

**GOBIERNO DE PUERTO RICO
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
PUERTO RICO ENERGY BUREAU**

IN RE: PRIORITY PLAN FOR THE
STABILIZATION OF THE ELECTRIC GRID

CASE NÚM.: NEPR-MI-2024-0005

SUBJECT: Resolution and Order imposing
administrative fine for noncompliance of
June 13 Resolution and July 5 Order.

RESOLUTION AND ORDER

I. Introduction and Factual Background

On June 13, 2024, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 13 Resolution"), through which, the Energy Bureau ordered the Puerto Rico Electric Power Authority ("PREPA")¹, Genera PR, LLC ("Genera") and LUMA² to each develop **within twenty (20) days** an "aggressive preliminary plan of improvements to the electric system" ("Preliminary Plan") within a maximum implementation period of two (2) years.³ All the parties requested extension to the twenty (20) days deadline.

On July 5, 2024, the Energy Bureau issued a Resolution and Order ("July 5 Order"), through which, the Energy Bureau stated that the recent constant registered outages have caused significant suffering to the people of Puerto Rico, affecting quality of life, and economic losses to customers, including commercial and industrial companies. The July 5 Order states **urgency** required to identify, and mitigate the outages to assure a safe, reliable and efficient electric system.⁴ The Energy Bureau ordered LUMA, Genera and PREPA **to show cause**, on or before July 10, 2024, for which the Energy Bureau does not impose an administrative fine up to \$25,000.00 for each day of delay in the presentation of their respective Plan.

On July 8, 2024, Genera filed a document titled *Moción en Cumplimiento de Orden y Sometiendo Plan Preliminar de Estabilización del Sistema Eléctrico* ("July 8 Motion"), in which Genera filed its Preliminary Plan ("Genera's Preliminary Plan").

On July 10, 2024, LUMA filed a document titled *Motion in Compliance with Order to Show Cause of July 4, 2024 and Submitting Preliminary Plan Draft Required by the Resolution and Order of June 13, 2024* ("July 10 Motion"), in which LUMA filed its Preliminary Plan ("LUMA's Preliminary Plan").

On July 19, 2024, PREPA filed a document titled *Moción en Cumplimiento* ("June 19 Motion"), in which PREPA filed its Preliminary Plan ("PREPA's Preliminary Plan").

On July 19, 2024, LUMA filed a document titled *Motion Submitting Updated Preliminary Plan* ("LUMA's Updated Preliminary Plan"), in which LUMA revised information from the LUMA Preliminary Plan, such as, included information regarding the metering infrastructure,

¹ Puerto Rico Electric Power Authority ("PREPA")

² LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as, "LUMA").

³ June 13 Resolution, p. 2.

⁴ July 5 Order, p. 1.



system improvements benefits and a map with planned substation and transmission projects.⁵

On August 9, 2024, the Energy Bureau issued a Resolution and Order (“August 9 Order”), establishing the following Procedural Schedule:⁶

| Date | Time | Event |
|--------------------|------------|---|
| September 9, 2024 | 2:00 p.m. | Filing of LUMA’s, Genera’s and PREPA’s presentations for the Virtual Technical Workshop |
| September 11, 2024 | 10:00 a.m. | Virtual Technical Workshop with LUMA, Genera, PREPA and stakeholders. |
| September 25, 2024 | 2:00 p.m. | Filing of any Revised and/or additional information required by the Energy Bureau |
| October 2, 2024 | 10:00 a.m. | Virtual Public Hearing |
| October 8, 2024 | 2:00 p.m. | Filing of comments by the General Public. |

On August 13, 2024, Genera filed a document titled *Motion Requesting Partial Modification of Scheduling Order* (“August 13 Motion”), in which it states that through an email dated July 30, 20[2]4, Genera’s Chief Regulatory Officer will be outside of the jurisdiction during September 9-17, 2024, even if conducted by remote means.⁷ Genera request that the Virtual Technical Workshop be rescheduled for dates after September 17, 2024, such suggested dates as September 18, 23, 24 or 25, 2024. Genera requests, as an alternative, that a separate Virtual Technical Workshop be scheduled to solely discuss Genera’s Preliminary Plan on one of the suggested dates if the original date for the Virtual Technical Workshop is not modified.⁸

On August 23, 2024, the Energy Bureau issued a Resolution and Order DENYING Genera’s August 13 Motion request. The Energy Bureau maintained unaltered the Procedural Calendar established in the August 9 Order.

II. Analysis

Through the July 5 Order, the Energy Bureau emphasized that LUMA, Genera and PREPA utilize their expertise and organize their resource in and efficient and effective manner to address the urgency required to benefit the consumers.

III. Conclusion

Under the powers granted by Act 57-2014, the Energy Bureau **IMPOSES** an administrative fine of \$500.00 for each day in which LUMA, Genera and PREPA delayed the presentation of their respective Preliminary Plans, as stated in the June 13 Resolution and July 5 Order. The imposed fines for noncompliance are as follow:

| Company | Due Date | Date submitted | Late days | Administrative Fine (\$)⁹ |
|---------|--------------|----------------|-----------|---------------------------|
| LUMA | July 3, 2024 | July 10, 2024 | 7 | \$3,500.00 |
| Genera | July 3, 2024 | July 8, 2024 | 5 | \$2,500.00 |

⁵ LUMA’s Updated Preliminary Plan, p. 4, ¶ 11.

⁶ August 9 Order, p.2.

⁷ August 13 Motion, p. 1, ¶ 2.

⁸ August 13 Motion, p. 2

⁹ Regulation 8543, Section 12; Act 57-2014, Sec. 6.36(a) (22 L.P.R.A. § 1054jj)



| Company | Due Date | Date submitted | Late days | Administrative Fine (\$)⁹ |
|---------|--------------|----------------|-----------|---------------------------|
| PREPA | July 3, 2024 | July 19, 2024 | 16 | \$8,000.00 |

The Energy Bureau **ORDERS** LUMA, Genera, and PREPA to pay the aforementioned administrative fine within twenty (20) days of the notification of this Resolution and Order. The Genera and LUMA payment are to be issued from their Fixed Fee as described in Section 7.1(b) of their respective O&M Agreements.¹⁰

The Energy Bureau **WARNS** LUMA, Genera, and PREPA that:

- (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 Sogaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

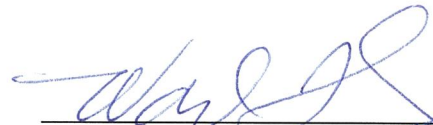


¹⁰ Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement, between PREPA, Genera, and the Puerto Rico Public-Private Partnership Authority (“P3 Authority”), January 24, 2023, and Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, between PREPA, LUMA, and the P3 Authority, June 22, 2020.

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on August 23, 2024. Also certify that on August 23, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to arivera@gmlex.net; mvalle@gmlex.net; lrn@roman-negron.com; legal@genera-pr.com; regulatory@genera-pr.com; laura.rozas@us.dlapiper.com; valeria.belvis@us.dlapiper.com

I sign this in San Juan, Puerto Rico, today August 23, 2024.


Wanda I. Cordero Morales
Interim Clerk

