

**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: Determination on *PREPA's Renewed Request for Extension of Time to Submit the Budget to Actual Report as Ordered in the June 25 Order*, 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 submit monthly a Budget to Actuals Report ("B2A Report") which must include the following: (i) Explanation for material variances greater than 10% and \$30 million; (ii) Income statement in the reporting package; and (iii) Monthly budget reporting. The B2A Report is to be presented within twenty (20) days after the end of each month, detailing Fiscal Year Budget spending amounts, broken out by spending initiative, and detailing any variances from the approved Budget filing. These reports should also include details allowing the Energy Bureau to assess funding, withdrawals and outstanding balances in Operating Budgets, the Capital Budgets, and the Generation Budget.

On August 21, 2023, PREPA filed a document titled *PREPA's Request for Amendment of the Deadline to Submit the Budget to Actual Report as Ordered in the June 25 Order* ("August 21 Motion"). In its August 21 Motion, PREPA requested an amendment to the deadline to submit the Budget to Actual Report as Ordered in the June 25 Resolution because PREPA receives the account close documents from LUMA 25-30 days after month end, after which PREPA's finance department evaluates the documents to compile the monthly B2A Report.¹ PREPA also informed that it requested the Financial Oversight and Management Board ("FOMB") to amend the deadline for the monthly B2A Report to be submitted forty-five (45) days after each month's end, which was granted.² Accordingly, PREPA was to submit the July 2024 B2A Report to the FOMB on September 15, 2023.³ PREPA requested the Energy Bureau to amend the deadline for the monthly B2A Reports to be submitted forty-five (45) days after each month's end and allow PREPA to submit the July 2024 B2A Report on September 15, 2023, in the same cadence reporting as the FOMB requirements.⁴

On September 15, 2023, PREPA filed a document titled *PREPA's Renewed Request for Extension of Time to Submit the Budget to Actual Report as Ordered in the June 25 Order* ("September 15 Motion"). Through its September 15 Motion, PREPA alleges there were significant delays in receiving the July month-end closing documents due to the Genera PR, LLC transaction and that it has yet to receive the finalized closing documents.⁵ PREPA

¹ August 21 Motion, p. 2, ¶ 5.

² *Id.*, pp. 2 – 3, ¶ 5.

³ *Id.*, p. 3, ¶ 5.

⁴ *Id.*, p. 3, ¶ 6.

⁵ September 15 Motion, p. 3, ¶ 6.



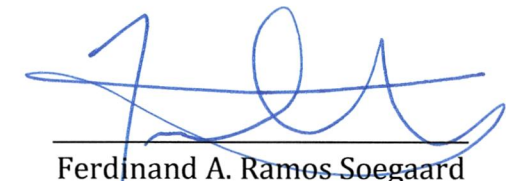
requested an extension to the FOMB until Wednesday, September 27, 2023 to submit the B2A Report.⁶ PREPA requested the Energy Bureau grant the same extension of time granted by the FOMB to submit the referenced report.⁷

The Energy Bureau **GRANTS** PREPA until **Wednesday, September 27, 2023**, to submit the B2A Report.

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

Be it notified and published.


Lillian Mateo Santos
Associate Commissioner


Ferdinand A. Ramos Soegaard
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on September 21, 2023. President Edison Avilés Deliz did not intervene. Also certify that on September 21, 2023, I have proceeded with the filing of this Resolution and Order, 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; legal@genera-pr.com; regulatory@genera-pr.com; jfr@sbgblaw.com; alopez@sbgblaw.com.

For the record, I sign in San Juan, Puerto Rico, today, September 21, 2023.


Sonia Seda Gaztambide
Clerk



⁶ *Id.*

⁷ *Id.*, ¶ 7.

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