

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

NEPR Received: May 22, 2023 11:15 AM

IN RE: REVIEW OF LUMA’S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Urgent Request for a Brief Extension of Time to Comply with the May 18 Resolution and Order and Request for Remedy

**URGENT REQUEST FOR A BRIEF EXTENSION OF TIME TO COMPLY WITH
THE MAY 18 RESOLUTION AND ORDER AND REQUEST FOR REMEDY**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority (“PREPA”), through its counsel of record, and respectfully submits and prays as follows:

1. On February 27, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued a *Resolution and Order* (“February 27 Order”) titled *"Determination on LUMA's FY23 Annual Budgets and LUMA's FY24 Annual Budgets Pre-filing Requirements"* ("February 27 Order").
2. On May 16, 2023, LUMA ENERGY, LLC and LUMA ServCo, LLC (collectively, "LUMA") filed a document titled *Submission of Consolidated Annual Budget for Fiscal Year 2024 and Annual T&D Projections through Fiscal Year 2026* ("May 16 Motion"). The May 16 Motion included the FY2024 Budget Proposal for the Puerto Rico Energy System (the "System").
3. The FY2024 Budget Proposal for the System is comprised of the proposed budget for the Transmission and Distribution System ("Proposed T&D Budgets"), developed by LUMA; the budget proposal for the legacy thermal generation units (the "Proposed GenCo Budget"), developed by Genera PR LLC (“Genera”); the budget proposal for the hydroelectric generating

units and the public irrigation facilities¹ (the "Proposed HydroCo Budget"), and the budget proposal for PREPA and its subsidiaries other than GenCo and HydroCo (the, "Proposed HoldCo Budget"), both developed by PREPA.²

4. In response to the May 16 Motion, on May 18, 2023, the Energy Bureau issued a *Resolution and Order* ("May 18 Order") through which it, determined the following:

1. Appendix C "*GenCo Budget*" does not have all the supporting documentation that reflects *Appendix B "P3A Budget Allocation"*;
2. Appendix D "*HydroCo Budget*" does not have all the supporting documentation and the supporting documentation that reflects Appendix B "*P3A Budget Allocation*";
3. Appendix E "*HoldCo Budget*" does not have all the supporting documentation and the supporting documentation that reflects Appendix B "*P3A Budget Allocation*". (i.e., See *Annual Budgets Fiscal Years 2024 to 2026 pp 396- 411* of the pdf).

May 18 Order p. 2

5. In the May 18 Order, the Energy Bureau further determined that the above-referenced information is critical for the evaluation of the FY2024 Budget Proposal in accordance with the 2017 Rate Order. Therefore, the Energy Bureau, in what is pertinent to PREPA, directed PREPA to on or before noon, today, May 22, 2023, submit through LUMA the items listed below for Hydro Co and HoldCo:

- a. Detailed HydroCo Operating and Capital Expenditures Budget that reflects the LUMA Budget Request in Schedule 3.1 "*Annual Budget Summary*" with all the supporting documentation used to substantiate the request.
- b. Detailed HoldCo Operating and Capital Expenditures Budget that reflects with the LUMA Budget Request in Schedule 3.1 "*Annual Budget Summary*" with all the

¹Hydroelectric generating units and the public irrigation facilities ("Hydroelectric Assets")

² Proposed HydroCo Budget and Proposed HoldCo Budget, (together, "PREPA's Proposed Budgets").

supporting documentation used to substantiate the request.

6. Upon receiving the May 18 Order, PREPA's officials met to discuss the Order and get clarity on the directive. PREPA spent more than four months developing the proposed HydroCo and HoldCo budgets that were submitted through the May 16 Motion. PREPA believes its proposed budgets are what is required to operate and maintain the Hydroelectric assets as well as the essential operations of the subsidiaries. PREPA's HoldCo as the owner of all the assets in the System will also act as a liaison with the private operators' LUMA and Genera.

7. The Puerto Rico Public-Private Partnerships Authority ("P3A") budget allocation substantially affects the HydroCo and HoldCo budgets as submitted by PREPA, notwithstanding, in compliance with the May 18 Order, PREPA is working diligently to adjust its proposed HydroCo and HoldCo budgets to better reflect Schedule 3.1 *"Annual Budget Summary"* included in the May 16 Motion submittal by LUMA or, in the alternative, provide further information to the Energy Bureau for its evaluation of PREPA's Proposed Budgets.

8. PREPA respectfully submits to the Energy Bureau, that even though it has been diligently working to provide the information requested in compliance with the May 18 Order, the two business days afforded to PREPA to complete the revision, deconstruction, and modification of its proposed HydroCo and HoldCo budgets is not enough time for its officials to complete the tasks ordered.

9. Consequently, PREPA respectfully requests the Energy Bureau a brief extension of time of two (2) days until Wednesday May 24, 2023, end of natural day (12:00am) to comply with the May 18 Order. This brief extension will allow PREPA the necessary time to evaluate, adjust and contextualize PREPA's Proposed Budgets in order to comply with the May 18 Order.

10. This urgent request for an extension of time is made in good faith, with no intention of delaying the FY2024 Budget Proposal evaluation by this Honorable Energy Bureau.

11. Lastly, PREPA also requests this Energy Bureau leave for PREPA's own counsel to submit directly to the Energy Bureau all motions, documents, and requests pertaining to the Proposed HydroCo Budget and the Proposed HoldCo Budget which are both developed by PREPA. Hence, it is PREPA that has the obligation as well as the right to explain, argue and support its Proposed Budgets.

WHEREFORE, PREPA respectfully requests the Energy Bureau to **NOTE** the above; and **GRANT** the urgent request for an extension of time, until May 24, 2023, to comply with the May 18 Order, as well as PREPA's petition for own representation of any submittal in connection to PREPA's Proposed Budgets.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22nd day of May 2023.

/s Maralíz Vázquez-Marrero
 Maralíz Vázquez-Marrero
 TSPR 16,187
mvazquez@diazvaz.law

/s Joannely Marrero-Cruz
 Joannely Marrero Cruz
jmarrero@diazvaz.law
 TSPR 20,014

DÍAZ & VÁZQUEZ LAW FIRM, P.S.C.
 290 Jesús T. Piñero Ave.
 Oriental Tower, Suite 803
 San Juan, PR 00918
 Tel.: (787) 395-7133
 Fax. (787) 497-9664

CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, I have filed the above motion with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filing was sent to LUMA through its legal representatives at margarita.mercado@us.dlapiper.com and laura.rozas@us.dlapiper.com.

In San Juan, Puerto Rico, this 22nd day of May 2023.

/s Joannely Marrero-Cruz

Joannely Marrero Cruz