

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

**IN RE:** REVIEW OF LUMA INITIAL BUDGETS

**CASE NO.:** NEPR-MI-2021-0004

**SUBJECT:** Issuance of Requirement of Information ("ROI") to Genera Regarding Budget Reports.

**ORDER**

On May 16, 2023, LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA") filed a document titled *Submission of Consolidated Annual Budgets for Fiscal Year 2024 and Proposed Annual T&D Projections Through Fiscal Year 2026* ("Proposed FY24 Budgets"), pursuant to which, LUMA submitted to the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") the proposed T&D Budgets developed by LUMA, the proposed GenCo Budgets developed by Genera PR, LLC ("Genera"), and the proposed HydroCo and HoldCo Budgets developed by the Puerto Rico Electric Power Authority ("PREPA").

On June 25, 2023, the Energy Bureau issued a Resolution and Order ("June 25 Resolution") in which it made budget determinations for LUMA, Genera, and PREPA.

On June 30, 2023, LUMA submitted 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* ("June 30 Motion"). Included with the June 30 Motion, LUMA submitted, on behalf of Genera, a document titled *Urgent Motion in Compliance with Resolution and Order of June 25, 2023 and for Partial Reconsideration* ("June 30 Genera Request").

The new information given in the June 30 Motion lacked the support needed to allow the Energy Bureau to fully assess Genera's Request. On July 14, 2023, the Energy Bureau issued a Resolution and Order in which included a Requirement of Information ("ROI") to Genera ("July 14 ROI").

On July 25, 2023, Genera submitted a document titled *Motion Submitting Information in Compliance with Resolutions and Orders dated June 25, 2023 and July 14, 2023* ("July 25 Motion"). Included with the July 25 Motion, Genera submitted, among other things, partial response and requested the Energy Bureau to grant Genera until August 2, 2023 to provide the information requested in July 14 ROI #10(b) and #10I(i).

On August 2, 2023, Genera submitted a document titled *Motion in Response to the Resolution and Order Dated July 14, 2023* ("August 2 Motion"). Genera submitted the remainder of the information and responses to the July 14 ROI.

On September 20, 2023, Genera submitted a document titled *Motion to Submit Reports on Grid Modernization and Emergency Work-Related Federal Funding in Compliance with Resolution and Order dated June 25, 2023* ("September 20 Report"). In the September 20 Report Genera partially complied with the reports specified in Attachment I of the June 25 Resolution.

On October 20, 2023, Genera filed a document titled *Motion to Submit Reports on Grid Modernization and Emergency Work-Related Federal Funding in Compliance with Resolution and Order dated June 25, 2023* ("October 20 Motion") in which Genera alleges that it included the reporting requirement as stated in the June 25 Resolution, Attachment I.



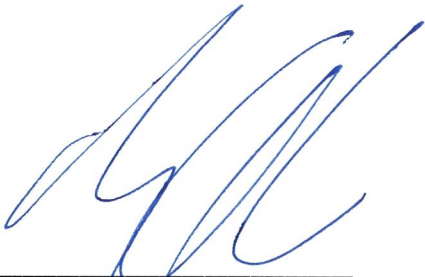
In the June 25 Resolution, the Energy Bureau modified Genera's Necessary Maintenance Expenditures ("NME") for the Legacy Generation Assets and increased the NME budgets to \$134.075MM".<sup>1</sup> Genera, in its September 20 Report, included Exhibits C and D, which depict a Project Cash Flow dated as of September 1, 2023 and Cost Overview dated as of September 1, 2023, respectively. Neither of the mentioned exhibits appear to include the total NME budget approved as one of the amounts included in said documents. For example, in the Project Cash Flow, it appears as if the total cost of Tracked NME Projects for FY 2024 is \$56.134MM.<sup>2</sup>

To obtain clarity regarding the tracking of the NME Budget line item, the Energy Bureau **ORDERS** Genera to, **within five (5) business days from the notification of this Order**, file a detailed response to the ROI set forth in **Attachment A** of this Resolution and Order.

The Energy Bureau **WARNS** Genera that:

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

Be it notified and published.



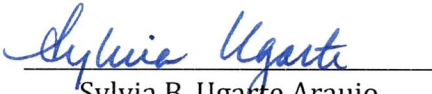
Edison Avilés Deliz  
Chairman



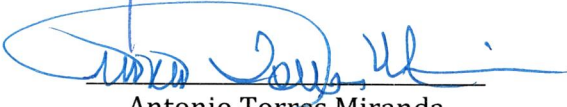
Lillian Mateo Santos  
Associate Commissioner



Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner



Antonio Torres Miranda  
Associate Commissioner

<sup>1</sup> See June 25 Resolution, page 17.

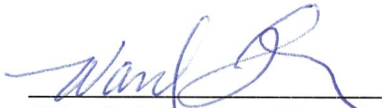
<sup>2</sup> See September 20 Report, Exhibit C.



**CERTIFICATION**

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on October 26, 2023. Also certify that on October 26, 2023, I have proceeded with the filing of this Resolution and Order and was notified by email to [pre@promesa.gov](mailto:pre@promesa.gov); [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com); [ana.rodriguezrivera@us.dlapiper.com](mailto:ana.rodriguezrivera@us.dlapiper.com); [julian.angladapagan@us.dlapiper.com](mailto:julian.angladapagan@us.dlapiper.com); [mvalle@gmlex.net](mailto:mvalle@gmlex.net); [arivera@gmlex.net](mailto:arivera@gmlex.net); [legal@genera-pr.com](mailto:legal@genera-pr.com); [regulatory@genera-pr.com](mailto:regulatory@genera-pr.com); [jfr@sbgblaw.com](mailto:jfr@sbgblaw.com); [alopez@sbgblaw.com](mailto:alopez@sbgblaw.com).

For the record, I sign in San Juan, Puerto Rico, today, October 26, 2023.

  
Wanda I. Cordero Morales  
Interim Clerk



## ATTACHMENT A REQUIREMENT OF INFORMATION

Refer to:

- **Attachment G** of the June 25 Resolution (“Attachment G”)
  - **Exhibit B** in Genera’s October 20 Motion<sup>3</sup> (“Exhibit B”)
  - **Exhibit C** in Genera’s October 20 Motion (“Exhibit C”)
  - **Exhibit D** in Genera’s October 20 Motion (“Exhibit D”)
1. Explain the costs associated with NME Projects shown in **Exhibit C** and **Exhibit D**, i.e., Cost of \$54.135MM, Baseline Cost of \$67.080MM and Cost Variance of (\$12.945MM) and why these costs do not seem to correspond to the approved NME budget of **Attachment G**.
  2. Certain NME activities in **Exhibit B** have been crossed out, e.g., ID 65: HP/IP/LP Spare Rotor Units 5 & 6, and characterized as Subcontracts. Provide the status of these activities.
  3. Annex F of the July 25 Motion titled *Generation Fleet Outage Schedule and Planned Maintenance and Critical Component Replacement Program*<sup>4</sup> depicts the projects required to reduce the forced outages from 32% to 15% and increase generation availability by 340MW by December 2024. Show how the projects of Annex F:
    - a. utilize the NME approved budget of **Attachment G**;
    - b. take into account the temporary generation provided by the United States Army Corps of Engineers (“USACE”), that is already installed or in the pipeline to be installed, in accordance with its current mission to stabilize the Puerto Rico electric system in the aftermath of Hurricane Fiona, and in those instances where repair of major baseload power plants will merit the addition of temporary generation to decrease the risk of loss of load during a contingency.
  4. Provide the status of the NME activities approved in **Attachment G**, including actual and projected expenditures in FY 2024 for each maintenance activity.



---

<sup>3</sup> See *Motion to Submit Reports on Grid Modernization and Emergency Work-Related Federal Funding in Compliance with resolution and Order Dated June 25, 2023*. October 20, 2023 (“October 20 Motion”).

<sup>4</sup> See July 25 Motion, Annex F.