stakeholders move through the subsequent proceedings to develop the tariff and supporting elements. The large scale commercial and industrial customers who are considering wheeling will use this rider in their financial models and calculations, and changes in the rider could have significant economic impacts on the business decisions of these high consumption customers. More broadly, it is unconventional that a rider be included in a utility's tariff book prior to being available to customers, and it is LUMA's position that publishing the WCR is not a prudent step to take at this time, as the rules still need to be established by PREB before the rider can be operationalized.