

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

NEPR

Received:

May 25, 2023

1:45 PM

IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Motion in Compliance with May 23, 2023, Order Regarding Information on PREPA's Unrestricted and Unallocated Cash on Hand Available to Date

**MOTION IN COMPLIANCE WITH MAY 23, 2023 ORDER REGARDING
INFORMATION ON PREPA'S UNRESTRICTED AND UNALLOCATED CASH ON
HAND AVAILABLE TO DATE**

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

On May 17, 2023 PREPA filed with the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau" or "PREB") "*Request for Reconsideration of May 9, 2023's Order Related to PREPA's Request to Amend FY2023 PREPA Budget*" ("May 17 Motion")¹ whereat PREPA made a detailed recount of PREPA's reiterated request to get approval of various initiatives that would allow the utility to be able to provide resilient and reliable generation of energy for the People of Puerto Rico while the ongoing transition to renewable energy succeeds and becomes a concrete reality.

In the May 9, 2023's Resolution and Order ("May 9 Order"), the Energy Bureau (i) denied PREPA's request to further increase the Operation and Maintenance Budget and (ii) approved an additional increase of \$2,650,000 for the NME Budget for the budgetary line items and projects as outlined in Annex A of the May 9 Resolution.

¹ PREPA hereby incorporates the arguments brought forth in the May 17 Motion including the detailed recount of PREPA's requests and initiatives.

Through the May 17 Motion PREPA requested that the Energy Bureau approve the remaining FY2023 budget amendment request regarding expenditures related to Generation NME and Operational Expenditures so that PREPA can comply with maintenance and repairs of the Legacy Generation fleet. In the alternative, PREPA urgently requested that the Energy Bureau reconsider its May 9 Order and approve the remaining funds to cover the Generation NME and Operational Expenditures and in the alternative approve the funds for the necessary maintenance and repairs for Steam Units 1 & 2 of Aguirre (“Aguirre Projects”) which have a combined available capacity of 720 MW. The Aguirre Projects include the (a) Aguirre Boiler Improvement U-2 - Aguirre Steam Plant; (b) the Aguirre Boiler Improvement U-1 - Aguirre Steam Plant; and (c) the Aguirre Turbo Generator Improvement Unit 1. These essential repairs total approximately \$4,538,770.

In response to the May 17 Motion, the Energy Bureau entered Resolution and Order on May 23, 2023 (“May 23 Order”) stating the following:

The Energy Bureau, considering that:

1. In the April 18 Resolution the Energy Bureau specified that "PREPA shall use unincumbered funds at its disposal subject to the FOMB March 24 Resolution for: 1) the O&M Agreement Mobilization Fee, 2) the Voluntary Transition Program and the Emergency PREPA Employee Retirement System Contribution, and 3) the Generation NME and Operational expenditures."
2. In the May 16 Motion, LUMA mentioned that "[o]n May 12, 2023, the P3A notified a Revised Budget Allocation Determination as a result of conversations held with LUMA, this Energy Bureau, the Central Office for Recovery, Reconstruction and Resilience ("COR3") and the Fiscal and Oversight Management Board ("FOMB") to identify additional funds for distribution under the FY2024 Annual Budgets". *See Exhibit 1, Appendix B.* Through the Revised Budget Allocation Determination, the P3A determined that an additional amount

of \$130MM identified as "cash in hand" could be allocated in a matter consistent with the provisions of the May 1 Budget Allocation Determination.

ORDERS PREPA, on or before Noon on Thursday May 25, 2023, to provide a detailed outline of what is the "free cash" or unrestricted and unallocated cash on hand that PREPA has available to date.”

On the May 9 Resolution the Energy Bureau determined that any further request for funds shall be made, (i) as part of the FY2024 Budget Process, (ii) consistent with the updated Generation Stabilization Plan. Taking notice that the budget proposal for the Legacy Thermal Generation units (the "Genco Budget") was developed by Genera PR, LLC ("Genera") for FY 2024 and that the on-going request from PREPA for funds so that PREPA can comply with maintenance and repairs of the Legacy Generation fleet, the Energy Bureau **DETERMINES** that Genera's position on the May 17 Motion is required.

The Energy Bureau **ORDERS** GENERA, on or before Noon Thursday May 25, 2023, to provide its (i) position on the May 17 Motion and (ii) certify there is no duplication of request of funds between the May 16 Motion and the May 17 Motion.

In compliance with the above, PREPA hereby submits the information requested by the Energy Bureau as Annex 1.

WHEREFORE, PREPA respectfully requests the Energy Bureau to **TAKE NOTICE** of this Motion in Compliance with Order, **RECONSIDER** its May 9 Order and **APPROVE** the necessary funds for the Aguirre Projects which include essential repairs totaling approximately \$4,538,770.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 25th day of May 2023.

/s Maralíz Vázquez-Marrero

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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 counsel of record jfr@sbgblaw.com; alopez@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

In San Juan, Puerto Rico, this 25th day of May 2023.

/s Joannely Marrero-Cruz
Joannely Marrero Cruz

Annex 1

Unrestricted and Unallocated Cash on Hand that PREPA has Available to Date

Puerto Rico Electric Power Authority
Information requested by PREB Resolution dated May 23, 2023

Bank balances		
FEMA 3384 EM PR Irma	\$	76,235.35
FEMA 4339 DR PR Maria		25,399,585.20
FEMA 4473 DR PR Earthquake		6,702,886.81
FEMA 4493 DR PR COVID 19		1,875,438.02
FEMA 4339 DR 428 Generation Projects		22,780,656.14
FEMA Reimbursement - GBR No 4991		258,956,069.92
Total FEMA Reimbursements	\$	315,790,871.44
Other operating accounts		92,831,143.65
O&M Agreement Mobilization Fee		15,000,000.00
Estimated total operating cash as of May 23, 2023	\$	423,622,015.09

PREB Resolution dated April 18, 2023

O&M Agreement Mobilization Fee	\$	15,000,000.00
Voluntary transition Program		29,400,000.00
Emergency PREPA Employee Retirement System Contribution		65,000,000.00
Generation NME Expenditures approved by the PREB		6,384,000.00
Maintenance and Operational Expenditures approved by the PREB		13,920,000.00
Total Revised Certified FY23 Budget		129,704,000.00

LUMA Motion dated May 16, 2023

P3A Revised FY24 Budget Allocation Determination dated May 12, 2023		130,000,000.00
Estimated disbursements for fuel-related invoices		136,000,000.00
		395,704,000.00
Cash available for operating expenses, excluding fuel invoices	\$	27,918,015.09

Notes:

1. As of May 23, 2023, approximately 539 employees have registered in the VTP for an estimated amount \$16.2 million.

2. As of May 24, 2023 a transfer of \$4,095,000 to the Employee Retirement cleared the bank.

3. The cash available for operating expenses does not consider cash needed to fund the T&D Operator and LGA Operator service accounts.