

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

IN RE: REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S SYSTEM
REMEDATION PLAN

CASE NO.: NEPR-MI-2020-0019

SUBJECT: Request for Information.

RESOLUTION AND ORDER

Pursuant to Act 57-2014,¹ the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") has jurisdiction over the Puerto Rico Electric Power Authority ("PREPA") and all other electric service companies. Act 57-2014, states it is public policy that all consumers have the right to a reliable and stable electric service.² Act 17-2019³ broadened the Energy Bureau's authority and reinforced the foregoing public policy by declaring that "(t)he electric power system should be reliable and accessible, promote industrial, commercial, and community development, improve the quality of life at just and reasonable cost, and promote the economic development of the Island."⁴

On June 22, 2020, PREPA, the Puerto Rico Public-Private Partnerships Authority, LUMA ENERGY, LLC as ManagementCo, and LUMA ENERGY SERVCO, LLC as ServCo (collectively, "LUMA")⁵ entered into an Operation and Maintenance Agreement ("OMA") under which LUMA will manage PREPA's transmission and distribution system ("T&D System"). Further to the OMA, LUMA filed a System Remediation Plan ("Plan") before the Energy Bureau.

As part of its monitoring of the system remediation process, the Energy Bureau **ORDERS** LUMA to, **within thirty (30) days of the notification of this Resolution and Order**, file its response to the Requests of Information in **Attachment A** of this Resolution and Order.

The Energy Bureau **WARNS** LUMA 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.

¹ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended.

² *Id.*, Article 1.2(l).

³ Known as the *Puerto Rico Energy Public Policy Act*.

⁴ *Id.*, Statement of Motives, p.2.

⁵ See In re: Request for Certification LUMA ENERGY SERVCO, LLC, Case No. NEPR-CT-2020-0007 and In re: Request for Certification LUMA ENERGY, LLC, Case No. NEPR-CT-2020-0008.

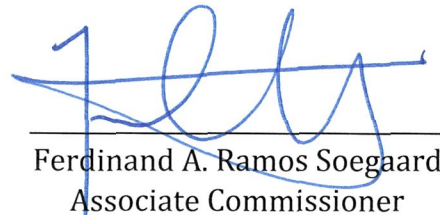




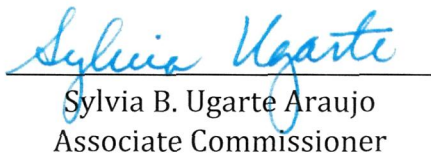
Edison Avilés Deliz
Chairman



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 October 29, 2024. Also certify that on October 29, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to mvalle@gmlex.net; arivera@gmlex.net; margarita.mercado@us.dlapiper.com; jan.albinolopez@us.dlapiper.com; jfr@sbgblaw.com; alopez@sbgblaw.com; regulatory@genera-pr.com; legal@genera-pr.com.

I sign this in San Juan, Puerto Rico, today, October 29, 2024.



Sonia Seda Gaztambide
Clerk



ATTACHMENT A

Provide responses and include supporting documentation as needed:

1. Submit a revised SRP implementation timeline reflecting current realities and challenges.
2. Detailed Breakdown of Delays:
 - a. A comprehensive analysis of the factors contributing to timeline extensions for each affected program
 - b. Specific mitigation strategies implemented or planned to address these delays
 - c. Updated project schedules reflecting revised milestones and completion dates
3. Impact of Budget Constraints:
 - a. Itemized breakdown of how the "insufficiencies of the 2017 Base Rate" affect each program
 - b. Quantitative analysis of the funding gap between current allocations and required investments
 - c. Proposed solutions or alternate funding mechanisms to address budget shortfalls
4. Root Cause Analysis of System Interruptions – SRP Impact:
 - a. Analysis of the effectiveness of completed infrastructure improvements in reducing outages
 - b. Identification of persistent issues contributing to system unreliability
5. Federal Funding Utilization:
 - a. Explanation for the underspending of federally funded capital expenditures
 - b. Breakdown of delays in federal funding approvals and their impact on project timelines
 - c. Strategies to improve the use of federal funds
6. Procurement Process Improvements:
 - a. Detailed account of procurement challenges faced in FY2024
 - b. Specific measures implemented to streamline procurement processes
 - c. Projected timeline for resolving ongoing procurement issues
7. Resource Allocation and Workforce Development:
 - a. Analysis of current workforce capacity versus required capacity for SRP implementation
 - b. Details on training programs and recruitment efforts to address skill gaps
 - c. Projected timeline for achieving ideal workforce capacity
8. Environmental and Regulatory Compliance:
 - a. Comprehensive list of pending environmental assessments and regulatory approvals
 - b. Strategies to expedite compliance processes without compromising standards
 - c. Impact of compliance requirements on overall SRP timeline

