

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

NEPR
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IN RE:

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY PERMANENT RATE

CASE NO. NEPR-MI-2020-0001

**SUBJECT: Urgent Request for Extension of Time to
Submit Quarterly Reconciliations and FCA, PPCA, and
FOS Calculated Factors**

**URGENT REQUEST FOR EXTENSION OF TIME TO SUBMIT QUARTERLY
RECONCILIATIONS ON FUEL AND PURCHASED POWER COSTS FOR THE
MONTHS OF DECEMBER 2023 THROUGH FEBRUARY 2024 AND CALCULATED
FACTORS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES now LUMA Energy ServCo, LLC (“ServCo”), (“LUMA”), and respectfully states and requests the following:

1. LUMA’s duties over system regulatory matters pursuant to Section 5.6 of the Puerto Rico Transmission and Distribution Operation and Maintenance Agreement (“T&D OMA”) as supplemented by the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement, include preparation of the required reconciliations of the Fuel Charge Adjustment (“FCA”), Purchased Power Charge Adjustment (“PPCA”), and Fuel Oil Subsidy (“FOS”) riders.
2. Pursuant to a Resolution and Order dated January 17, 2020, issued by this Honorable Puerto Rico Energy Bureau (“Energy Bureau”), in this proceeding, reconciliations of fuel and purchased power costs and calculated FCA, PPCA, and FOS factors are filed quarterly.

See also Final Rate Order issued on January 10, 2017, Case CEPR-AP-2015-0001, as amended (“Final Rate Order”).

3. On December 21, 2023, this Energy Bureau set the FCA, PPCA, and FOS factors to be applied from January 1, 2024, until March 31, 2024 (“December 21st Order”). Furthermore, in the December 21st Order, the Energy Bureau directed that on or before March 15, 2024, at noon, LUMA shall file the FCA, PPCA, and FOS reconciliations for December 2023 through February 2024, as well as the factors to be applied for the quarter beginning on April 1, 2024.

4. On January 16, 2024, LUMA filed an *Informative Motion on FCA and PPCA Costs for December 2023, and Request for Confidential Treatment*, whereby LUMA informed this Energy Bureau that the reconciliation for December 2023 yielded excess revenues of more than \$20 million (the “January 16th Motion”).¹ LUMA requested the Energy Bureau to consider the reconciliation issue during the next quarter due to the uncertainty of international fuel prices.

5. On January 24, 2024, this Energy Bureau issued a Resolution and Order whereby it took notice of LUMA’s January 16th Motion and ruled that it had nothing to provide at the time.²

6. Meanwhile, on January 14, 2024, the Puerto Rico Electric Power Authority (“PREPA”) filed a document titled *Urgent Motion Submitting for Review and Approval of the Scope of Work for the Transfer/Ownership to PREPA of the Temporary Generation Unit* (“January 14th PREPA Motion”) before this Energy Bureau in Case No. NEPR-MI-2021-0002. Through the January 14th PREPA Motion, PREPA informed that on January 5, 2024, the Federal Emergency Management Agency (“FEMA”) sent a letter to the Puerto Rico Central Office for Recovery,

¹ LUMA also requested confidential treatment for certain spreadsheets submitted in Excel format and with formulae as part of a Confidential file included with the Motion.

² The Energy Bureau also granted LUMA’s request for confidential treatment of the Excel spreadsheets included with its January 16th Motion. It noted that LUMA presented a public version of those files that contained all the information and data included in the confidential version of the documents, excluding formulae and references.

Reconstruction, and Resiliency (“COR3”) approving negotiations for the acquisition of the temporary generation units installed in the Palo Seco Steam Plant and the San Juan Plant (hereby, “Temporary Units”). PREPA also indicated that FEMA would provide funding to acquire the Temporary Units. In the January 14th PREPA Motion, PREPA requested the Energy Bureau’s approval of the Initial Scope of Work for the acquisition and ownership by PREPA of the Temporary Units.

7. On February 21, 2024, this Honorable Energy Bureau entered a Resolution and Order in Case No. NEPR-MI-2022-0003, whereby, among others, it took notice of the forthcoming acquisition by PREPA of the Temporary Units. The Energy Bureau determined that the Temporary Units shall be used through December 31, 2025, and approved the initial scope of work for acquiring the Temporary Units. *See* February 21st Order, pp. 4 and 5.

8. On March 13, 2024, PREPA filed an *Urgent Informative Motion* in Case No. NEPR-MI-2022-0003. Therein, PREPA informed the Energy Bureau that New Fortress Energy has confirmed to the COR3 that they do not possess three (3) of the seven (7) Gen 8 Model generators at the Palo Seco temporary generation site and that their current owner is unwilling to sell these three units. Since FEMA only authorized the fourteen (14) onsite units, it is anticipated that changes to the Project Worksheet and the draft Asset Purchase Agreement will take place.

9. The aforementioned filings before this Energy Bureau show that PREPA and government entities are engaged in negotiations to determine which emergency generators will be acquired by PREPA and remain online. LUMA is not privy to those negotiations and does not have information on the costs associated with these new generators, including fuel costs. It is expected that negotiations could continue for the next few days.

10. In light of the above, LUMA does not currently have the information necessary to finalize projections on fuel costs for April through June 2024. Thus, LUMA cannot complete requisite analyses on fuel costs to present reliable projections to this Energy Bureau by March 15, 2024.

11. Given the aforementioned circumstances beyond LUMA's control and lacking data needed to estimate fuel costs for April through June, 2024, LUMA requires additional time to file the quarterly reconciliation and proposed FCA, PPCA, and FOS calculated factors to be in effect from April 1, 2024, through June 30, 2024. Given the information available today on the status of the negotiations for the acquisition of the temporary generators, LUMA understands that it will need until March 22, 2024, at noon, to file the quarterly reconciliation and proposed FCA, PPCA, and FOS calculated factors.

12. This request for an extension of time is filed in good faith and with the only purpose of putting LUMA in a position to prepare the calculated factors with accurate information on projected fuel costs. This brief extension should not unduly delay the Energy Bureau's processes related to quarterly reconciliations and calculated factors.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **grant** LUMA until Friday, March 22, 2024, at noon, to inform this Energy Bureau of the quarterly reconciliations and proposed FCA, PPCA, and FOS calculated factors.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of March 2024.

I hereby certify that I filed this Motion using the electronic filing system of this Energy Bureau. I will send an electronic copy of this Motion to counsel for PREPA Alexis Rivera,

arivera@gmlex.net, counsels for Genera, alopez@sbgblaw.com, and jfr@sbgblaw.com, and the Independent Consumer Protection Office through Director Hannia Rivera, hrivera@jrsp.pr.gov.



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/ Margarita Mercado Echegaray
Margarita Mercado Echegaray
RUA NÚM. 16,266
margarita.mercado@us.dlapiper.com