

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

IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Resolution and Order pertaining to *Motion to Submit the Proposed Contract for Hydro Co in Compliance with the June 25 and July 11 Orders*, filed by the Puerto Rico Electric Power Authority.

RESOLUTION AND ORDER

On June 25, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 25 Resolution") through which it modified the Proposed Consolidated Fiscal Year 2024 ("FY24") Budget submitted by LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively referred to as, "LUMA") and approved the modified budgets subject to compliance with various orders in the June 25 Resolution.

Through the June 25 Resolution, the Energy Bureau ordered the Puerto Rico Electric Power Authority ("PREPA") to file for review and approval, any new contract or amendment to an existing contract, before executing or making any award of such contract or amendment.

On July 11, 2023, the Energy Bureau highlighted that to review and grant approval of these proposed contracts, PREPA must specify: 1) if these are the totality of the contracts to be executed during FY24 and 2) how the amounts referenced pertaining these contracts fit within the FY24 Approved Budget.

Further, on July 19, 2023, the Energy Bureau ordered PREPA to submit, in its future filings, a table including the approved and proposed contracts, the amounts approved and proposed for those contracts, the line items from the Non-Labor/Other Operating Expenses Category to which they correspond, and the remaining balance of budgeted amount for Non-Labor Expenses (\$11.7 MM) by line-item, as approved in the June 25 Resolution.

On August 2, 2023, PREPA filed a document titled *Motion to Submit the Proposed Contract for Hydro Co in Compliance with the June 25 and July 11 Orders* ("August 2 Motion"). Through the August 2 Motion, PREPA submitted for the Energy Bureau's review and approval the proposed contract between PREPA and ConWaste – Consolidated Waste Service LLC for the collection and disposal service of non-hazardous industrial waste in PREPA's HydroCo hydroelectric power plants, needed for HydroCo's compliance with state and federal environmental regulations.¹ The referenced contract is in the amount of \$50,000 for services to be rendered for FY24.² PREPA indicated that the ConWaste contract corresponds to the HydroCo-Account 630-Environmental Division from the Non-Labor Operating Expenses Category.³ PREPA also certified that there was no duplicity in scopes of work between the efforts handled with LUMA and Genera PR, LLC.⁴

Upon review, the Energy Bureau **APPROVES** the ConWaste Contract in the amount of \$50,000. The Energy Bureau **GRANTS** PREPA **three (3) business days** to confirm the referenced contract corresponds to the Regulation and Environmental Inspection budget line item from the HydroCo Non-Labor/Other Operating Expenses Category. The Energy

¹ August 2 Motion, p. 2, ¶ 6.

² *Id.*

³ *Id.*; Annex A.

⁴ *Id.*, pp. 2 – 3, ¶ 6.



Bureau **REMINDS** PREPA to make direct reference to the budgeted line item **as shown in Appendix A (Pages A-3 and A-4) of PREPA’s FY24 Budget** as approved by the Financial Oversight & Management Board for Puerto Rico (“FOMB”).

The Energy Bureau **REITERATES** that PREPA must submit in all future filings a table including the approved and proposed contracts, the amounts approved and proposed for those contracts, the line items from the category to which they correspond, **and the remaining balance for that particular category considering said amounts.**

The Energy Bureau **WARNS** PREPA that, noncompliance with the provisions of this Resolution and Order, may result in the imposition of fines pursuant to Article 6.36 of Act 57-2014.⁵

Be it notified and published.



Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on August 14, 2023. Also certify that on August 16, 2023, I have proceeded with the filing of this Resolution and was notified by email to pre@promesa.gov; margarita.mercado@us.dlapiper.com; ana.rodriguezrivera@us.dlapiper.com; julian.angladapagan@us.dlapiper.com; mvazquez@diazvaz.law; jmarrero@diazvaz.law; brannen@genera-services.com; kbolanos@genera-pr.com; regulatory@genera-pr.com; jfr@sbgblaw.com; alopez@sbgblaw.com. I also certify that on August 16, 2023, I have moved forward with filing the Resolution issued by the Puerto Rico Energy Bureau.

For the record, I sign in San Juan, Puerto Rico, today, August 16, 2023.



Sonia Seda Gaztambide
Clerk



⁵ Puerto Rico Energy Transformation and RELIEF Act, as amended (Act 57-2014”).