

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

NEPR Received: Nov 22, 2023 10:30 AM

IN RE:

REVIEW OF LUMA’S INITIAL BUDGET

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Request of Order to Amend
Cadence of Genera’s Quarterly Fuel Budget
Report

**REQUEST OF ORDER TO AMEND CADENCE OF GENERA’S QUARTERLY FUEL
BUDGET REPORT**

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, respectfully state and request the following:

1. Pursuant to Article 7, Section 7.3(f) of the LGA OMA, Genera is required to prepare and submit a report on the quarterly adjustments made to its fuel budget (“Fuel Budget Report”) for the Energy Bureau’s approval. The LGA OMA outlines the Fuel Budget Report procedure as follows:

(f) Quarterly Adjustments to Fuel Budget. **No later than fourteen (14) days prior to the end of a quarter**, Operator shall prepare and submit to PREB for approval (with copy to Administrator and the T&D Operator), as necessary, (i) a record of actual Fuel Costs spent in the current quarter, with all applicable invoices and necessary supporting information for auditing purposes, and (ii) revised quarterly budgets describing the estimated variable Fuel Costs for the following quarter for the purpose of resetting the Fuel Costs to be recovered for that quarter. In the event PREB does not timely approve a proposed revised quarterly Fuel Budget prior to the start of the applicable quarter, the proposed quarterly Fuel Budget shall be adjusted to reflect the maximum amount of Fuel Costs to be recovered

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.

through the rates set forth in the applicable Fuel Adjustment Clause then in effect.

See Article 7, Section 7.3(f), of the LGA OMA. (emphasis added)

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 which, among other determinations, approved the proposed GenCo Budget revised by Genera on behalf of PREPA for PREPA’s subsidiary GenCo LLC (“GenCo”), subject to a series of determinations and orders addressed to Genera regarding the GenCo Budget. *See June 25th Order, pp. 16 – 21.* Relevant to the request of this motion, the June 25th Order included a directive for Genera to submit a Budget to Actuals (“B2A”) Report, consisting of the tracking of certified B2A for GenCo, based on a consolidated template to be provided by the Financial Oversight and Management Board for Puerto Rico, **on a quarterly basis.** *See June 25th Order, Attachment I, on page 46.*

3. On September 1, 2023, Genera filed a document titled *Motion to Submit Monthly Maintenance Report for August 2023, in Compliance with Resolution and Order dated June 25, 2023* (“September 1st Motion”). Relevant to this matter, Genera requested to modify the filing schedule of the B2A Reporting **from quarterly to within forty-five (45) days after the end of the quarterly reporting period.** *See September 1st Motion, on ¶ 7, page 3.*

4. Accordingly, on November 15, 2023, Genera filed a document titled *Motion to Submit Budget to Actuals Report for First Quarter of Fiscal Year 2024* (“November 15th Motion”). The November 15th Motion included the submission of the B2A Report for the first quarter (“Q1”) of Fiscal Year 2024 (“FY2024”). In compliance with its obligations under Article 7, Section 7.3(f), of the LGA OMA, Genera also included the adjusted fuel budget for Q1 of FY2024 in the B2A Report. This adjusted budget is detailed in the spreadsheet titled “*FOMB B2A Consolidated -*

GenCo B2A Q1 FY2024”, in the sheet labeled “*Expenses_FY24B*”, submitted along with the November 15th Motion.

5. To avoid potential reporting incongruencies and deficiencies, Genera respectfully requests that the Energy Bureau issue an order amending the submission cadence of the Fuel Budget Report from no later than fourteen (14) days prior to the end of a quarter, as outlined in Article 7, Section 7.3(f) of the LGA OMA, to within 45 days after the end of the quarterly reporting period, aligning it with the B2A Report schedule. This request aims to preempt and address potential operational challenges inherent in the current reporting schedule. Specifically, aligning the Fuel Budget Report with the B2A Report schedule is anticipated to reduce scheduling conflicts, administrative inefficiencies, and potential discrepancies in reporting.

6. By aligning the Fuel Budget Report with the B2A Report schedule, Genera aims to enhance operational efficiency and ensure compliance with regulatory standards, improving financial reporting processes beyond simply meeting deadlines. This approach focused on accuracy and efficiency in budgetary forecasting and reconciliation, is exemplified by the November 15th Motion, demonstrating practical and operational efficiencies. With this proposed change, Genera reaffirms its commitment to regulatory compliance, ensuring that budget reports are timely and accurately reflect the realities of operations.

WHEREFORE, Genera respectfully requests that the Energy Bureau **take notice** of the above for all purposes and **grant** Genera’s request for an order amending the frequency of the Fuel Budget Report from no later than fourteen (14) days prior to the end of a quarter to within forty-five (45) days after the end of the quarterly reporting period.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22nd 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-Gonzalez, 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 22nd day of November 2023

/s/ Alejandro López Rodríguez
Alejandro López Rodríguez