

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

IN RE: LUMA RESOURCE ADEQUACY
STUDY

CASE NO.: NEPR-MI-2022-0002

SUBJECT: Motion to Submit LUMA’s Fiscal
Year 2025 Resource Adequacy Study

**MOTION TO SUBMIT LUMA’S FISCAL YEAR 2025 RESOURCE ADEQUACY
STUDY**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as “LUMA”), and, through the undersigned legal counsel, respectfully state and request the following:

1. In attention to Section 5.13(d) of the Puerto Rico Transmission and Distribution System (“T&D System”) Operation and Maintenance Agreement by and among LUMA, the Puerto Rico Electric Power Authority (“PREPA”) and the Puerto Rico Public-Private Partnerships Authority dated as of June 22, 2020 (the “T&D OMA”)¹, LUMA submits herein a report

¹ Under Section 5.13(d) of the T&D OMA, LUMA is required to:

- (i) prepare risk assessments and analyses in support of Resource Adequacy and Generation Project or Generation Supply Contract procurement prioritization and planning, which shall take into account the Integrated Resource Plan and [applicable laws] (and which assessments and analyses PREB may request from time to time);
 - (ii) [...];
 - (iii) meet with PREB on an annual basis to review and assess the prepared analyses, demand projections (prepared in accordance with the Integrated Resource Plan), existing System Power Supply, Legacy Generation Assets and generation assets owned by [independent power producers] related to the supply of Power and Electricity, and determine whether additional power supply sources are needed; [...]
- [...]

“Generation Projects” are projects or transactions with respect to “any function, service or facility of [PREPA] related to the generation of Power and Electricity [...] and in respect of which [PREPA] or the Government of Puerto Rico

containing an updated set of analyses conducted by LUMA to evaluate electricity resource adequacy in Puerto Rico for Fiscal Year 2025, spanning from July 1, 2024 to June 30, 2025, titled “Puerto Rico Electrical System Resource Adequacy Analysis Report” and dated October 31, 2024 (“2025 Resource Adequacy Study”). *See Exhibit 1.*

2. The 2025 Resource Adequacy Study was developed to inform strategic resource planning decisions for the Puerto Rico electric system and includes an assessment on electricity generation sufficiency needs by evaluating the probabilistic risk of insufficient electric supply to meet the demand of Puerto Rico’s electricity consumers. *See Exhibit 1* on pages 11, 16, 18 and 45.² This study is an important tool to help make decisions regarding generation retirements, additions, modifications, maintenance schedules, and other items to reduce the risk of insufficient electric supply; however, it is not intended to provide specific recommendations on generation capacity additions or determine which technologies are best suited to meet system needs, which are both the subject of the Integrated Resource Plan that is currently being prepared by LUMA in Case No. NEPR-AP-2024-0004, *In Re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*. *See id.* at pages 16, 19 and 31. This study is intended to provide important inputs into that IRP, as well as support other proceedings and discussions overseen by

may enter into a Partnership Contract (as defined in Act 29-2009[, as amended]).” *See id.* at Section 1.1, page 17. “Generation Supply Contracts” are contracts between PREPA and an independent power producer “relating to the sale and purchase of Power and Electricity including power purchase agreements”. *See id.* “System Power Supply” refers to “electric capacity, energy and ancillary services from any power supply sources authorized under Applicable Law to operate in the Commonwealth”. *See id.* at page 30. “Legacy Generation Assets” are “any power plants and any facilities, equipment and other assets related to the generation of Power and Electricity existing as of the date [of the T&D OMA] and in which [PREPA] or GenCo has an ownership or leasehold interest”. *See id.* at page 19. “GenCo” means “the entity, which may be directly or indirectly owned by [PREPA or an affiliate of PREPA], that acquires or obtains ownership of the Legacy Generation Assets after the reorganization of PREPA”. *Id.* at page 16. “Power and Electricity” means “the electrical energy, capacity and ancillary services available from the System Power Supply.” *Id.* at page 25.

² Generation resource adequacy analysis is focused specifically on determining the degree of generation deficiency across a regional electricity system, not on any intra-regional constraints associated with transmission and distribution systems. *Id.* at page 18. Consequently, the 2025 Resource Adequacy Study will not discuss the implications on electricity reliability in Puerto Rico due to the state of its transmission and distribution network. *Id.*

the Energy Bureau intended to help reduce the risk of insufficient supply to meet energy demand in Puerto Rico. *See id.* at page 30. The study identifies systemic generation insufficiency issues and the need to achieve adequate generation supply to deliver reasonable system stability and reliability. *See id.* at pages 9, 10, 11, 19, 20 and 46. The study also provides perspective on potential changes to the Puerto Rico electric system to achieve resource adequacy at U.S. electric utility industry standards. *See id.* at page 68.

3. LUMA would like the opportunity to discuss the 2025 Resource Adequacy Study with this Energy Bureau and answer any questions it may have about this study, to further the understanding of this honorable Energy Bureau on the electric generation sufficiency needs of the Puerto Rico electric power system. LUMA respectfully requests this honorable Energy Bureau to schedule a technical conference for such purposes or take such other action it deems appropriate to proceed with this interactive discussion.

4. LUMA remains committed to working with the Energy Bureau, generators, and other stakeholders to address the systemic generation issues identified in the 2025 Resource Adequacy Study to provide the people of Puerto Rico with safe, reliable, and clean energy.

WHEREFORE, LUMA respectfully requests that the Energy Bureau to take notice of the foregoing, accept the 2025 Resource Adequacy Study included as *Exhibit 1*, and schedule a technical conference to discuss with, and answer questions from, the Energy Bureau or take such other action it deems appropriate to proceed with an interactive discussion of this study.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 31st day of October 2024.

I hereby certify that I filed this Motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to lionel.santa@prepa.pr.gov.



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Exhibit 1

2025 Resource Adequacy Study