

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

NEPR

Received:

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IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS

CASE NO. NEPR-MI-2021-0004

**SUBJECT: Urgent Request for Additional Extension
of Time to Submit Consolidated FY2024 Proposed
Annual Budgets and for Modification of Procedural
Calendar**

**URGENT REQUEST FOR ADDITIONAL EXTENSION OF TIME TO SUBMIT
CONSOLIDATED FY2024 PROPOSED ANNUAL BUDGETS AND FOR
MODIFICATION OF PROCEDURAL CALENDAR**

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:

1. On February 27, 2023, this Honorable Puerto Rico Energy Bureau (“Energy Bureau”) issued a Resolution and Order with the subject “Determination on LUMA's FY23 Annual Budgets and LUMA's FY24 Annual Budgets pre-filing requirements” (“February 27th Order”). In the February 27th Order, this Energy Bureau approved the Certified Budget for FY 2023, subject to the conditions and reporting requirements stated therein. In Section IV.I. of the February 27th Order, the Energy Bureau specifically directed LUMA to submit the FY2024 Budget Proposal on or before March 15, 2023. *See*, February 27th Order at page 29.

2. On February 28, 2022, the Energy Bureau entered a Resolution *Nunc Pro Tunc* correcting *motu proprio* a clerical error in the date of submission established for the FY2024 Budget Proposal

(the “February 28th Resolution”). Specifically, the Energy Bureau clarified that the FY2024 Budget Proposal shall be submitted on or before April 15, 2023, instead of March 15, 2023.

3. After other procedural developments, on April 3, 2023, LUMA filed a *Request for Extension of Time to Submit FY2024 Proposed Annual Budgets* (the “Request for Extension”) whereby it informed this Energy Bureau of certain circumstances impacting the timeline for the submission of the FY2024 Budget Proposal in compliance with this Energy Bureau’s February 27th Order, as amended through the February 28th Resolution *Nunc Pro Tunc*.

4. Through its Request for Extension, LUMA informed that it has engaged in discussions regarding the FY2024 Budget Allocation with the Puerto Rico Public-Private Partnerships Authority (“P3A”), Genera, and the Puerto Rico Electric Power Authority (“PREPA”) after an Initial Budget Allocation Meeting held on February 24, 2023. LUMA further informed that, despite those efforts and discussions, as of April 3, 2023, LUMA had not yet received confirmation from the P3A of certain information pertinent to the FY2024 Budget Allocation. In addition, as of the date of the Request for Extension, P3A had not decided on the FY2024 Budget Allocation under Section 3.1(b)(ii) of the Puerto Rico PREPA-GenCo-HydroCo Operating Agreement (“PGHOA”) which determination was originally due on March 3, 2023, within five (5) days of the Budget Allocation Meeting as outlined in the PGHOA.¹

5. In light of those circumstances, on March 27, 2023, LUMA sent a letter to the P3A requesting an extension of 30 days from the date that LUMA receives a final Budget Allocation from P3A, to comply with the requirement set forth in Section 7.3(a) of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”) for

¹ As explained in the Request for Extension, since the process of developing a consolidated budget this year involves new actors, the budget allocation process has been conducted pursuant to Section 7.3 of the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (the “Generation OMA”) dated as of January 24, 2023, which terms are consistent with those of Section 7.3 of the T&D OMA and Article 3 of the PGHOA.

the submission of the FY2024 Annual Budgets to the P3A. Copy of said letter was attached as Exhibit 1 to the Request for Extension.

6. Given the aforementioned, in the Request for Extension, LUMA also requested an extension of fifteen (15) days, that is, until May 1st, 2023, to file the FY2024 Budget Proposal before this honorable Energy Bureau.

7. On April 11, 2023, this Energy Bureau entered a Resolution and Order whereby it granted LUMA's Request for Extension and, therefore, extended the deadline for LUMA to submit the consolidated FY2024 Proposed Annual Budgets by May 1st, 2023 ("April 11th Order").

8. This Energy Bureau also established a procedural calendar for the instant proceeding. *See*, April 11th Order at page 2.

9. On April 22, 2023, LUMA submitted the consolidated FY2024 Proposed Annual Budgets to the P3A. Moreover, the budgets continued to be adjusted for the P3A until April 25th and therefore, require additional review by P3A.

10. LUMA, PREPA and Genera continue to work with the P3A to support P3A's determination of the FY2024 Budget Allocation. As of today's date, the consolidated FY2024 Proposed Annual Budgets remain under review and subject to modifications depending on the final budget allocation determined by the P3A.

11. The current status of the Budget Allocation necessarily impacts the deadline by which LUMA is able to submit the consolidated FY2024 Proposed Annual Budgets to the Energy Bureau. LUMA understands that P3A is working diligently to complete its review and make a budget allocation determination. LUMA anticipates further direction within the next few days for which LUMA, along with Genera and PREPA, will endeavor over one week to come to an agreement and take the necessary actions to conform their respective budgets to such determination.

Otherwise, the consolidated Proposed Annual Budgets that would be submitted by LUMA to the Energy Bureau would be preliminary and subject to material changes, potentially preventing the Energy Bureau from conducting a meaningful review. LUMA has been working collaboratively to complete this stage of the budget process in order for P3A to determine a budget allocation, at which point LUMA can provide the Energy Bureau with consolidated Proposed Annual Budgets that will allow the Energy Bureau to efficiently conduct its review.

12. In light of the foregoing, LUMA must respectfully request an additional extension of time until May 8th, 2023 to submit the consolidated FY2024 Proposed Annual Budgets to allow the P3A to complete and notify its Budget Allocation determination and ensure that the consolidated FY 2024 Proposed Budgets ultimately submitted to the Energy Bureau are aligned with such determination by the P3A.

13. LUMA respectfully believes that by extending the filing deadline to enable a consolidated Annual Budget filing that conforms to the process contemplated in the T&D OMA, the Generation OMA and the PGHOA will be in the best interest of all parties and will allow for an improved budget submission than what would otherwise be possible if LUMA were to file such consolidated Proposed Annual Budgets on May 1, 2023

14. With the aim of providing an opportunity for completion of the budgeting process contemplated in the T&D OMA, the Generation OMA and the PGHOA to run its course and in order to provide the Energy Bureau with a full filing with adequate information for the Energy Bureau to complete its budget review efficiently, LUMA proposes the following amendments to the procedural calendar published by the Energy Bureau in its April 11th Order.

15. LUMA respectfully believes that the proposed procedural calendar outlined below continues to provide the Energy Bureau, LUMA, relevant stakeholders and the general public, an

opportunity to conduct a thorough and meaningful review of the consolidated FY2024 Proposed Annual Budget.

Proposed Procedural Calendar

Date	Event
May 8, 2023	LUMA Submits the consolidated FY2024 Proposed Annual Budgets with supporting workpapers for all PREPA’s components
May 15, 2023	PREB Issues Requests for Information (ROIs)
May 17, 2023	LUMA files summary of the consolidated FY 2024 Proposed Annual Budgets in the Spanish language to be available to the public
May 26, 2023	LUMA/PREPA files Presentation for Virtual Technical Conference
May 30, 2023	ROI Responses Due
June 6, 2023 10:00 a.m. – 4:00 p.m.	Virtual Technical Conference
June 12, 2023	LUMA/PREPA file revised and/or additional information required by the Energy Bureau
June 14, 2023	Virtual Public Hearing
June 20, 2023	Public Comments Due
June 30, 2023	Consolidated FY 2024 Annual Budget Approved by the Energy Bureau Effective Date

16. It is respectfully informed that PREPA and Genera confirmed agreement with the Proposed Procedural Calendar and with this request for extension of the deadline to file the consolidated FY2024 Proposed Annual Budgets before this Energy Bureau.

17. LUMA reiterates that its request for an extension is made in good faith and with the only purpose of allowing LUMA to comply with its obligations, allow all parties to complete a collaborative process before the P3A and provide this honorable Energy Bureau with a filing that allows for a full and efficient review.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the above, **grant** this Request for Additional Extension and, consequently, **extend** the deadline to

submit the consolidated FY2024 Annual Budgets until May 8, 2023, and adopt the proposed procedural calendar included herein.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 28th day of April, 2023.

We hereby certify that this motion was filed using the electronic filing system of this Energy Bureau. We also certify that copy of this motion will be notified to the Puerto Rico Electric Power Authority, through its attorneys of record: jmarrero@diazvaz.law and mvazquez@diazvaz.law; and to Genera PR LLC, through brannen@genera-services.com; kbolanos@genera-services.law; regulatory@genera-services.law.



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