

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

NEPR
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IN RE:
IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY PERMANENT RATE

CASE NO. NEPR-MI-2020-0001

**SUBJECT: Response to Requirements of
Information**

**LUMA’S RESPONSE TO REQUIREMENTS OF INFORMATION ISSUED IN
RESOLUTION AND ORDER OF JULY 20, 2023**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC (“ManagementCo”), and **LUMA Energy Servco, LLC** (“ServCo”) (jointly referred to as the “Operator” or “LUMA”), through the undersigned counsel, and respectfully state and request the following:

1. On July 17, 2023, LUMA filed with this Honorable Puerto Rico Energy Bureau (“Energy Bureau”) the reconciliations of the Fuel Charge Adjustment (FCA) and the Purchased Power Charge Adjustment (PPCA) riders costs for the months of May and June 2023, and the calculated factors for the FCA, PPCA, and Fuel Oil Subsidy (FOS) riders to be applied for the period from August 1st through September 30th, 2023, consistent with the approved and currently existing PREPA Tariff Book and the Final Rate Order. *See Submission of Reconciliations for May and June 2023, Submission of FCA, PPCA, PPCA, and FOS Calculated Factors, and Request for Confidential Treatment* (“July 17th Submissions”).

2. With the July 17th Submission LUMA filed several supporting Excel spreadsheets, including both public and confidential versions of a spreadsheet with the reconciliations entitled “FAC-PPAC Reconciliation May-June 2023” and public and confidential versions of the

calculated FCA, PPCA and FOS factors in spreadsheets entitled “August-September 2023 Proposed Factors.” LUMA also submitted fuel inventory files and public and confidential versions of spreadsheets entitled “WEIGHTED AVERAGE FUEL PRICE_PREPA SYSTEM_BunkerC_Diesel_May 31 2023” and “Precio Ponderado Análisis _ 2023.05.31-REG.”

3. In the July 17th Submission, LUMA informed that the fuel cost projections used for the calculated factors consider all generation that is currently projected to be available for the period of August 1 through September 30, 2023, including the temporary emergency generation at Palo Seco and San Juan.¹

4. Furthermore, with the July 17th Submission, LUMA filed the EE Rider’s calculated factor in identical form to that filed as Exhibit 2 to the EE Rider Filing of May 19, 2023 in Case No. NEPR-MI-2022-0001, *In Re: Energy Efficiency and Demand Response Transition Period Plan* (the “EE/DR TPP Case”). LUMA requested that the Energy Bureau consider the EE Rider calculated factor in this Permanent Rate docket and direct that all future filings regarding the implementation of the EE Rider, including future calculated factors and reconciliations, be filed in this Permanent Rate docket.

5. On July 18, 2023, this Energy Bureau directed that by July 20, 2023, LUMA should clarify how the costs for the fuel to be consumed by the temporary generators were excluded from the projected costs and “include in the calculation of the proposed factors to be in effect from August 1 through September 30, 2023 the portion of the costs for the temporary generation that the people of Puerto Rico will have to bear” (“July 18th Order”). *See* Resolution and Order of July 18, 2023, page 2.

¹ As explained in Exhibit 1 to this Motion, Response to Request for Information 3(d), LUMA is in discussions with the federal agencies and the Government of Puerto Rico to understand expected costs for the FEMA emergency generation at San Juan, LUMA can include the non-federal cost share match in the FCA calculation once sufficient clarity around this cost item is available.

6. On July 20, 2023, this Energy Bureau issued a Resolution and Order with the subject *Request for Information* (“July 20th Order”). In Attachment A of the July 20th Order, this Energy Bureau included ten (10) requests for information some of which have subparts. The requests for information pertain to LUMA’s July 17th Submission.

7. In response to the July 18th Order, on July 20, 2023, LUMA filed *Motion Submitting Revised Reconciliations and Revised FCA, PPCA, PPCA, and FOS Calculated Factors and Request for Confidential Treatment* (“July 21st Submission of Revised Reconciliations and Factors”). In the July 21st Submission of Revised Reconciliations and Factors, LUMA explained that on July 20, 2023 it received confirmation from the Central Recovery Reconstruction and Resilience Office of the Government of Puerto Rico (“COR3”) that the costs of operating the temporary emergency generators are subject to a 10% non-federal cost share to be paid by PREPA and thus, PREPA shall include that 10% cost match portion in its operational expenses. In light of this information and in compliance with the July 18th Order, LUMA submitted revised calculated FCA, PPCA and FOS factors that consider the costs to customers of said 10% non-federal cost share. *See* “August-September 2023 Proposed Factors 23.07.20.”

8. With the July 21st Submission of Revised Reconciliations and Factors LUMA also filed a revised reconciliation of FCA and PPCA costs to correct an error in the *Price per Barrel Before Authority Use* (cell G11 of the Reconciliation Grand Summary tab) and *Cost per Barrel* (cell G18 of the Reconciliation Grand Summary tab) in the July 17th Submission. *See* FAC-PPAC Reconciliation May-June 2023 23.07.20; *see also* Attachment A of the July 20th Order, Request 4(c). The fuel inventory files and the WEIGHTED AVERAGE FUEL PRICE_PREPA SYSTEM_BunkerC_Diesel_May 31 2023” and “Precio Ponderado Análisis _ 2023.05.31-REG,”

Excel spreadsheets remained unaltered and thus, were not included with the July 21st Submission of Revised Reconciliations and Factors.

9. In compliance with the July 20th Order, LUMA hereby submits its responses to the requests for information issued therewith. *See Exhibit 1* of this Motion.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **deem** LUMA in compliance with the requests for information of the July 20th Order.

RESPECTFULLY SUBMITTED.

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

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau and that we will send an electronic copy of this Motion to counsel for PREPA Joannely Marrero, jmarrero@diazvaz.law and to the Independent Consumer Protection Office, through Director Hannia Rivera, hrivera@jrsp.pr.gov.



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Exhibit 1
LUMA's Responses to Requests for Information of July 20, 2023

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#001

SUBJECT

Attachment 1 (August-September 2023 Proposed Factors.xlsx)

REQUEST

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 reimbursement.

RESPONSE

- a. As previously mentioned,¹ on April 4, 2023, the Puerto Rico Energy Power Authority (PREPA) filed a motion² notifying that it had received from the Federal Emergency Management Agency (FEMA) the full \$62,743,771.00 it had requested pertaining to damages and fuel costs from Hurricane Fiona. PREPA further informed that \$61,379,713.00 pertained to fuel costs and \$1,364,058.00 pertained to operation and maintenance of the units. LUMA is not aware of any other FEMA reimbursements for fuel costs related to Hurricane Fiona. LUMA is not responsible for FEMA reimbursements to PREPA for fuel costs and depends on information received from PREPA.
- b. LUMA is not aware of any other reimbursements, however LUMA is not responsible for FEMA or insurance reimbursements to PREPA for fuel costs. For more information, please refer to PREPA's monthly FEMA & Insurance Claims Update in Docket No. NEPR-MI-2020-0001³.

¹ See, LUMA's Motion of June 28, 2023, Exhibit 1, Docket No. NEPR-MI-2020-0001.

² See, PREPA's Motion of April 4, 2023, Docket No. NEPR-MI-2020-0001.

³ See, PREPA's most recent update, Motion of July 10, 2023, Docket No. NEPR-MI-2020-0001.

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Responses in Compliance with June 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#002

SUBJECT

Attachment 3 (FEMA Generators)

REQUEST

LUMA's July 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. Please identify the generation (in MWh or GWh) and provide the cost of the FEMA provided generation for June 2023.
- b. All 350 MW 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.

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RESPONSE

- a. LUMA does not administer the generation units provided by FEMA in the Palo Seco and San Juan terminals. The operation and maintenance for these units is managed by the U.S. Army Corps of Engineers (USACE) without any consultation from LUMA or Genera. LUMA does not have actual cost information for June 2023 from the FEMA emergency units at Palo Seco. Based on discussions with the federal agencies and communication from COR3, LUMA understands that all generation costs (except for the non-federal cost share that is the responsibility of the Government of Puerto Rico) for the FEMA emergency units is borne by FEMA.
- b. The expected generation for the temporary units was determined in accordance with FEMA's Stabilization Plan, which established the deployment of a total of 350 MW (150 MW for Palo Seco and 200 MW for San Juan) in temporary generation for Puerto Rico. Per the Stabilization Plan⁴, the Palo Seco FEMA units (150 MW) are expected to be fully available and dispatched as base load during August and September 2023, and the San Juan FEMA units (200 MW) are expected to be fully available and dispatched as base load during September 2023 (starting on the first of the month).
- c. The table below depicts the expected generation in MWh at the Palo Seco and San Juan sites during August and September 2023 based on the PROMOD forecast utilized for August and September.

Month	Generation: (MWH): FEMA Palo Seco	Generation: (MWH): FEMA San Juan
August 2023	109,280.71	-
September 2023	110,040.01	140,417.67

- d. The table below depicts the total cost of the generation at Palo Seco for each of the months of August and September 2023, as well as the corresponding non-federal cost share match portion, based on information from COR3.

Month	Total Cost of Generation ⁵	Non-Federal Cost Share
August 2023	\$78,404,920.46	\$7,840,492.05
September 2023	\$78,404,920.46	\$7,840,492.05
Total	\$156,809,840.91	\$15,680,984.10

LUMA is in discussions with the federal agencies and the Government of Puerto Rico to understand expected costs for the FEMA emergency generation at San Juan, LUMA can include the non-federal cost share match in the FCA calculation once sufficient clarity around this cost item is available.

⁴ See, Exhibit 1, page 3 of LUMA's Motion, Docket No. NEPR-MI-2022-0003.

⁵ This assumes an equal distribution of the costs over the 6-month forecast period.

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- e. COR3 has notified LUMA that the costs of operating the FEMA emergency generators are subject to a 10% non-federal cost share. LUMA understands that all cost obligations that apply to Puerto Rico are reflected in the non-federal cost share match portion. In compliance with PREB's Resolution and Order dated July 18, 2023, in this docket, on July 20, 2023, LUMA filed updated proposed factors⁶ that reflected, in Attachment 1, the estimate for the 10% non-federal match for FEMA generation at Palo Seco.

- f. As stated in response 2(a), LUMA does not administer the generation units provided by FEMA in the Palo Seco and San Juan terminals; the operation and maintenance for these units is managed by USACE without any consultation from LUMA or Genera. LUMA does not have direct insight into the fuel costs for these units.

- g. Based on discussions with the federal agencies and communication from COR3, LUMA understands that all generation costs (except for the non-federal cost share that is the responsibility of the Government of Puerto Rico) for the FEMA emergency units is borne by FEMA. COR3 notified LUMA that the costs of operating the temporary emergency generators are subject to a 10% non-federal cost share. LUMA's July 20th Filing⁷ reflected, in Attachment 1, the estimate of the 10% non-federal match for FEMA generation at Palo Seco.

⁶ See, LUMA's Motion of July 20, 2023, Docket No. NEPR-MI-2020-0001.

⁷ See, LUMA's Motion of July 20, 2023, Docket No. NEPR-MI-2020-0001.

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NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#003

SUBJECT

Attachment 3 (Projected Fuel and Purchased Power Expenses)

REQUEST

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?

RESPONSE

- a. Based on the information received from Genera, the following scheduled outages were considered in the PROMOD simulation:
 - i. San Juan 7 is expected to return to service after the first week of August 2023 from a planned environmental service.
 - ii. Palo Seco 4 will begin a planned outage (environmental maintenance) after the third week of September 2023.
 - iii. Costa Sur 5 is considered offline through August and September 2023 due to a major overhaul & environmental maintenance.
 - iv. Costa Sur 6 has a planned outage during the first two (2) weeks of September 2023 to fix a hydrogen leak.

b. Genera provided the following response:

“3(b) - There is an expected shortfall for August based on their [PREPA] submitted nomination for that month. It is currently too early to determine if there will be a shortfall in September, but with

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Costa Sur 5 being out for the entire month and an anticipated increase in availability, it is likely that there will be no shortfall.”

- c. The solar purchased energy cost is calculated every month and it is based on the energy produced and the cost per kWh as established by each Solar Power Purchase Agreement (PPOA). LUMA does not negotiate or determine the prices that will be paid for the solar and wind purchased power contracts. The Solar PPOAs were negotiated and amended by PREPA prior to LUMA's commencement on June 1, 2021. The costs for the individual solar generation facilities are as follows:
- i. AES Ilumina, \$196/MWH
 - ii. Cantera Martino, \$221/MWH
 - iii. San Fermin Solar Farm, \$186/MWH
 - iv. Horizon Energy, \$179/MWH
 - v. Oriana Energy, \$179/MWH
 - vi. Coto Laurel, \$193/MWH
 - vii. Humacao Solar Farm, \$171/MWH
- d. As LUMA has previously stated⁸, there are several factors that could affect generation costs such as fuel costs, availability, planned outages, forced outages, and unit limitations. In FY2023, the average generation cost for AES for was \$89.97/MWh. If the outlier from Hurricane Fiona (September 2022) is removed from the average value, then the average generation cost for AES for FY2023 becomes \$87.51/MWh.

⁸ See, Exhibit 1 of LUMA's Motion of June 28, 2023, Docket No. NEPR-MI-2022-0003.

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#004

SUBJECT

Attachment 4 (Monthly Rider Summary)

REQUEST

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.

RESPONSE

- a. The price per barrel amount depicted in Attachment 4, cell G11 of LUMA's July 17, 2023, factors filing⁹ (July 17th Filing) reflects an inadvertent error. The correct price per barrel amount before authority use is \$90.58, not \$181.26. However, the price per barrel amount is not used to project fuel costs and had no impact on the calculation of the Fuel Charge Adjustment (FCA) and Purchased Power Charge Adjustment (PPCA) factors. On July 20, 2023, LUMA filed¹⁰ updated proposed factors (July 20th Filing) in which it updated the reconciliation to reflect the correct price per barrel amount before authority use.

⁹ See, LUMA's Motion of July 17, 2023, Docket No. NEPR-MI-2020-0001.

¹⁰ See, LUMA's Motion of July 20, 2023, Docket No. NEPR-MI-2020-0001.

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- b. The price per barrel amount depicted in Attachment 4, cell G18 of LUMA's July 17th Filing¹¹ reflects an inadvertent error. The correct price per barrel amount before authority use is \$90.71, not \$181.53. However, as mentioned above, the price per barrel amount is not used to project fuel costs and had no impact on the calculation of the FCA and PPCA factors. LUMA's July 20th Filing¹² reflects the correct price per barrel amount before authority use.
- c. As mentioned in the responses above, the amounts depicted in Attachment 4, Cells G11 and G18 of LUMA's July 17th Filing¹³ were incorrect, but this had no impact to the factors' calculations. All amounts were updated and are reflected in LUMA's July 20th Filing¹⁴.

¹¹ See, LUMA's Motion of July 17, 2023, Docket No. NEPR-MI-2020-0001.

¹² See, LUMA's Motion of July 20, 2023, Docket No. NEPR-MI-2020-0001.

¹³ See, LUMA's Motion of July 17, 2023, Docket No. NEPR-MI-2020-0001.

¹⁴ See, LUMA's Motion of July 20, 2023, Docket No. NEPR-MI-2020-0001.

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#005

SUBJECT

Attachment 4 (Naturgy Shortfall Credits)

REQUEST

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.

RESPONSE

a. **Genera provided the following response:**

"5(a) - As for June, a shortfall has already been confirmed and included in the 1Q-2Q23 shortfall notice received on July 19, 2023. Naturgy is claiming a clawback of \$245,138.25 on this combined notice. However, we have informed Naturgy that due to events in March, our revised shortfall calculation reflects an additional credit of \$60,675.02 to Genera. Discussions between the parties will continue in the next week or so. Shortfalls for July and August are expected but still need to be quantified."

b. **Genera provided the following response:**

"5(b) See 5(a) above."

c. **Genera provided the following response:**

"5(c) There are currently no disputes with fuel suppliers that will have a significant impact."

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#006

SUBJECT

Attachment 4 (July-September 2023 Proposed Factors.xlsx)

REQUEST

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?

RESPONSE

- a. As stated in response 2(a), Based on communications from COR3, LUMA understands that the costs (including fuel costs) of operating the FEMA emergency generators are subject to a 10% non-federal cost share.
- b. There are no projected fuel expenses for natural gas consumed by the FEMA temporary generators during August and September 2023 reflected in Attachment 3. LUMA understands that all cost obligations that apply to Puerto Rico will be reflected in the non-federal cost share match portion.

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#007

SUBJECT

Fuel Cost

REQUEST

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.

RESPONSE

- a. Neither LUMA nor Genera has been charged for any of the cost of the ULSDF that is being consumed by the temporary generators, as neither entity administers the units provided by FEMA in the Palo Seco and San Juan Terminals. The operation and maintenance of these units is managed by USACE.
- b. There are no projected fuel expenses for ULSDF consumed by the FEMA temporary generators during August and September 2023. LUMA understands that all cost obligations that apply to Puerto Rico consumers will be reflected in the non-federal cost share match portion.
- c. Neither LUMA nor Genera is a party to the contract between USACE and FEMA and as such does not have visibility into the specific breakdown or timing of costs. LUMA understands that all cost obligations that apply to Puerto Rico will be reflected in the non-federal cost share match portion.

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230626-PREB-#008

SUBJECT

Attachment 1 and Attachment 3, FOS factor

REQUEST

Refer to LUMA's calculation of the FOS factor of \$0.014355 and to Attachment 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?

RESPONSE

Yes, the calculation of the Fuel Oil Subsidy (FOS) factor was impacted by the FEMA temporary generation, which LUMA understands to be fueled primarily by natural gas. The number of barrels included in the FOS calculation decreased because the system consumed fewer barrels of fuel oil in total as a result of using natural gas for the FEMA generation.

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#009

SUBJECT

Attachment 5, (Energy Efficiency Program)

REQUEST

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.

RESPONSE

- a. In compliance with the Puerto Rico Energy Bureau's (Energy Bureau) orders and aligned with the required planning and delivery of Energy Efficiency (EE) Programs, for July LUMA assumed costs related to program development and internal and external resources to meet the Energy Bureau's deadlines¹⁵ and LUMA's milestones for program launch¹⁶.
- b. The determination to suspend approval and implementation of the EE Rider without an alternative funding source in place has placed constraints on LUMA's ability to move toward program launch and implementation. LUMA plans to finalize, to the extent possible, the pre-launch program planning activities LUMA had already commenced before July. As informed in the July 14, 2023, Motion¹⁷, filed with the Energy Bureau, it is imperative that a funding

¹⁵ February 16, 2023, Resolution and Order; April 3, 2023, Resolution and Order; June 15, 2023, Resolution and Order

¹⁶ See Motion to Submit Revised Exhibit 1 to EE Rider Petition and Translation Thereof, in Compliance with Bench Order of May 5, 2023 and Urgent Motion Requesting Determination Regarding The Revised EE Rider Petition And Clarifying The Calculated Factor In The Revised EE Rider Petition Submitted On May 19, 2023

¹⁷ See Response to Orders Staying Approval Implementation of EE Riders and Request for Suspension of Deadlines to Submit Proof of Customer Enrollment and Documentation on Capacity to Emergency DR Program

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mechanism is established by the Energy Bureau to enable LUMA to undertake commitments and requirements for the successful launch and implementation of the programs in the Approved TPP. As a general matter, engaging in pre-launch activities and other work without a source of funding in place is not prudent and not aligned with sound business practice.

- c. LUMA's inability to move forward with the EE programs as a result of the absence of a secured and continued funding source established by the Energy Bureau will impact the kWh sales for the Fiscal Year 2 beginning July 1, 2023. The programs in the Approved TPP target energy savings of roughly 0.25% of annual MWh sales for the Fiscal Year beginning July 1, 2023. Table 2-1¹⁸ of the Approved TPP provides a Summary of Savings Targets by Sector as Required by the EE Regulation. If the programs in the Approved TPP are not launched, the targeted energy savings will not be realized. LUMA cannot responsibly undertake new activities to launch the programs without an identified and secure source of current funding.

¹⁸ See Motion Submitting Proposed EE/DR Transition Period Plan at 14.

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Responses in Compliance with July 20, 2023, Resolution and Order

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20230724-PREB-#010

SUBJECT

Attachment 3, FCA, PPCA and FOS rates

REQUEST

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.

RESPONSE

The main contributor to changes in the dispatch of the generating units is the maintenance schedule. The outages, as reported by Genera, that were considered in the simulation filed on July 17th, 2023, were:

- i. San Juan 7 is expected to return to service after the first week of August 2023 from a planned environmental service.
- ii. Palo Seco 4 will begin a planned outage (environmental maintenance) after the third week of September 2023.
- iii. Costa Sur 5 is considered as offline through August and September 2023 due to a major overhaul & environmental maintenance.
- iv. Costa Sur 6 has a planned outage during the first two (2) weeks of September 2023 to fix a hydrogen leak.

In contrast, the maintenance schedule provided to LUMA for the simulation submitted in June 2023, only included the following two (2) outages for August and September:

- i. Costa Sur 5 out the first week of August 2023 due to a major overhaul and environmental outage.

Permanent Rate

- ii. Palo Seco 4 out after the third week of September 2023 due to an environmental outage.

The planned outages for the generation units increased when the FEMA generation is considered available.