

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

NEPR Received: May 24, 2023 11:29 AM

IN RE: REVIEW OF LUMA’S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Urgent Request for a Brief Extension of One Additional Day for PREPA to Submit its Modified HydroCo and Holdco Proposed Budgets in Compliance with the May 18 Resolution and Order

**URGENT REQUEST FOR A BRIEF EXTENSION OF ONE ADDITIONAL DAY FOR
PREPA TO SUBMIT ITS MODIFIED HYDROCO AND HOLDCO PROPOSED
BUDGETS IN COMPLIANCE WITH THE MAY 18 RESOLUTION AND ORDER**

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

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

² Proposed HydroCo Budget and Proposed HoldCo Budget, (together, “PREPA’s Proposed Budgets”).

LUMA Budget Request in Schedule 3.1 "*Annual Budget Summary*" with all the supporting documentation used to substantiate the request.

6. On May 22, 2023, PREPA filed a document titled *Urgent Request for a Brief Extension Time to Comply with the May 18 Resolution and Order and Request for Remedy*, whereby PREPA requested an extension of time until today May 24, 2023, to submit the modified Proposed HydroCo and HoldCo Budgets as requested by this Energy Bureau. PREPA also requested its own counsel to submit directly to the Energy Bureau any motions, documents, and requests pertaining to PREPA's Proposed Budgets ("May 22 Motion").

7. On May 22, 2023, the Energy Bureau issued a *Resolution and Order* ("May 22 Order"). In the May 22 Order, the Energy Bureau, among other things, granted PREPA's request for an extension to comply with the May 18 Order. However, denied PREPA's request for remedy and upheld that the modified PREPA Proposed Budgets be submitted through LUMA.

8. As addressed in PREPA's May 22 Motion, the Puerto Rico Public-Private Partnerships Authority ("P3A") budget allocation substantially affected the proposed HydroCo and HoldCo budgets as submitted by PREPA. Notwithstanding, in compliance with the May 18 Order, PREPA is working to adjust its proposed HydroCo and HoldCo budgets.

9. PREPA's officials have continued to work diligently on the modifications to the 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. However, 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 submittal is not going to be completed by today May 24, 2023, and wanted to convey this impediment to the Energy Bureau in a prompt manner.

10. Considering the above, and with the massive endeavor for PREPA to complete the revision, deconstruction, and modification of its proposed HydroCo and HoldCo budgets, it respectfully requests the Energy Bureau a brief extension of time of one (1) day until Thursday, May 25, 2023, end of the business day (6:00 pm) to complete the work required to comply with the May 18 Order.

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

WHEREFORE, PREPA respectfully requests the Energy Bureau to **NOTE** the above; and **GRANT** the urgent request for an extension of time, until May 25, 2023, for PREPA to Submit its Modified HydroCo and Holdco Proposed Budgets in Compliance with the May 18 Resolution and Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 24th day of May 2023.

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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 and to Genera-PR, LLC through its legal representatives jfr@sbgblaw.com; alopez@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

In San Juan, Puerto Rico, this 24th day of May 2023.

/s Joannely Marrero-Cruz
Joannely Marrero Cruz