

**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

**NEPR**

**Received:**

**Nov 28, 2023**

**3:45 PM**

**URGENT MOTION FOR APPROVAL OF THE  
GONZÁLEZ & MARTÍNEZ LAW OFFICES P.S.C. CONTRACT**

**TO THE PUERTO RICO ENERGY BUREAU:**

**COMES NOW** the Puerto Rico Electric Power Authority ("PREPA") through its undersigned legal representation and, very respectfully, informs and requests as follows:

1. On June 25<sup>th</sup>, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board's ("Energy Bureau") issued a *Resolution and Order* ("June 25<sup>th</sup> Resolution") whereby it modified and approved the *Consolidated Annual Budgets for Fiscal Year 2024*,<sup>1</sup> subject to compliance with various orders. The June 25<sup>th</sup> Resolution ordered PREPA, among other things, to file with the Energy Bureau for its review and approval any new contract or amendment to an existing contract before its execution or award.

2. On July 19<sup>th</sup>, 2023, the Energy Bureau approved PREPA's contract with González & Martínez Law Offices P.S.C. ("González & Martínez") in the amount of \$350,000.00 ("Original Contract").

---

<sup>1</sup> The *Consolidated Annual Budgets for Fiscal Year 2024*, which were submitted by submitted by LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly hereafter, "LUMA"), were comprised of the following: (i) the proposed T&D budget developed by LUMA, (ii) the proposed generation budget developed by Genera PR, LLC ("Genera") on behalf of the PREPA, for the PREPA subsidiary GENCO LLC ("GenCo"), and (iii) the proposed Budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC ("HydroCo") and PREPA PropertyCo, LLC ("PropertyCo").

3. On August 16<sup>th</sup>, 2023, the Energy Bureau issued a *Resolution and Order* whereby it ordered PREPA to file a table including the totality of the approved and proposed contracts for Fiscal Year 2024 ("FY 24"), the approved and proposed amounts for those contracts, the line items from the category to which they correspond, and the remaining balance for each category considering said amounts ("August 16<sup>th</sup> Resolution").

4. On September 22<sup>nd</sup>, 2023, the Energy Bureau entered a *Resolution and Order* ("September 22<sup>nd</sup> Order") whereby it, among other things, revised the FY24 HoldCo Non-Labor Budget and increased it by \$3.673MM (from \$11.772MM to \$15.445MM), subject to certain reporting requirements (hereinafter, the "Additional Approved Budget"). Per the September 22<sup>nd</sup> Order, the Additional Approved Budget could only be used to cover: (a) "reimbursement to Genera for EPA required remedial work," and (b) "external contracts, and other work considered necessary and prioritized by PREPA."

5. On September 27<sup>th</sup>, 2023, the Energy Bureau issued another *Resolution and Order* whereby it ordered PREPA, *inter alia*, to file "the totality of the contracts PREPA plans to execute for FY24" ("September 27<sup>th</sup> Resolution").

6. On October 11<sup>th</sup>, 2023, Díaz & Vázquez Law Firm, P.S.C. ("Díaz & Vázquez") withdrew as PREPA's counsel of record in the above-captioned case. In its motion, Díaz & Vázquez explained it had to resign as PREPA's counsel because its "contract d[id] not have sufficient funds to cover the legal representation of PREPA in those matters that are not related to Title III of PROMESA, including legal representation in the case of caption".

7. On that same date, that is, on October 11<sup>th</sup>, 2023, González & Martínez filed its *Notice of Appearance and Substitution of Counsel*, whereby the undersigned

attorneys appeared as PREPA's new counsels of record.

8. In compliance with the August 16<sup>th</sup> and September 27<sup>th</sup> Resolutions, on November 7<sup>th</sup>, 2023, PREPA submitted its *Motion in Compliance with Orders and Request for Approval of Revised Proposed Budget* ("Motion in Compliance"). In its filing, PREPA submitted for the Energy Bureau's review and approval the available contracts, not previously filed, that PREPA has executed or plans to execute for Fiscal Year 2024 ("FY24").

9. In the *Motion in Compliance*, PREPA also moved the Energy Bureau to, *inter alia*, approve the following proposed allocation of the Additional Approved Budget:

<b>Contract/Reserve</b>	<b>Proposed Allocation</b>
Reserved for "EPA required remedial work".	\$ 500,000.00
McGuire Woods	\$1,495,000.00
Global Consultas Asociados, LLC	\$ 100,000.00
Corretjer, LLC	\$ 20,000.00
Eng. Victor Manuel Ruiz	\$ 20,000.00
APPA	\$ 54,298.00
Ramon Mendoza Rosario, Esq.	\$ 20,000.00
González & Martínez Law Offices, PSC	\$ 1,163,000.00
Regulatory Compliance Services, Corp.	\$ 300,000.00
Remaining Additional Approved Budget	\$ 702.00

10. As part of its proposed allocation of the Additional Approved Budget, PREPA requested the Energy Bureau to authorize an increase to the González & Martínez's Original Contract from \$350,000.00 to \$1,513,000.00.

11. On November 15<sup>th</sup>, 2023, PREPA's Governing Board issued Resolution

5105, whereby it approved an increase to the González & Martínez's Original Contract from \$350,000.00 to **\$1,500,000.00** (hereinafter, the "First Amendment"). See **Exhibit A**.

12. To this date, the Energy Bureau has yet to express its acquiescence to PREPA's request. As such, and for the reasons set forth herein, PREPA respectfully requests the urgent approval of the First Amendment to the González & Martínez's contract in order to increase its budget from \$350,000.00 to \$1,500,000.00. This amendment is separable from all other matters petitioned in the *Motion in Compliance*, as it only seeks partial allocation of the Additional Approved Budget. As such, the Energy Bureau may rule on it separately.

13. As explained in the *Motion in Compliance*, González & Martínez is now in charge of managing all non-Title III matters formerly handled by Díaz & Vázquez. These responsibilities are in addition to the cases and other affairs was already managing on behalf of PREPA.

14. To put things into perspective, González & Martínez currently provides legal advice and/or represents PREPA in the following matters:

- a. Urgent communications, including responses to Requests of Information ("ROIs"), to the Puerto Rico Fiscal Oversight Board ("FOMB") regarding the the revised proposed budget submitted in the case of caption on November 7<sup>th</sup>, 2023 (hereinafter, the "FOMB's Budget Review Process").<sup>2</sup>
- b. Over 30 cases currently pending before the Energy Bureau, some of which require periodic reporting and active motion practice.<sup>3</sup>
- c. Labor and employment matters relating to the hundreds of PREPA's active employees as well as the thousands of retired employees; and approximately 15,342 active labor claims currently filed before different administrative forums, namely: (i) the Conciliation and Arbitration Bureau of the Department of Labor and Human Resources; (ii) the Puerto Rico Labor Relations Board; (iii) the Public

---

<sup>2</sup> PREPA hereby informs that all information to be submitted with the FOMB will be immediately filed with the Energy Bureau for its perusal and approval.

<sup>3</sup> González & Martínez has filed or is in the process of filing the required Notice of Appearance in these matters.

Service Appeal Commission; (iv) the Unemployment Office of the Department of Labor and Human Resources; (v) the Equal Employment Opportunity Commission; (vi) and other administrative forums, such as the Puerto Rico Women's Attorney's Office and the Anti-Discrimination Unit of the Department of Labor and Human Resources. Most of the labor disputes are under the jurisdiction of the Conciliation and Arbitration Bureau (9,026 cases); the Public Services Appeal Commission (2,884 cases), and the Labor Relations Board (2,318), and the rest (approximately 330) have been filed before the different administrative forums.

- d. Over 80 civil suits filed throughout the different State Courts of Puerto Rico and the Federal District Court of Puerto Rico, most of which were filed before the transitions to LUMA and Genera, and are spread throughout all the different stages of a judicial proceeding (from discovery, dispositive motions, pre-trial, and trial) as well as all levels of both the Appellate Court (State and Federal) and the Puerto Rico Supreme Court.<sup>4</sup>

15. González & Martínez has eagerly accepted the challenge of assuming PREPA's legal representation in all non-Title III matters, following Díaz & Vázquez abrupt withdrawal. Many of these matters involve complex cases in advanced stages. The undersigned have made every effort to get up to speed with all cases, without seeking overly prolonged extensions of time, without causing unreasonable delays and without losing face before the Courts. This has required extra hours of labor intensive work which, in turn, has expended the Original Contract's budget.

16. González & Martínez is currently handling multiple matters that are both time-sensitive and time-consuming. Among these tasks are PREPA's responses to the FOMB's ROIs in the Budget Review Process, which are due on December 1<sup>st</sup>, 2023, and urgent related filings that will be made in the case of caption within the upcoming days. These responses and filings are part of PREPA's unyielding efforts to comply with the Energy Bureau's public policy and achieve fiscal stability for FY24.

---

<sup>4</sup> For a more detailed discussion, see *Motion in Compliance*, Exhibit F. It is worth noting that there are additional cases where LUMA has filed third-party complaints against PREPA, making a future representation in legal proceedings on behalf of PREPA all but ethically impossible. The same ethical dilemma would apply to Genera PR's legal counsel if in the future any third-party complaints are filed against PREPA.

17. Unfortunately, the lack of budget combined with the increased amount of work are jeopardizing González & Martínez's ability to continue representing PREPA in these crucial endeavors, while at the same time attending depositions, preparing legal and trial briefs, appearing before the Courts and conducting meetings with PREPA's personnel on a daily basis. If no further budget is authorized for the González & Martínez contract, the undersigned attorneys will be faced with the same predicament that forced Díaz and Vázquez's abrupt withdrawal: choosing between (a) refusing to provide PREPA with crucial work, thus, causing it to fail to meet important deadlines in the FOMB's Budget Review Process, the courts and other administrative and regulatory forums, or (b) providing its services on a Pro Bono basis, which would make the González & Martínez's operation economically unsustainable.

18. It is respectfully submitted that neither PREPA nor the undersigned attorneys should be subjected to the untenable consequences of the aforementioned scenarios. More so, when considering that the purpose of the proposed allocation of funds, from an already approved budget pursuant to the September 22<sup>nd</sup> Order, is to fully comply with the requirements and orders issued by the Courts, the FOMB and this very Energy Bureau. Leaving PREPA without outside legal counsel in these matters would only deteriorate PREPA's already dire fiscal situation.

19. In light of the foregoing, PREPA very respectfully requests that the Energy Board approve the First Amendment to the González & Martínez contract and authorize an increase to the law firm's budget from \$350,000.00 to \$1,500,000. PREPA's request is consistent with the Resolution 5105 issued by its Governing Board. See **Exhibit A.**

**WHEREFORE**, PREPA respectfully requests the Energy Bureau to (a) take **NOTICE** of the information provided herein and (b) **APPROVE** the First Amendment to the González & Martínez's Contract in an expedited fashion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 28<sup>th</sup> day of November 2023.

**CERTIFICATE OF SERVICE:** We hereby certify that this document was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and courtesy copies were sent via e-mail to LUMA Energy, LLC through its counsels of record at [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com), [laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com), and to Genera-PR, LLC through its counsels of record at [jfr@sbgblaw.com](mailto:jfr@sbgblaw.com), [alopez@sbgblaw.com](mailto:alopez@sbgblaw.com), [legal@genera-pr.com](mailto:legal@genera-pr.com) and [regulatory@genera-pr.com](mailto:regulatory@genera-pr.com).

**GONZÁLEZ & MARTÍNEZ**

1509 López Landrón  
Seventh Floor  
San Juan, PR 00911-1933  
Tel.: (787) 274-7404

**s/ Mirelis Valle Cancel**

**Mirelis Valle-Cancel**

TSPR No.: 21,115  
E-mail: [mvalle@gmlex.net](mailto:mvalle@gmlex.net)

**s/ Alexis G. Rivera Medina**

**Alexis G. Rivera-Medina**

TSPR No.: 18,747  
E-mail: [arivera@gmlex.net](mailto:arivera@gmlex.net)



GOVERNMENT OF PUERTO RICO  
 PUERTO RICO ELECTRIC POWER AUTHORITY  
 Governing Board | jgob@prepa.com

## RESOLUTION 5105

### Amendment for the Professional Services Contract between Puerto Rico Electric Power Authority and González & Martínez Law Office, P.S.C. (Contract 2024-P00023)

- WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by the Act 83 of May 2, 1941, as amended (Act 83). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, PREPA provides a service based on affordable, fair, reasonable and non-discriminatory cost that is consistent with environmental protection, non-profit, focused on citizen participation and its clients.
- WHEREAS: Act 83 authorizes PREPA to grant contracts and formalize all the instruments that are necessary or convenient in the exercise of any of its powers.
- WHEREAS: Section 15(1)(a) of Act 83 states that all purchases made and contracts for supplies or services, except professional services, entered into by PREPA, including its capital construction contracts, shall follow a bid process. *msy*
- WHEREAS: According to Section 15(2)(d) of Act 83, a competitive bidding process shall not be necessary, when professional or expert services or work are required and PREPA deems it in the best interest of good administration for such works or services to be contracted without such processes.
- WHEREAS: On May 24, 2023, PREPA's Governing Board, through Resolution 5044, authorized the Contract between PREPA and González & Martínez Law Office, P.S.C. (Consultant) from July 1, 2023, until June 30, 2024, by an amount of \$1,000,000.



PO Box 364267 San Juan, Puerto Rico 00936-4267

\*We are an equal opportunity employer and do not discriminate on the basis of race, color, gender, age, national or social origin, social status, political ideas or affiliation, religion; for being or perceived to be a victim of domestic violence, sexual aggression, or harassment, regardless of marital status, sexual orientation, gender identity or immigration status; for physical or mental disability, for veteran status or genetic information




WHEREAS: On July 19, 2023, the Puerto Rico Energy Bureau (PREB), by Resolution NEPR-MI-2021-0004, approved Contract 2024-P00023 nevertheless limited its amount to \$350,000.

WHEREAS: On August 22, 2023, the Financial Oversight and Management Board for Puerto Rico (FOMB) approved the Contract in accordance with the terms authorized by the PREB.

WHEREAS: On August 22, 2023, PREPA and the Consultant executed Professional Services Contract 2024-P00023 (Contract), to provide legal analysis, advice, representation, and opinions, as requested by PREPA before state, federal or administrative forums, as well as in civil actions before the Federal and State Courts classified as complex litigation, as well as, legal representation of PREPA before regulatory agencies, including negotiations of fines and modifications of agreements before federal agencies. The Consultant shall also provide the necessary legal assistance in any other matters referred by PREPA for the defense of its interests.

WHEREAS: During the month of October 2023, Díaz & Vázquez Law Firm, P.S.C. (Díaz & Vázquez) notified PREPA that they were not going to continue offering their legal professional services. Considering Díaz & Vázquez's decision, PREPA had to assign all legal matters handled by Díaz & Vázquez to the Consultant.

WHEREAS: Prior to this transition, the Consultant had a considerable amount of work assigned by PREPA. When Díaz & Vázquez resigned, PREPA had no alternative but to increase the amount of the Consultant's Contract, which was already insufficient for the case load originally assigned to them. 

WHEREAS: The Legal Affairs Directorate requests an increase in the amount authorized by PREPA's Governing Board, through Resolution 5044, which was \$1,000,000. Now, PREPA estimates that it is necessary to receive the authorization of PREPA's Governing Board to increase the Contract amount by \$2,000,000, for a total amount of \$3,000,000, until June 30, 2024.

WHEREAS: The Consultant has provided prompt and effective attention to all of PREPA's legal needs before other government agencies, the Legislative Assembly, the Executive Branch, municipalities and the


private sector. Also, the Consultant responded effectively when PREPA needed its assistance after Díaz & Vázquez announcement.

WHEREAS: PREPA needs to maintain the continuity of services, thus, the Legal Affairs Directorate requests an increase in the Contract Amount, previously authorized by Resolution 5044, until June 30, 2024.

WHEREAS: In order to maintain the continuity of services, PREPA's Legal Affairs Directorate, requests the approval of an increase in the Contract Amount, previously authorized by PREPA's Governing Board, by \$2,000,000, from \$1,000,000 to \$3,000,000 until June 30, 2024. Nevertheless, this board approves an increase of \$1,150,000 for a Contract Amount of \$1,500,000. Notwithstanding the above, if additional funds are needed to cover PREPA's legal matters handled by the Consultant, this Board may approve additional funding for said Contract in the future.

WHEREAS: Notwithstanding, any execution of an amendment of Contract 2024-P00023 shall comply with the Certification of Funds and all previous required authorizations.

WHEREAS: PREPA's Legal Affairs Director evaluated the proposed amendment from the legal standpoint and concluded that the increase in the Contract Amount is subject to the approval of PREPA's Governing Board.

THEREFORE: In accordance with Act 83, PREPA's Governing Board resolves to   
:  

1. Authorize an increase in the Contract Amount, by \$1,150,000, that is, from \$350,000 to \$1,500,000.
2. Authorize the Executive Director to execute the amendment of Contract 2024-P00023, until June 30, 2024, within the amount authorized by this Governing Board, after receiving all the required authorizations, of the Office of Management and Budget of Puerto Rico, FOMB and PREB.

Approved in San Juan, Puerto Rico, on the 15<sup>th</sup> day of November, two thousand twenty-three.

  
Maricarmen Boria-Goitia