

**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

**SUBJECT:** Urgent Request Regarding  
LUMA's Vegetation Management Reporting.

**RESOLUTION AND ORDER**

**I. Background**

On June 25, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 25 Resolution"), through which, the Energy Bureau stressed the importance of Vegetation Management and ordered LUMA<sup>1</sup> to report monthly, comprehensive information regarding its Vegetation Management program using the Vegetation Management Reporting Template included as Attachment H and directing LUMA to comment on the template.

On July 26, 2023, LUMA filed a document titled, *Motion Submitting Comments to Attachment H of Resolution and Order Dated June 25, 2023 in Docket No. NEPR-MI-2019-0005*,<sup>2</sup> through which, LUMA provided a revised Vegetation Management Reporting Template, and requested that the Energy Bureau approve quarterly reporting and to clarify certain terms.

On July 26, 2023, LUMA filed a document titled, *Motion to Inform Compliance with Item 6 of Attachment A of the Resolution and Order of June 25, 2023* ("July 26 Informative Motion"), through which LUMA informed the Energy Bureau that it filed its comments regarding Attachment H in Case No. NEPR-MI-2019-0005 and requested that the Energy Bureau deem LUMA in compliance with Item 6 of Attachment A of the June 25 Resolution.

On June 26, 2024, the Energy Bureau issued a Resolution and Order ("June 26 Resolution"), through which the Energy Bureau stressed the importance of Vegetation Management and ordered LUMA to report monthly, comprehensive information regarding its Vegetation Management program using the template included as Attachment G.

On July 16, 2024, LUMA filed a document titled, *Motion for Partial Reconsideration of Resolution and order of June 26, 2024 on Fiscal Year 2025 System Budgets* ("July 16 Motion"),<sup>3</sup> through which, LUMA reiterated its request for approval of quarterly rather than monthly Vegetation Management reporting, references its prior comments on the Vegetation Management reporting, and stated it was awaiting response from the Energy Bureau.

On August 1, 2024, LUMA filed a document titled, *Urgent Request Regarding Time to File Vegetation Management Progress Report, Renewed Request to File Vegetation Management Progress Report Quarterly, and Request for Extension of Time to File First Vegetation Management Progress Report* ("August 1 Motion"), through which, LUMA requested that the Energy Bureau grant an extension of time for filing the August 1 progress report on Vegetation Management activities as ordered in the June 26 Resolution, that the Energy Bureau accept LUMA's comments on the Vegetation Management Reporting Template, that the Energy Bureau adopt a quarterly reporting cadence for the Vegetation Management

<sup>1</sup> LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred as, "LUMA").

<sup>2</sup> See, In re: Review of the Puerto Rico Electric Power Authority's Comprehensive Vegetation Management Plan, Case No. NEPR-MI-2019-005, *Motion Submitting Comments to Attachment H of Resolution and order Dated June 25, 2023* filed by LUMA on July 26, 2023 ("July 26 Motion").

<sup>3</sup> See, *Motion for Partial Reconsideration of Resolution and Order of June 26, 2024 on Fiscal Year 2025 System Budgets*, July 16, 2024 ("July 16 Motion").



Reports,<sup>4</sup> and that the Energy Bureau clarify reporting requirements regarding the reporting template.

LUMA requests that the time for filing the progress report on Vegetation Management that the Energy Bureau required of LUMA in the June 26 Resolution be extended from the currently required filing date of August 1, 2024 to August 14, 2014. In support of its request, LUMA states that the Vegetation Management Report required in the June 26 Resolution using the template designated Attachment G, is nearly identical to the report required in the June 25 Resolution using the template designated as Attachment H. LUMA relates that in its comments on the template, it requested that it be permitted to file the Vegetation Management Report quarterly, within 45 days after the end of the quarter, in alignment with the reports on financial activities it currently files quarterly in the instant proceeding and the Vegetation Management report it files quarterly in Case No. NEPR-MI-2019-0005. LUMA states that the Energy Bureau did not clarify or notify LUMA of the results of its reconsideration of the templates nor the timing of their filing after receiving LUMA's comments. Alternatively, LUMA requests an extension of the deadline to file its Vegetation Management Report until August 14, 2024 rather than August 1, 2024.<sup>5</sup>

LUMA states that it is not possible to gather all of the invoicing information from each of its contractors to be able to consistently comply with a monthly reporting schedule. LUMA also contends that it would require additional or reassigned resources to comply with this requirement, which would engender additional costs or delays in LUMA's operations. LUMA projects that it would require an additional Full time Equivalent employee (FTE) for monthly reporting as compared with a 0.5 FTE that required for quarterly reporting.<sup>6</sup>

LUMA relates that in its comments on Attachment H, it identified reporting requirements that it deemed not to be relevant to the vegetation management work being done and proposed alternative reporting provisions. LUMA also notes that some of the reporting requirements relate to information that is not tracked by LUMA and would, therefore, require additional resources and funding not included in the T&D budget. LUMA states that the comments it provided in the July 26 Motion submitting comments on Attachment H to the June 25 Resolution capture its position on Attachment G to the June 26 Resolution because the attachments are nearly identical.<sup>7</sup>

LUMA states that allowing quarterly rather than requiring monthly reporting on Vegetation Management would ensure that LUMA can maintain accuracy and consistency in its reporting, therefore, facilitating a more efficient and effective reporting process, and showing cumulative progress for a longer period.<sup>8</sup> LUMA proposes to file the Vegetation Management progress report on August 14, 2023 in Case No. NEPR-MI-2019-0005, utilizing the revised template it submitted to the Energy Bureau with the July 26 Motion submitting comments on Attachment H.<sup>9</sup>

## II. Discussion and Analysis

The Energy Bureau stresses the importance of effective Vegetation Management as one of the most significant and impactful activities for achieving safe and reliable electric service in the near term. Significant funding is being allocated to Vegetation Management, consisting of Federal and Non-Federal funds and it is essential that the funds be utilized prudently and

<sup>4</sup> August 1 Motion, p. 6.

<sup>5</sup> August 1 Motion, p. 2.

<sup>6</sup> August 1 Motion, pp. 4 – 5.

<sup>7</sup> August 1 Motion, p. 5.

<sup>8</sup> *Id.*

<sup>9</sup> August 1 Motion, p. 6.





expeditiously. It is, therefore, important for LUMA to timely and comprehensively report to the Energy Bureau on its Vegetation Management activities.

The Energy Bureau established the necessary and comprehensive reporting requirements in prior resolutions and provided LUMA the opportunity to comment on the template to be utilized.<sup>10</sup> LUMA commented on Attachment H, which was issued in the June 25 Resolution, the Energy Bureau considered those comments, and subsequently issued Attachment G in the June 26 Resolution. Accordingly, Attachment G is currently the applicable template for LUMA to utilize for its Vegetation Management reporting.

The detailed information required in Attachment G addresses areas of importance for monitoring and assessing the progress of LUMA's Vegetation Management efforts and securing and expending funds more comprehensively than requirements contained in other required reporting. As such, other reporting cannot be substituted for that contained in Attachment G, as LUMA represents.

A quarterly cadence of required detailed reporting is crucial at this juncture in which LUMA represents that it is ramping up vegetation management activities. This level of additional oversight is warranted noting that the Energy Bureau is concerned that programs associated with how vegetation growth is handled are not progressing as expected. A quarterly cadence is adequate for the level of oversight that LUMA's Vegetation Management program necessitates, in terms of LUMA's Vegetation Management progress and in securing and expending funds. To further streamline vegetation management reporting the Energy Bureau will no longer require the current quarterly reporting format, *Vegetation Clearing Report*, in NEPR-MI-2019-0005.

Whereas additional needs or deficiencies in other areas of electric service operations may be addressed on a less time sensitive basis, the impact of Vegetation Management is experienced immediately, both positively through improved system reliability, and negatively through chronic or sudden vegetation related system failures, and the increased expenditures and allocation of resources that such failures may necessitate.

LUMA's contention that monthly reporting will require additional personnel and that such resources and funding were not contemplated in the T&D budget is unavailing. LUMA's prior filings reveal a large number of employees in its Support Services – Regulatory, Legal and Compliance divisions.<sup>11</sup> The Energy Bureau questions LUMA's asserted need for additional resources for Vegetation Management reporting. A request to reconsider or modify the order of a regulatory commission does not stay the application of that order while the request is pending. Accordingly, the Energy Bureau expected LUMA to prioritize its Regulatory and Compliance operating budgets to develop this critical reporting.

### III. Conclusion

For the reasons stated above, the Energy Bureau **ORDERS** LUMA to utilize the template contained in **Attachment A** included in this Resolution and Order for the quarterly Vegetation Management reporting. Reports are to be filed **within 45 days after the end of each quarter, beginning with Q4 of FY2024**<sup>12</sup>. Reporting shall continue until further notice. The reports are to be filed in Case No. NEPR-MI-2019-0005. The Energy Bureau **RELIEVES** LUMA of its current format requirement to file quarterly, the *Vegetation Clearing Report*, in NEPR-MI-2019-0005.

The Energy Bureau **WARNS** LUMA that, in accordance with Act 57-2014<sup>13</sup>, as amended:

<sup>10</sup> See, June 25 Resolution and June 26 Resolution.

<sup>11</sup> See, *In re: Review of LUMA's Initial Budgets*, Case No.: NEPR-MI-2021-0004, *Request for Approval of T&D Budgets and Submission of GENCO Budgets for FY2025 and Budget Allocations for the Electric Power System*, filed by LUMA on May 25, 2024, Tab 3.2.1 Support Services in 20240525 MI20210004 Confidential FY25 Budget Operating Expenditures.xlsx.

<sup>12</sup> Q4 of FY2024 = April, May and June 2024. Due August 15, 2024.

<sup>13</sup> Known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-20 14").



- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

Be it notified and published.



Edison Avilés Deliz  
Chairman



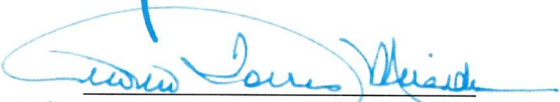
Lillian Mateo Santos  
Associate Commissioner



Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner



Antonio Torres Miranda  
Associate Commissioner

**CERTIFICATION**

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on August 7, 2024. Also certify that on August 8, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to pre@promesa.gov; margarita.mercado@us.dlapiper.com; jan.albinolopez@us.dlapiper.com; julian.angladapagan@us.dlapiper.com; mvalle@gmlex.net; arivera@gmlex.net; legal@genera-pr.com; regulatory@genera-pr.com; jfr@sbgblaw.com; alopez@sbgblaw.com.

I sign in San Juan, Puerto Rico, today, August 8, 2024.



Sonia Seda Gaztambide  
Clerk



Attachment A  
LUMA Quarterly Reporting Requirements – Vegetation Management



[illegible]

<sup>2</sup> TYPE OF RESPONSE - REACTIVE, CORRECTIVE, PREVENTIVE

<sup>3</sup> TYPE OF VM IMPLEMENTED - BIOLOGICAL, PHYSICAL OR CH

\* TYPE OF VM DISPOSAL CLASIFICATION - CHIP &amp; HAUL, CHIP &amp; BLOW, PILE / W/

<sup>5</sup> RECOMMENDATIONS FOR FUTURE VM - Describe recommended species, cadence of any herbicide application



[illegible]

<sup>2</sup> TYPE OF RESPONSE - REACTIVE, CORRECTIVE, PREVENTIVE

- TYPE OF VM IMPLEMENTED - BIOLOGICAL, PHYSICAL OR C

<sup>5</sup> <http://www.mn.gov/divisions/dnr/water/programs/landfill/landfill.htm>





## VEGETATION MANAGEMENT QUARTERLY REPORTING SUBSTATIONS

[illegible]

<sup>1</sup> TYPE OF RESPONSE - REACTIVE, CORRECTIVE, PREVENTIVE

<sup>2</sup> TYPE OF VM IMPLEMENTED - BIOLOGICAL, PHYSICAL OR CHEMICAL CONTROL

<sup>3</sup> TYPE OF VM DISPOSAL CLASIFICATION - CHIP & HAUL, CHIP & BLOW, PILE / WINDROW, LOP & SCATTER, MULCHIN

<sup>4</sup> RECOMMENDATIONS FOR FUTURE VM - Describe recommended species, cadence of any herbicide application





[illegible]

<sup>2</sup> TYPE OF RESPONSE - REACTIVE, CORRECTIVE, PREVENTIVE

3 TYPE OF VM IMPLEMENTED - BIOLOGICAL, PHYSICAL OR CHEMICAL CONTROL

TYPE OF VM DISPOSAL CLASIFICATION - CHIP &amp; HAUL, CHIP &amp; BLOW, PILE / W

RECOMMENDATIONS FOR FUTURE VM - Describe recommended species, cadence of any herbicide application

