

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

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IN RE:

REVIEW OF LUMA’S INITIAL BUDGET

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Motion for Brief Extension of Time to Comply with Order to Submit Corrective Action Plan

**MOTION FOR BRIEF EXTENSION OF TIME TO COMPLY WITH ORDER TO
SUBMIT CORRECTIVE ACTION PLAN**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC (“Genera”), as agent of the Puerto Rico Electric Power Authority (“PREPA”),¹ through its counsels of record, and respectfully state and request the following:

1. On May 16, 2023, LUMA² filed a document with the Energy Bureau of the Puerto Rico Service Regulatory Board (“Energy Bureau”) titled *Submission of Consolidated Annual Budgets for Fiscal Year 2024 and Proposed Annual T&D Projections Through Fiscal Year 2026* (“May 16th Motion”), in which LUMA submitted the Proposed Consolidated FY24 Budget, composed of the Proposed T&D Budgets developed by LUMA, the proposed GenCo Budgets revised by Genera on behalf of PREPA for the PREPA subsidiary GenCo LLC, and the proposed budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC and PREPA PropertyCo LLC.

¹ Pursuant to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (“LGA OMA”), dated January 24, 2023, executed by and among PREPA, Genera, and the Puerto Rico Public-Private Partnerships Authority, Genera is the sole operator and administrator of the Legacy Generation Assets (as defined in the LGA OMA) and the sole entity authorized to represent PREPA before PREB with respect to any matter related to the performance of any of the O&M Services provided by Genera under the LGA OMA.

² LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as “LUMA”).

2. On June 25, 2023, the Energy Bureau issued a Resolution and Order titled *Determination on the FY24 Annual Budgets for the Electric Utility System – LUMA, Genera, and PREPA*. Through this order, the Energy Bureau amended the Proposed Consolidated FY24 Budget submitted by LUMA and approved the revised budgets, provided the orders included in the Resolution and Order were complied with. The June 25th Order, amongst other things, reduced Genera’s labor operating expenses budget.

3. Consequently, on June 30, 2023, Genera filed a document titled *Urgent Motion in Compliance with Resolution and Order of June 25, 2023, and for Partial Reconsideration* (“Genera’s June 30th Request for Partial Reconsideration”) whereby it requested that the Energy Bureau reconsider the determinations made in the June 25th Order. This was in compliance with the mandates of the June 25th Order, which required Genera to “ensure that the legacy generation plants are adequately staffed to ensure reliable and efficient operations and to promptly report to any staffing shortages or difficulties in maintaining adequate personnel to staff the plants.”³

4. On June 30, 2023, the Energy Bureau issued a Resolution and Order titled *Resolution pertaining Motion for Reconsideration of the June 25 Resolution and Order on the Determination of the FY24 Annual Budgets for the Electric Utility System - LUMA, Genera, and PREPA, filed by the Puerto Rico Electric Power Authority and Urgent Motion in Compliance with Resolution and Order of June 25, 2023 and for Partial Reconsideration, filed by Genera PR, LLC*, through which it stated that it would not consider Genera’s June 30th Request for Partial Reconsideration because its submission did not comply with certain provisions of the T&D OMA⁴.

³ See page 19 of the June 25th Order.

⁴ *Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* (“T&D OMA”), dated June 22, 2020, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority (“P3 Authority”), LUMA Energy LLC as Management Co, and LUMA Energy Servco, LLC as ServCo.

5. On June 30, 2023, LUMA filed a document titled *Submission of Motions for Reconsideration by PREPA and Genera and Notice of Intent to Request Reconsideration of Resolution and Order of June 25, 2023* (“LUMA’s June 30th Motion”), through which LUMA submitted Motions for Reconsideration of the Energy Bureau’s FY2024 Budget Determination on behalf of PREPA and Genera and provided notice of its intention to request reconsideration on its behalf.

6. On July 5, 2023, the Energy Bureau issued a Resolution and Order titled (“July 5th Resolution”) through which it took notice of LUMA's June 30th Motion and granted LUMA until Monday, July 10, 2023, to file i) LUMA's position pertaining to the June 25th Order, including proposed amendments, and ii) LUMA's position regarding Exhibits 2 and 3 of LUMA’s June 30th Motion.⁵ The Energy Bureau specified that any proposed amendments by LUMA to the June 25th Order must consider those proposed in Exhibit 2 and Exhibit 3 of LUMA’s June 30th Motion.

7. On September 22, 2023, the Energy Bureau issued a Resolution and Order titled *Determination on the Request for Partial Revision on the FY 2023 Annual Budgets by LUMA, GENERA, and PREPA* (“September 22nd Resolution”) to address the requests for reconsideration submitted by LUMA, Genera, and PREPA in response to the Energy Bureau’s June 25th Order. Pertinent to this Motion, the September 22nd Resolution denied Genera's request for reconsideration regarding the reduction of its proposed labor expenses budget for FY2024 from \$79.5 million to \$55.03 million.

8. Furthermore, in the September 22nd Resolution, the Energy Bureau ordered Genera to submit, within 30 days of issuing the September 22nd Resolution, with the deadline being October 22, 2023, a detailed Corrective Action Plan outlining the steps Genera intends to take to

⁵ Exhibit 2 refers to PREPA’s reconsideration motion and Exhibit 3 refers to Genera June 30th Request for Partial Reconsideration.

align its labor costs with the approved budgets, including a timeline for each action, responsible parties, and expected outcomes.

9. On October 12, 2023, Genera, through LUMA, submitted a document titled *Motion for Partial Reconsideration of the Resolution and Order Dated September 22, 2023* (“October 12th Request for Partial Reconsideration”), in which Genera requested the Energy Bureau to reconsider its decision to reallocate the \$30.040MM from Genera’s Incentive Payment to fund the increased Non-Federally Funded Electric Utility Expenditures.

10. In light of the above, Genera respectfully informs that it requires additional time, **until October 30, 2023**, to submit to the Energy Bureau the Corrective Action Plan in compliance with the September 22nd Resolution. Although Genera is committed to fulfilling the Energy Bureau’s orders within the stipulated timeframe, challenges coordinating with the pertinent personnel responsible for developing and approving budget matters – particularly given their efforts in developing the analysis for Genera's June 30th Request for Partial Reconsideration and October 12th Request for Partial Reconsideration – have necessitated the need for additional time.

11. Genera further informs the Energy Bureau that the extension is requested in good faith and solely for the purpose of allowing Genera to fully comply with the September 22nd Resolution regarding the Corrective Action Plan.

WHEREFORE, Genera respectfully requests that this Honorable Energy Bureau **take notice** of the above for all purposes and **grant** Genera an extension of time until October 30, 2023, to submit the Corrective Action Plan and comply with the September 22nd Resolution.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 19th day of October 2023.

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CERTIFICATE OF SERVICE

We hereby certify that a true and accurate copy of this motion was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System and that we will send an electronic copy of this motion to PREPA, through Lionel Santa, at lionel.senta@prepa.com; and to LUMA, through Margarita Mercado Echegaray, at margarita.mercado@us.dlapiper.com; and Ana Margarita Rodríguez Rivera, at ana.rodriguezrivera@us.dlapiper.com.

In San Juan, Puerto Rico, this 19th day of October 2023

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez