

**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 *Urgent Informative Motion and Request
for Clarification*, filed by the Puerto Rico
Electric Power Authority.

RESOLUTION AND ORDER

On October 16, 2023, the Puerto Rico Electric Power Authority ("PREPA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Urgent Informative Motion and Request for Clarification* ("October 16 Motion"). In its October 16 Motion, PREPA informed that it was unable to meet LUMA's¹ request for funding the Service Accounts under the T&D OMA^{2,3}. PREPA further stated that its inability to meet LUMA's request for funding was a direct result of the restrictions imposed by the Energy Bureau to PREPA's ability to draw money from the FEMA⁴ Reimbursement Account.⁵ In PREPA's view, the Energy Bureau's September 13, 2023 Resolution and Order ("September 13 Resolution") prevents it from using the funds available in the FEMA Reimbursement Account to replenish the Service Accounts.⁶

The September 13 Resolution is **sufficiently clear and requires no clarification**. However, the Energy Bureau **EMPHASIZES** that the September 13 Resolution **did not prevent** PREPA from using the funds available in the Reimbursement Account to replenish Service Accounts. The September 13 Resolution was issued exclusively in response to the contract approval request made by PREPA.⁷

PREPA erroneously interpreted the September 13 Resolution, whereby the Energy Bureau highlighted that it would only allow PREPA to draw money from the FEMA Reimbursement Account if compensation for such services was previously approved by FEMA. Said determination was solely based on the approval of the McGuire Woods, LLP Contract for legal services. In essence, the Energy Bureau conveyed that it would approve such contract provided that PREPA deliver proof that the services to be rendered were to be compensated by FEMA. **The September 13 Resolution makes no reference to Service Accounts.**

The Energy Bureau **HIGHLIGHTS THAT IT HAS NOT** restricted PREPA from drawing money from the FEMA Reimbursement Account, nor any other account, to replenish Service Accounts. The Energy Bureau **REMINDS** PREPA that the money in its accounts shall be used prudently and within the budgeted amount, as approved by the Energy Bureau. As such, there is nothing to rule on, regarding the October 16 Motion.

Be it notified and published.

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

² *The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* ("T&D OMA").

³ October 16 Motion, p. 3, ¶ 5.

⁴ Federal Emergency Management Agency ("FEMA").

⁵ October 16 Motion, p. 4, ¶ 10.

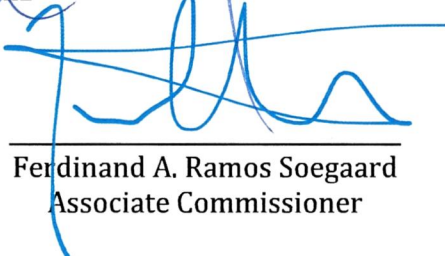
⁶ *Id.*

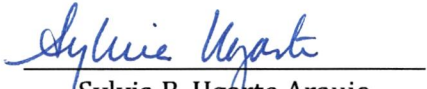
⁷ *Urgent Motion to Submit the McGuire Woods Contract for the Energy Bureau's Review and Approval*, In re: Review of LUMA's Initial Budgets, Case No.: NEPR-MI-2021-0004, September 2, 2023.




Edison Ayilés 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 October 18, 2023. Also certify that on October 18, 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; mvalle@gmlex.net; arivera@gmlex.net; 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, October 18, 2023.


Sonia Seda Gaztambide
Clerk

