

**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: Request for Extension to Comply with Resolution and Order Dated September 22, 2023

**REQUEST FOR EXTENSION TO COMPLY WITH RESOLUTION AND ORDER
DATED SEPTEMBER 22, 2023**

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, LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as “LUMA”) 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*, 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 (“Proposed Consolidated FY24 Budget”).

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 (“P3 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. 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* (“June 25th Order”). Through this order, the Energy Bureau amended the Proposed Consolidated FY24 Budget and approved revised budgets. The June 25th Order, amongst other things, reduced Genera’s proposed labor operating expenses budget for FY2024 from \$79.5 MM to \$55.03 MM.

3. 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*, through which LUMA submitted certain reconsideration requests of the Energy Bureau’s FY2024 budget determination, reflected in the June 25th Order, on behalf of PREPA and Genera and provided notice of its intention to request reconsideration on its behalf.

4. 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”), addressing the requests for reconsideration submitted by LUMA, Genera, and PREPA in response to the Energy Bureau’s June 25th Order. In the September 22nd Resolution, the Energy Bureau ultimately denied Genera's request for reconsideration regarding the reduction of Genera’s proposed labor expenses budget for FY2024. Furthermore, the Energy Bureau identified additional avenues through which Genera could supplement its labor budget. Among these, the Energy Bureau pointed to Act No. 8 of February 4, 2017, as amended, known as the *Government of Puerto Rico Human Resources Administration and Transformation Act, 3 LPRA § 1469 et seq.* (“Act No. 8-2017”), which allows for the use of government employees supporting other agencies and extends this benefit to Public-Private

Partnerships. *See, September 22nd Resolution*, p. 12. The Energy Bureau specifically noted that “Genera could benefit significantly from exploring partnerships under this framework to supplement its labor force”. *Id.*

5. Consequently, relevant to this motion, in the September 22nd Resolution, the Energy Bureau ordered Genera to, among other things, within 60 days from issuing the September 22nd Resolution, with the deadline being November 21, 2023, submit a report that outlines its exploration of partnerships under Act No. 8-2017, detailing the agencies engaged, potential labor support, and expected timelines for implementation (“Act No. 8-2017 Report”).

6. Genera has been diligently working to comply with all the orders issued in the September 22nd Resolution by the Energy Bureau. In response to the Energy Bureau’s request for a report detailing Genera’s exploration of partnerships under Act No. 8-2017, Genera respectfully requests an extension of time, until **December 1, 2023**, to fulfill this requirement. This extension is needed due to the necessity for a more thorough analysis of Act No. 8-2017's applicability to the unique agreement governing the relationship between Genera, PREPA, and the P3 Authority under the LGA OMA.

7. 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 submittal of the Act No. 8-2017 Report.

WHEREFORE, Genera respectfully requests that this Energy Bureau **take notice** of the above for all pertinent purposes and **grant** Genera an extension until December 1, 2023, to submit the Act No. 8-2017 Report.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 17th day of November 2023.

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CERTIFICATE OF SERVICE

I 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 I will send an electronic copy of this motion to PREPA, through its counsels of record: Juan M. Martínez-Nevárez, at jmartinez@gmlex.net, Alexis G. Rivera-Medina, at arivera@gmlex.net, Joselyn Rodríguez-Gonález, at jrodriguez@gmlex.net, and Mirelis Valle-Cancel, at mvalle@gmlex.net; and to LUMA, through its counsels of record: Margarita Mercado Echegaray, at margarita.mercado@us.dlapiper.com; Ana Margarita Rodríguez Rivera, at ana.rodriguezrivera@us.dlapiper.com; and Julian Anglada Pagan, at julian.angladapagan@us.dlapiper.com.

In San Juan, Puerto Rico, this 17th day of November 2023

/s/ Alejandro López Rodríguez
Alejandro López Rodríguez