

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

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY'S PERMANENT RATE

CASE NO.: NEPR-MI-2020-0001

SUBJECT: Request for Information

RESOLUTION AND ORDER

On June 30, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order through which it established the annual factors for the for the CILTA,¹ SUBA-HH,² and SUBA-NHH³ Riders, to be implemented from July 1, 2023 to June 30, 2024, and the annual reconciliations for the referenced riders ("June 30 Resolution"). In addition, through the June 30 Resolution, the Energy Bureau determined to maintain the previous quarter factors for the FCA,⁴ PPCA,⁵ and FOS⁶ Riders, for the period from July 1 to July 31, 2023. Further, the Energy Bureau ordered LUMA Energy, LLC and LUMA Energy Servco, LLC (jointly referred to as "LUMA") to file the calculated FCA, PPCA, and FOS factors to be implemented from August 1 through September 30, 2023, while taking into consideration the energy supplied by the temporary generators installed by Federal Emergency Management Agency ("FEMA") in Palo Seco and San Juan Plants and applicable reconciliations.

On July 17, 2023, LUMA filed before the Energy Bureau a document titled *Motion Submitting Reconciliations for May and June 2023, Submission of FCA, PPCA, and FOS Calculated Factors, and Request for Confidential Treatment* ("July 17 Motion"). Through the July 17 Motion, LUMA calculated the reconciliations for the FCA and PPCA riders for May and June of 2023 and the proposed factors for the FCA, PPCA, and FOS riders to be in effect for the remainder of the quarter (i.e., from August 1 through September 30, 2023).

After a thorough analysis of the documents filed with the July 17 Motion, the Energy Bureau **ORDERS** LUMA to file, **on or before Monday, July 24, 2023**, a response to the Requirement of Information set forth in Attachments A to this Resolution and Order. Additionally, the Energy Bureau **ORDERS** Genera PR, LLC ("Genera") to provide LUMA any information, pertaining to Genera's operations, set forth in Attachment A to this Resolution and Order in an expeditious manner so that LUMA can comply with the filing deadline.⁷

The Energy Bureau **WARNS** LUMA and Genera that, noncompliance with the provisions of this Resolution and Order, may result in the imposition of fines pursuant to Article 6.36 of Act 57-2014.⁸

Be it notified and published.

¹ Contribution in Lieu of Taxes Cost Adjustment Rider ("CILTA").

² Help to Humans Subsidy Rider ("SUBA-HH").

³ Non-Help to Humans Subsidy Rider ("SUBA-NHH").

⁴ Fuel Charge Adjustment Rider ("FCA").

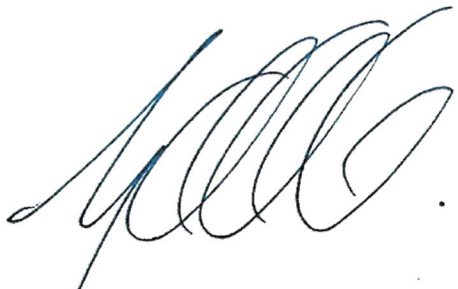
⁵ Purchased Power Charge Adjustment Rider ("PPCA").

⁶ Fuel Oil Subsidy Rider ("FOS").


⁷ Genera, as PREPA's representative, shall obtain from PREPA any responses that pertain to the period before Genera commenced its operations.

⁸ *Puerto Rico Energy Transformation and RELIEF Act*, as amended (Act 57-2014").





Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on July 20, 2023. Associate Commissioner Sylvia B. Ugarte Araujo did not intervene. Also certify that on July 20, 2023, I have proceeded with the filing of this Resolution and Order and was notified by email to yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com, jmarrero@diazvaz.law; hriviera@jrsp.pr.gov; legal@genera-pr.com; regulatory@genera-pr.com; jfr@sbgblaw.com; alopez@sbgblaw.com. I also certify that on July 20, 2023, I have moved forward with filing the Resolution and Order issued by the Puerto Rico Energy Bureau.

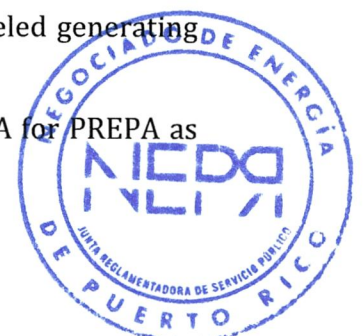
For the record, I sign in San Juan, Puerto Rico, today, July 20, 2023.



Sonia Seda Gaztambide
Clerk

ATTACHMENT A

- 1) Attachment 1, line 10 in the Quarterly Factors Excel file, shows the Reimbursement of FEMA Fuel Costs - Hurricane Fiona of \$(61,379,713.00).
 - a. Are any further reimbursements from either FEMA or from Insurance expected related to Hurricane Fiona?
 - b. Have any other reimbursements been applied for, either to FEMA or from Insurance, for extreme weather events? If so, please explain for which events and how much has been requested for other reimbursements.
- 2) LUMA's July 17 Motion at page 4 states that: "The projections used for the calculated factors consider all generation that is currently projected to be available for the period August 1 through September 30, 2023, including the temporary emergency generation at the Palo Seco and San Juan [Plants]." Specifically refer to Attachment 3, in the "FEMA GENERATORS" section.
 - a. FEMA temporary generation came online in June 2023. Please identify the generation (in MWh or GWh) and provide the cost of the FEMA provided generation for June 2023.
 - b. All 350MW of temporary generation are expected to be online by the end of August. Explain how the expected generation from FEMA generators for August and September 2023 was determined.
 - c. Identify specifically the expected generation for each month, August and September 2023, how much temporary generation (in MWh or GWh) was reflected at each location, Palo Seco and San Juan.
 - d. Identify specifically the cost of the expected generation for each month, August and September 2023, related to the temporary generation at each location, Palo Seco and San Juan.
 - e. Is **all** the fuel cost for the temporary generation at the Palo Seco and San Juan locations being paid by FEMA? Please explain.
 - f. Why are all the cost related fields (*i.e.*, \$000 TOTAL, \$/BBL, and \$/MBTU) for the FEMA temporary generators shown as zeros?
 - g. Is all the generation shown in the "FEMA GENERATORS" section of Attachment 3 occurring at no cost to ratepayers? Please explain.
- 3) Refer to Attachment 3. Projected Fuel and Purchased Power Expenses for the Months of August 2023 and September 2023:
 - a. Are there generating units that have planned maintenance outages for the August and/or September 2023 periods? Which ones, when and why?
 - b. Are there any anticipated issues with fuel deliveries (such as not receiving the full quantities of fuel purchased or anticipated to be purchased, or with shipping delays, etc.) that are impacting the forecasted amount for the August and September 2023 period? If so, explain.
 - c. How is the solar purchased energy cost calculated? Please explain why it varies slightly month to month.
 - d. What has caused the cost of power from the AES coal-fueled generating plant to increase and now be approximately \$84/MWH?
- 4) Refer to Attachment 4, Monthly Rider Summary, (Prepared by LUMA for PREPA as part of O&M Agreement), Fuel Adjustment Clause Rider.



- a. Was the *Price per Barrel Before Authority Use* in the Total column, \$181.26 (cell G11), used in any respect in the determination of fuel costs for the August and September 2023 period? If so, please identify specifically where that amount was used and identify what impact it had on the August and September 2023 fuel costs and LUMA's proposed FCA rate.
 - b. Was the *Price per Barrel Before Authority Use* in the Total column, \$181.53 (cell G18), used in any respect in the determination of fuel costs for the August and September 2023 period? If so, please identify specifically where that amount was used and identify what impact it had on the August and September 2023 fuel costs and LUMA's proposed FCA rate.
 - c. Please confirm that the *Price per Barrel Before Authority Use* in the Total column, \$181.26 (cell G11), is erroneous and should be approximately \$90.58 based on dividing the *Cost of Barrels* by the *Barrels Used*, and that similarly the \$181.53 amount in cell G18 is also erroneous. If this cannot be confirmed, please explain fully, and provide justification for the \$181.26 and \$181.53 per barrel amounts.
- 5) Refer to Attachment 4, Excel line 26. Naturgy shortfall credits are reflected for May 2023 but not for June 2023.
 - a. Are any Naturgy Seller Shortfall Credits expected for June, July, and August 2023? If so, how much?
 - b. Are there any current disputes with Naturgy concerning LNG deliveries or LNG BTU content? If so, explain and provide an estimate of the magnitude of the disputed items.
 - c. Are there any current disputes with fuel suppliers? If so, explain and provide an estimate of the magnitude of the disputed items.
- 6) What is the cost of the natural gas that is being consumed by the FEMA temporary generation at the Palo Seco Site (150 MW) and/or at the San Juan Site (200 MW) for August and September 2023?
 - a. Is any of the cost of the natural gas that is being consumed by the FEMA temporary generation at the Palo Seco Site or at the San Juan Site being charged to PREPA, LUMA or Genera? Please explain.
 - b. How are the cost for that natural gas reflected in the August and September 2023 fuel costs?
- 7) What is the cost of the Ultra Low Sulfur Diesel Fuel (ULSDF) that is being used, as needed, at the Palo Seco Site (150 MW) and/or at the San Juan Site (200 MW) for August and September 2023?
 - a. Is any of the cost of the ULSDF that is being consumed, as needed, by the FEMA temporary generation at the Palo Seco Site or at the San Juan Site being charged to PREPA, LUMA or Genera? Please explain.
 - b. How are the cost for that ULSDF reflected in the August and September 2023 fuel costs?
 - c. Please explain what entity is currently bearing the cost for the ULSDF and when the cost of that will begin to be borne by Puerto Rico ratepayers.
- 8) Refer to LUMA's calculation of the FOS factor of \$0.014355 and to Attachments 1 and 3. Was LUMA's calculation of the FOS factor impacted by the temporary generation that is being provided by FEMA? If not, explain why not. If so, what impact on LUMA's



calculation of the FOS factor resulted from the temporary generation that is projected to be provided by FEMA for August and September 2023?

- 9) Refer to Attachment 5, re Energy Efficiency program, and to LUMA's July 17 Motion at pages 14-15:
- a. What costs for the Energy Efficiency were previously assumed by LUMA to be incurred in July 2023?
 - b. LUMA has indicated at page 14 of its Motion that the EE program has been without a funding source and that has constrained LUMA's ability to move forward. During July 2023, what did LUMA do, and what is LUMA doing, to move forward with the EE program?
 - c. Is LUMA's inability to move forward with the EE programs expected to have an impact on kWh sales for the Fiscal Year beginning July 1, 2023? If so, explain the impacts.
- 10) Please refer to the Attachment 3 that was filed by LUMA on July 17, 2023 for setting new FCA, PPCA and FOS rates to be effective on August 1, 2023. Please also refer to the comparable Attachment 3 that LUMA filed in June 2023 with respect to setting new FCA, PPCA and FOS rates to be effective on July 1, 2023. With respect to the forecasts for the months of August and September 2023 on those respective Attachment 3 documents, please identify and explain what has changed and why. Specifically address what generation in the previous version of Attachment 3 is expected to be displaced by the FEMA Generators that is shown in the July 17, 2023 Attachment 3 which shows FEMA Generation for August and September 2023. Also address each other change in the forecast for the months of August and September 2023 from the Attachment 3 filed in June 2023 to the Attachment 3 filed on July 17, 2023.

