

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

NEPR

Received:

Oct 3, 2023

8:35 PM

IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: PREPA's Request for Extension of Time to Comply with the September 27 Order

**PREPA'S REQUEST FOR EXTENSION OF TIME TO COMPLY
WITH THE SEPTEMBER 27 ORDER**

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, LUMA¹ 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 ("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, the Energy Bureau issued a *Resolution and Order* ("June 25 Order")

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

through which it modified the Proposed Consolidated Fiscal Year 2024 submitted by LUMA and approved the modified budgets subject to compliance with various orders ("FY24 Approved Budget").

3. Through the June 25 Order, the Energy Bureau ordered PREPA to, among other matters, 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 August 16, 2023, after a series of contract submittals and procedural events, the Energy Bureau issued a *Resolution and Order* granted PREPA ten (10) days to file a table including the totality of the approved and proposed contracts for FY24, the amounts approved and proposed for those contracts, the line items from the category to which they correspond, and the remaining balance for that category considering said amounts ("August 16 Order"). The Energy Bureau also reminded PREPA that all executed contracts not approved by the Energy Bureau nor included in the referenced table must be terminated and no services about those contracts can be rendered. Further, the Energy Bureau reminded PREPA to notify the relevant agencies, including the Comptroller of Puerto Rico, of the termination of those contracts.

5. On September 1, 2023, PREPA filed a document titled *PREPA's Motion for Reconsideration of Portions of the August 16 Order and in Compliance with the August 14 Request for Information and the August 16 Order* ("September 1 Motion"). Through the September 1 Motion, PREPA provided responses to a requirement of information issued by the Energy Bureau and also requested reconsideration of the August 16 Resolution. Specifically, as it pertains to the ruling that all contracts not approved by the Energy Bureau be terminated immediately.

6. Through the September 1 Motion, PREPA argued that the cancellation of executed contracts would be detrimental to PREPA's operations, PREPA also requested the Energy Bureau

to reconsider its determination that there are no pending contracts for approval before its consideration. Additionally, PREPA requested that the Energy Bureau evaluate and approve the HoldCo Contracts for External Audited Services, Professional and Technical Outsourced Services, and Security as submitted in the July 7 Motions.

7. On September 27, 2023, the Energy Bureau issued a *Resolution and Order* whereby it ordered PREPA to, within five (5) business days, (i.e October 4, 2023), resubmit the ADP Contract and the Genesis Security Services Inc. Contracts, reminding PREPA that such contracts will be approved only if the amounts of the contracts fit within the corresponding line item of the FY24 Approved Budget and meet the criteria set by the Energy Bureau in the July 11 Order (September 27 Order”).

8. The Energy Bureau, also ordered PREPA to submit for the Energy Bureau's review and approval, any other proposed contracts referenced in the September 1, 2023 table that have not yet been approved by the Energy Bureau and any contracts submitted with the July 7 Motions that PREPA still intends to execute and that have not been yet resubmitted for our review and approval, and any other contracts PREPA intends to execute not yet submitted to the Energy Bureau.

9. PREPA respectfully requests from this Energy Bureau additional time to comply with the September 27 Order. PREPA has gathered the contracts and is in the process of discussing with the heads of PREPA departments the contracts to be submitted in conformity with the FY24 Approved Budget. These contracts depend on the re-certification of funds from the Finance Office and other internal controls for PREPA’s contract process.

10. PREPA is committed to complying with the September 27 Order as soon as possible, since it needs the contracts for its efficient operation. Notwithstanding, PREPA understands that an extension of twenty (20) business days will allow PREPA to thoroughly finish its assessment of

the contracts in accordance with the approved budget, in order to submit the complete information required by the Energy Bureau.

11. This request for extension is made in good faith with no intention of delaying the Energy Bureau's contract review and approval process.

WHEREFORE, PREPA respectfully requests the Energy Bureau to take **NOTICE** of the information provided and **APPROVE** the Request for Extension until November 1, 2023 to comply with the September 27 Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 3rd day of October 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 3rd day of October 2023.

/s Joannely Marrero-Cruz
Joannely Marrero Cruz