

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

<b>NEPR</b>
<b>Received:</b>
<b>Feb 12, 2024</b>
<b>11:50 PM</b>

**IN RE:**  
IMPLEMENTATION OF THE PUERTO  
RICO ELECTRIC POWER AUTHORITY  
INTEGRATED RESOURCE PLAN AND  
MODIFIED ACTION PLAN

**CASE NO. NEPR-MI-2020-0012**

**SUBJECT: Motion To Submit Information in  
Compliance with Resolution and Order of  
February 5, 2024 and Request for Confidential  
Treatment**

**MOTION TO SUBMIT INFORMATION IN COMPLIANCE WITH RESOLUTION AND  
ORDER OF FEBRUARY 5, 2023 AND REQUEST FOR CONFIDENTIAL TREATMENT**

COME NOW LUMA Energy ServCo, LLC and LUMA Energy, LLC (collectively “LUMA”), through the undersigned legal counsel, and respectfully inform and request the following:

**I. Relevant Procedural History and Background**

1. On April 4, 2023, the Energy Bureau issued a Resolution and Order (“April 4<sup>th</sup> Order”) in which it determined that the difference between the interconnection costs used by the Tranche 1 proponents to determine the best and final offers under the Tranche 1 PPOAs (“Original Cost Estimates”) and the final interconnection costs as established by LUMA after procurement of such works (“Final Interconnection Costs”) (these discrepancies, the “Interconnection Costs Discrepancies”) would not be assumed by the Tranche 1 proponents.

2. On September 15, 2023, the Energy Bureau issued a Resolution and Order (“September 15 Order”) ordering LUMA to, within five (5) calendar days: (i) confirm that the interconnection costs for each Tranche 1 project only include the costs of the works necessary for the interconnection and reasonable oversight costs; (ii) include a detailed explanation for any Interconnection Costs Discrepancies; (iii) inform the estimated date in which LUMA would need funding for the Interconnection Costs Discrepancies to ensure the timely development and

construction of the points of interconnection and the timely availability of the funds; (iv) present a proposal to obtain the funds required to offset the Interconnection Costs Discrepancies “(e.g., include in the PPCA reconciliation factor to be recuperated during the 24 months after achieving subsequent closing date)”; and (v) modify the terms of any Tranche 1 interconnection agreements to be aligned with the April 4<sup>th</sup> Order”. *See* September 15<sup>th</sup> Resolution and Order on page 3.

3. On September 22, 2023, LUMA filed the information required in the September 15 Order<sup>1</sup>, including, among others, a proposal to obtain funds to offset the Interconnection Costs Discrepancies via the PPCA factor, information on the Original Estimated Costs, comprised of the costs for the point of interconnection works plus the cost of LUMA’s project management (referred to as the “LUMA Interconnection Works”); the Final Interconnection Costs, comprised of the lump sum of EPC RFP’s selected proponent’s proposal plus the costs of the associated LUMA Interconnection Works; and the Interconnection Costs Discrepancies (Final Interconnection Costs minus Original Estimated Costs). *See Motion to Comply with Resolution and Order of September 15, 2023, as Modified by Resolution and Order of September 20, 2023* of that date (“September 22 Motion”) and its Exhibit 1.

4. On September 26, 2023, the Energy Bureau issued a Resolution and Order determining that LUMA complied with the September 15<sup>th</sup> Order.

5. On October 25, 2023, LUMA submitted a *Memorandum of Law in Support of Confidential Treatment of Attachments to Response submitted by LUMA on October 25, 2023 to Energy Bureau’s Informal Request for Information of October 10, 2023*, in which LUMA requested confidential treatment of a Bid Evaluation and Award Approval (“BEAA”) document

---

<sup>1</sup> As modified by Resolution and Order of September 20, 2023, which extended the deadline to comply.

with the costs of the selected EPC provider for the interconnection works and a document with additional information on the Original Estimated Costs submitted to the Energy Bureau.

6. On December 6, 2023, LUMA informed the Energy Bureau that it had executed fourteen Interconnection Agreements (thirteen Tranche 1 and one non-Tranche 1) and requested approval to use the PPCA to cover the Interconnection Costs Discrepancies. LUMA submitted as Exhibit 2, under request for confidential treatment, information regarding the cost estimates of the LUMA Interconnection Works and the BEAA, for Energy Bureau approval, among others.

7. On December 7, 2023, LUMA submitted copy of the mentioned fourteen Interconnection Agreements. *See Motion to Submit Executed Interconnection Agreements and Request for Confidential Treatment* filed on that date (“December 7 Motion”).

8. On February 5, 2024, the Energy Bureau issued a Resolution and Order (“February 5<sup>th</sup> Resolution and Order”) ordering LUMA and PREPA to submit additional information relating to the Tranche 1 interconnection costs. As it pertains to LUMA, the Energy Bureau ordered LUMA to, within 5 days of the February 5<sup>th</sup> Resolution and Order:

“[C]onfirm, or otherwise explain, [...], that the "EPC Lump Sum" column in the table of Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), concerning Interconnection Cost Discrepancies, represents its current estimate of the cost of interconnection using its EPC provider”. (For purposes of this Motion, “RFI Number 1”.)

“[C]onfirm, or otherwise explain, [...], that the "P01 Class 3 Estimate" column in the table of Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), concerning Interconnection Cost Discrepancies, represents the value of interconnection cost recovery currently contained in the PREPA PPOA and ESSA contracts for Tranche 1”. (For purposes of this Motion, “RFI Number 2”.)

“[E]xplain, [...], in detail and provide a workpaper for the calculations it used to determine its estimate of a need to collect \$0.007/kWh beginning this year to cover incremental interconnection costs. In this explanation LUMA must address how the computation includes the values contained in the table of Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), concerning Interconnection Cost Discrepancies”. (For purposes of this Motion, “RFI Number 3”.)

9. The Energy Bureau also ordered LUMA to: “confirm, or explain otherwise, that the dollar amounts included in the executed interconnection agreements, submitted through the December 7 Motion, for interconnection costs to Tranche 1 providers are the same as those included in Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), and listed in the "Total" column of the "Interconnection Studies Cost Estimate" section of the table, and that they represent only a portion of the total interconnection cost estimate.” (For purposes of this Motion, “RFI Number 4”.)

10. In addition, the Energy Bureau approved the use of the PPCA to cover Interconnection Costs Discrepancies and ordered LUMA to “prepare an estimate of the portion of the expenditures, to be recovered through the PPCA, for interconnection costs for Q2 of 2024 based on existing construction schedules for the development of all Tranche 1 interconnection projects and submit its proposal in the Permanent Rate Docket #NEPR-MI-2020-0001 [(“Permanent Rate Docket”)] by February 15, 2024.” Furthermore, the Energy Bureau approved LUMA’s plan to conclude an EPC agreement on the basis of the BEAA.

## **II. Compliance with February 5<sup>th</sup> Resolution and Order**

11. In compliance with the February 5<sup>th</sup> Resolution and Order, LUMA respectfully submits the information requested in RFI Numbers 1 through 4. *See* Exhibit 1. LUMA respectfully requests this honorable Energy Bureau to receive and maintain Exhibit 1 of this motion under seal of confidentiality pursuant to the Energy Bureau’s Policy on Management of Confidential Information, CEPR-MI-2016-0009, issued on August 31, 2016, and partially amended on September 16, 2016. The memorandum of law in support of this request will be submitted within the next ten (10) days.

12. With respect to the order in the February 5<sup>th</sup> Resolution and Order to prepare and submit in the Permanent Rate Docket the estimate of the portion of expenditures to be recovered through the PPCA for Q2 of 2024, LUMA intends to make such submittal separately in such docket by the required deadline of February 15, 2024.

13. LUMA is committed to supporting the integration and adoption of clean energy and large-scale renewable projects while advancing the transformation of Puerto Rico's energy system into one that is more reliable, more resilient, cleaner, and more sustainable for everyone. As indicated in Exhibit 1, since assuming operations on June 1, 2021, LUMA has connected over 84,000 customers to rooftop solar at the fastest rate in Puerto Rico's history and now ranks fifth among all U.S. states and territories for solar adoption, per capita.

14. LUMA is also actively supporting additional utility-scale renewable energy and storage projects to help increase energy reliability across the island. To date, LUMA has not only completed multiple rounds of interconnection studies for Tranche 1 proponents but has also executed 16 interconnection agreements with Tranche 1 project developers that are prepared to move forward. The three most recently executed Interconnection Agreements will be submitted to the Energy Bureau in the coming days. LUMA is also actively facilitating progress on Tranches 2 and 3 by providing technical expertise on how to best ensure the growth of renewable energy across Puerto Rico while it continues to improve the overall reliability and resiliency of the grid.

15. LUMA's is committed to its role of facilitating the safe and reliable interconnection of large-scale renewable projects to the grid for the benefit of all its customers, while working closely with project developers who are responsible for moving forward on these critical renewable projects. By working together with developers on how to best move Puerto Rico cleaner energy

future forward, LUMA remains optimistic that it can and will continue to make real progress in building the cleaner and more reliable energy future Puerto Rico expects and deserves.

**WHEREFORE**, LUMA respectfully requests the Energy Bureau to **take notice** of the aforementioned, **accept** Exhibit 1 in compliance with RFI Numbers 1 through 4 in the February 5<sup>th</sup> Resolution and Order, and **grant** LUMA's request for confidential treatment of Exhibit 1 of this Motion taking into account that LUMA will submit a supporting Memorandum of Law within the next ten (10) days.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 12<sup>th</sup> day of February 2024.

We hereby certify that we filed this motion using the electronic filing system of this Puerto Rico Energy Bureau and that a copy of this motion was notified by email to [lionel.santa@prepa.com](mailto:lionel.santa@prepa.com), [alopez@sbgblaw.com](mailto:alopez@sbgblaw.com); [jfr@sbgblaw.com](mailto:jfr@sbgblaw.com); [jlago@sbgblaw.com](mailto:jlago@sbgblaw.com).



**DLA Piper (Puerto Rico) LLC**  
500 Calle de la Tanca, Suite 401  
San Juan, PR 00901-1969  
Tel. 787-945-9107  
Fax 939-697-6147

/s/Laura T. Rozas  
Laura T. Rozas  
RUA Núm. 10,398  
[Laura.rozas@us.dlapiper.com](mailto:Laura.rozas@us.dlapiper.com)

**Exhibit 1**

[Submitted under seal of confidentiality]