

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

**NEPR**

**Received:**

**Aug 3, 2023**

**12:15 AM**

**IN RE:**

Review of the Puerto Rico Electric Power  
Authority Integrated Resource Plan

**CASE NO. NEPR-AP-2023-0004**

**SUBJECT: Informative Motion and Submission of  
Proposed Revised Agenda for Technical Conference  
Scheduled for August 8, 2023**

**INFORMATIVE MOTION AND SUBMISSION OF PROPOSED REVISED AGENDA  
FOR TECHNICAL CONFERENCE SCHEDULED FOR AUGUST 8, 2023**

**TO THE PUERTO RICO ENERGY BUREAU:**

**COMES NOW LUMA Energy ServCo, LLC** (“LUMA”), through the undersigned legal counsel, and respectfully states and requests the following:

1. On July 12, 2023, the Energy Bureau issued a Resolution and Order (the “July 12<sup>th</sup> Resolution and Order”) in this docket, whereby it initiated the instant administrative proceeding for the review of the proposed Integrated Resource Plan (the “2024 Proposed IRP”) to be filed by LUMA as the agent for the Puerto Rico Electric Power Authority pursuant to the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated June 22, 2020.

2. Through the July 12<sup>th</sup> Resolution and Order, the Energy Bureau also took notice of Exhibit 1 to LUMA’s confidential *Motion Submitting Update on IRP Technical Consultant Contracting Process, Request for Modification of Procedural Timeline and Request for Confidential Treatment* filed on March 31, 2023 in Case No. NEPR-MI-2020-0012, *In re: Implementation of the Puerto Rico Electric Power Authority Integrated Resource Plan and*

*Modified Action Plan* (the “March 31<sup>st</sup> Motion”), through which LUMA informed the Energy Bureau of certain delays impacting the contracting of the IRP Technical Consultant. The Energy Bureau also granted LUMA’s request as included in the March 31<sup>st</sup> Motion, that the Energy Bureau schedule the initial technical conference regarding the review of the 2024 Proposed IRP to no earlier than May 2023 to provide sufficient time for LUMA to be able to complete the IRP Technical Consultant contracting process in anticipation of the technical conference. Accordingly, the Energy Bureau scheduled the initial technical conference in this administrative proceeding for August 8, 2023, pursuant to the *Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority*, Regulation No. 9021 dated April 20, 2018 (the “August 8<sup>th</sup> Technical Conference”).

3. The Energy Bureau issued, as Attachment A to the July 12<sup>th</sup> Order, an Agenda for the initial technical conference, whereby it identified three main topics of discussion, to wit: (i) Introduction and IRP Prefiling Issues – to be covered by the Energy Bureau; (ii) LUMA IRP Plan to Meet PREB Expectations under Regulation 9021 and Address Puerto Rico Public Policy Compliance – to be covered by LUMA; and (iii) Questions and Discussion.

4. As part of the second topic, the Energy Bureau required LUMA to prepare a slide deck and included a series of subtopics grouped into three categories, to wit: (a) Compliance with 2020 IRP Order Action Items; (b) Core Substantive Issues; and (c) Internal Process Improvements.

5. In the July 12<sup>th</sup> Order, the Energy Bureau also took notice that “the initial technical conference will discuss whether the expected March 2024 filing date for the IRP will be retained

given the Technical Consultant contracting issues” that LUMA informed to the Energy Bureau in its March 31<sup>st</sup> Motion.

6. On July 26, 2023, the Energy Bureau entered a Resolution and Order, whereby it ordered LUMA “to be prepared to address [conflict of interest] issues during the August 8, 2023 Technical Conference”.

7. On July 27, 2023, LUMA filed a *Motion to Submit Negotiated Contract with Selected IRP Technical Consultant and Related Information and Request for Confidentiality* in Case No. NEPR-MI-2020-0012 whereby it informed the Energy Bureau that it concluded the contractual negotiations with the Selected Proponent and submitted the Final Contract for the Energy Bureau’s approval.<sup>1</sup>

8. LUMA further informed that the Final Contract addresses the conflict-of-interest issues in its Exhibit I and made itself available to further discuss the same in a confidential technical conference scheduled for that purpose in Case No. NEPR-MI-2020-0012.

9. LUMA also requested the Energy Bureau to expeditiously approve the Final Contract to allow LUMA to proceed with the execution of the same and have the IRP Technical Consultant onboard in anticipation of the August 8<sup>th</sup> Technical Conference.

10. Upon review of the Agenda for the initial technical conference, LUMA believes it is in a position to discuss with the Energy Bureau the majority of the topics outlined in the Agenda.

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<sup>1</sup> In addition to the Final Contract, which was submitted as Exhibit 1 of the July 27<sup>th</sup> Motion, LUMA included as Exhibits 2 and 3 therewith, the redlines depicting changes made to the draft contract and the scope of services. A table summarizing and describing the substantive changes was submitted as Exhibit 4 of the July 27<sup>th</sup> Motion.

LUMA is also working towards preparing the necessary materials to support such discussion, as ordered by the Energy Bureau.

11. However, LUMA has identified the following topics in the Agenda that require consultation and coordination with the IRP Technical Consultant or for which discussion the Energy Bureau would greatly benefit from having the IRP Technical Consultant participate during a Technical Conference (the “Technical Consultant Topics”):

- Topic 2.a.iv. Wind Resources
- Topic 2.a.v. Resource Need Assessment
- Topic 2.a.vi. Caveats and Limitations-Scorecard Use if Chosen
- Topic 2.b.i. Scenario analysis structure
  - Specifically address how to practically ensure comprehensiveness without requiring an unwieldy number of modeling runs
- Topic 2.b.v. Sources for wind, solar, battery, and other resource cost projections
- Topic 2.b.vii. Distribution system analysis/distribution resources projection
- Topic 2.b.x. Retirement schedule for legacy generation assets

12. LUMA respectfully requests that the Energy Bureau exclude the discussion of the Technical Consultant Topics outlined above from the Agenda for the August 8<sup>th</sup> initial technical conference and schedule their discussion for a later date, at least two weeks following the approval of the Final Contract with the IRP Technical Consultant, in order to provide LUMA and the Technical Consultant sufficient time to confer, prepare the relevant materials and gather the information necessary to support any discussions with the Energy Bureau. This would allow

LUMA to onboard the IRP Technical Consultant and garner its input prior to the discussion of the aforementioned topics which would contribute to their meaningful discussion.

13. In addition, LUMA has identified the following topics in the Agenda which would benefit from Genera's input (the "Genera Related Topics"):

- Topic 2.a.viii. Modified Action Plan as related to the new gas turbines, the new CCGT at Palo Seco, the development of the land-based LNG terminal in San Juan for new CCGT and SJ 5&6, the preliminary activities for ship-based LNG at Mayagüez for existing 4 x 50 MW GTs and possible new CCGT preliminary activities for ship-based LNG at Yabucoa for new CCGT.
- Topic 2.b.x. Retirement schedule for legacy generation assets.
- Topic 2.b.xi. Role of 2023 installed emergency generation and Palo Seco at San Juan, as related to new peakers & new black start resource procurements.

14. Recent year-end activities, including FY2024 budgeting processes, and Genera's transition and first month of operations as operator of the legacy generation assets have not allowed LUMA the opportunity to discuss with Genera IRP-related topics that require their input, including those identified above.

15. Accordingly, for these specific topics, LUMA respectfully informs that it will be prepared to discuss them at a high level and without the benefit of Genera's input. LUMA further suggests that Genera participate in that subsequent technical conference.

16. LUMA also respectfully requests that the topic related to the contracting of the IRP Technical Consultant be addressed in a separate and confidential portion of the August 8<sup>th</sup> initial technical conference, once the discussion of the rest of the topics included in the Agenda, as modified per LUMA's request, have been addressed. Relatedly, LUMA has suggested a

modification to the wording of topic 1.a.iii. in light of the conclusion of the negotiations with the IRP Technical Consultant and the filing of the Final Contract.

17. LUMA's request for confidential treatment of the specific portion of the initial technical conference addressing the contracting of the IRP Technical Consultant is made pursuant to the Energy Bureau's Policy on Confidential Information, CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 20, 2016, CEPR-MI-2016-0009, and consistent with the Energy Bureau's determination in its July 12<sup>th</sup> Order to grant confidential designation and treatment to Exhibit I of the March 2023 Motion, pursuant to the provisions of Article 6.15 of Act 57-2014 and Act 80-2011.

18. As LUMA espoused in its July 27<sup>th</sup> Motion, the documents related to the Final Contract with the IRP Technical Consultant are confidential because they were documents generated as part of a competitive procurement process that has not been completed. Further, the Final Contract is still subject to the Energy Bureau's approval, and the Energy Bureau's determination could potentially affect the determinations made by LUMA in this stage of the competitive procurement process. As such, disclosure of any of the above information could adversely affect the financial, competitive or bargaining position of LUMA. Consequently, any discussion of the Final Contract and the IRP Technical Consultant contracting process should be kept confidential until the Final Contract is approved and executed.

19. LUMA respectfully submits herein as *Exhibit 1* a Proposed Revised Agenda for the Energy Bureau's consideration, reflecting the modifications requested herein.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **grant** LUMA's request to amend the Agenda for the August 8<sup>th</sup> initial technical

conference as to the Technical Consultant topics and General Related Topics, and issue an Amended Agenda in the form of *Exhibit 1* herein.

In San Juan, Puerto Rico on August 2, 2023.



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*Exhibit 1*

*Proposed Revised Agenda*





Exhibit 1  
Proposed Revised Agenda  
IRP Technical Conference

August 2, 2023

## Proposed Revised Agenda

### IRP August 8th Technical Conference

1. Introduction and IRP Prefiling Issues

*Lead: Energy Bureau*

- a. Overall Process and Steps for Next IRP
    - i. Overall schedule and timing of IRP filing in 2024
    - ii. Additional Prefiling technical conferences as needed
    - iii. Initial discovery requests by PREB
    - iv. Technical consultant selection
    - v. Stakeholder participation during Prefiling periods
  - b. Compliance with Regulation 9021
2. LUMA IRP Plan to Meet PREB Expectations under Regulation 9021 and address Puerto Rico Public Policy Compliance

*Lead: LUMA*

- a. Compliance with 2020 IRP Order Action Items
  - i. Energy Efficiency and Demand Response
  - ii. Distributed Generation and Storage
  - iii. Load Forecasting
  - iv. Transmission and Distribution
  - v. Modified Action Plan
- b. Core Substantive Issues.
  - i. Annual energy and peak load forecasting - treatment of input assumptions for energy efficiency and distributed resources (behind the meter) and economic projections underlying the forecast.
  - ii. Tranche 1 (T1), T2, T3, T4-T6 planned resources from tranches of procurement.
  - iii. Wind and solar potential from PR100 study
  - iv. Hydro resources
  - v. Transmission system analysis including lessons learned and analysis leveraged from PR100 Study
  - vi. New peakers and new black start resource procurements
  - vii. Role of 2023-installed emergency generation at Palo Seco and San Juan
- c. Internal Process Improvements
  - i. Processes for Improving the Filing
  - ii. Selection of the IRP Technical Consultant

3. Questions and Discussion