

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

NEPR

Received:

Aug 22, 2023

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IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: PREPA'S Motion in Compliance with the August 16 Resolution and Order Pertaining to the ConWaste Contract

**PREPA'S MOTION IN COMPLIANCE WITH THE AUGUST 16
RESOLUTION AND ORDER PERTAINING TO THE CON WASTE CONTRACT**

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

1. On May 16, 2023, LUMA ¹ filed a document titled *Submission of Consolidated Annual Budgets for Fiscal Year 2024 and Proposed Annual T&D Projections Through Fiscal Year 2026* ("May 16 Motion") for the Energy Bureau of the Puerto Rico Public Service Regulatory Board's ("Energy Bureau") review and approval. The May 16 Motion included the following budget components: (i) the proposed T&D budget developed by LUMA, (ii) the proposed generation budget developed by Genera PR, LLC ("Genera") on behalf of the PREPA, for the PREPA subsidiary GENCO LLC ("GenCo"), and (iii) the proposed Budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC ("HydroCo") and PREPA PropertyCo, LLC ("PropertyCo").
2. On June 25, 2023, after a series of procedural events, including a technical conference and

¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA").

various submissions including responses to the Energy Bureau's requests for information, the Energy Bureau entered *Resolution and Order* issuing a determination on the FY24 Annual Budgets for the electric utility system including the budgets for LUMA Energy, LLC and LUMA ServCo, LLC (collectively, "LUMA"), Genera-PR, LLC ("Genera") and PREPA ("June 25 Order").

3. Through the June 25 Order, the Energy Bureau ordered 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.

4. On July 11, 2023, the Energy Bureau issued a Resolution and Order (June 11 Order"), through which it highlighted that, to review and grant approval of the 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 to the contracts fit within the FY24 Approved Budget. Furthermore, 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 by line-item, as approved in the June 25 Order.²

5. On August 2, 2023, PREPA filed a document titled *Motion to Submit the Proposed Contract for HydroCo 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 ("ConWaste Contract") 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

² *Resolution and Order* dated June 19, 2023 ("June 19 Order") at p. 3.

environmental regulations. The referenced contract is in the amount of \$50,000 for services to be rendered for FY24. PREPA also indicated that the ConWaste Contract corresponds to the HydroCo-Account 630-Environmental Division from the Non-Labor Operating Expenses Category and certified that there was no duplicity in scopes of work between the efforts handled with LUMA and Genera.

6. On August 16, 2023, the Energy Bureau issued a *Resolution and Order* (“August 16 Order”). In the August 16 Order, the Energy Bureau approved the ConWaste Contract and granted PREPA three business days to confirm that the ConWaste Contract corresponds to the Regulation and Environmental Inspection budget line item from the HydroCo Non-Labor/Other Expenses Category. The Energy Bureau also instructed 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 also reiterated that in all future filings, PREPA must submit 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.

7. In compliance with the August 16 Order, PREPA confirms that the ConWaste Contract corresponds to the Regulation and Environmental Inspection budget line item from the HydroCo Non-Labor/Other Expenses Category. This category is referenced in Appendix A, page A-4 (D) of the FOMB’s Fiscal Year 2024 Budget and Budgetary Resolution Provisions for PREPA dated June 30, 2023, for the amount of \$731,000. The ConWaste Contract is the first contract submitted by PREPA and approved by the Energy Bureau in this category. PREPA will continue to submit proposed contracts on a rolling basis.

8. Also, in compliance with the August 16 Order, PREPA illustrates in a table the ConWaste Contract as seen below:

CONTRACTOR	BUDGET LINE ITEM	SERVICES TO BE PROVIDED	APPROVED AMOUNT	PROPOSED AMOUNT	REMAINING BALANCE
ConWaste – Consolidated Waste Service LLC	Regulation and Environmental Inspection budget line item from the HydroCo Non-Labor/Other Expenses Category	Collection and disposal of non-hazardous industrial waste in hydroelectric power plants	\$731,000	\$50,000	\$681,000

WHEREFORE, PREPA respectfully requests the Energy Bureau to take **NOTICE** of the information provided, **FIND** PREPA in compliance with the August 16 Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22nd day of August 2023.

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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 legal representatives jfr@sbgblaw.com; alopez@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

In San Juan, Puerto Rico, this 22nd day of August 2023.

/s Joannely Marrero-Cruz
Joannely Marrero Cruz