

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

IN RE: PUERTO RICO'S ELECTRIC SYSTEM
LIQUIDITY CONCERNS

CASE NO.: NEPR-IN-2024-0004

SUBJECT: Initiation of Investigation.

RESOLUTION AND ORDER

On October 30 2024, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("October 30 Resolution") through which it initiated an inquiry into allegations concerning critical liquidity issues impacting LUMA¹ within the framework of its existing docket, Case No.: NEPR-MI-2020-0001, *In Re: Puerto Rico Electric Power Authority's Permanent Rate* ("Approved Rate Docket"). Further, through the October 30 Resolution, the Energy Bureau designated Scott Hempling to serve as a Hearing Examiner to investigate and address these allegations.

On November 8, 2024, the Hearing Examiner filed a document before the Energy Bureau, recommending that the examination of the liquidity issues be addressed under a separate and distinct investigation docket. The Hearing Examiner also requested the Energy Bureau's confirmation of his intent to invite broad participation in this investigation.

Upon careful review of the Hearing Examiner's request, the Energy Bureau agrees that there is a need for a focused investigative process to address the referenced allegations and to better isolate these issues from the ongoing proceeding in the Approved Rate Docket. As such, the Energy Bureau **DETERMINES** that the complexity and critical nature of the liquidity issues warrant an independent and dedicated review. Establishing a separate investigation docket will enhance procedural clarity and allow for a thorough and specialized analysis of these financial matters without detracting from the primary objectives of the Approved Rate Docket. Additionally, addressing the liquidity concerns independently will better serve the interests of transparency and regulatory efficiency, ensuring a comprehensive examination that preserves the Energy Bureau's standards and regulatory integrity.

In view of the foregoing, the Energy Bureau **GRANTS** the Hearing Examiner's request to address the allegations of critical liquidity issues under a separate investigation docket and **INITIATES** this proceeding pursuant to Sections 6.3(bb) and 6.24(e) of Act 57-2014² and Article XV of Regulation 8543³, under which the Hearing Examiner shall pursue all necessary inquiries, analysis, and reporting. As stated in the October 30 Resolution, the Hearing Examiner is authorized to take any procedural and substantive actions deemed necessary to advance the inquiry, including but not limited to issuing subpoenas, gathering relevant data, and conducting hearings.

The Energy Bureau's commitment to transparency is best served by including a broad range of participants, ensuring that diverse perspectives are heard, that the record is informed, and that the public is kept apprised of the proceedings. Given the high level of interest in these liquidity concerns, transparency in process and decision-making is essential to maintain public trust. Hence, to further the Energy Bureau's commitment to transparency, the Hearing Examiner is **GRANTED** authority to invite broad participation from interested stakeholders. This invitation process shall be structured to foster engagement from relevant entities, experts, and public representatives, to create a thorough and transparent administrative record.


Be it notified and published.

¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA").

² Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

³ Known as *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, December 18, 2014 ("Regulation 8543").

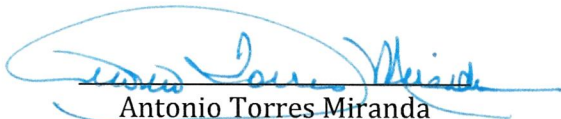



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Associate Commissioner


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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 November 8, 2024. Also certify that on November 8, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to jmartinez@gmlex.net; jgonzalez@gmlex.net; arivera@gmlex.net; julian.angladapagan@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; hrivera@jrsp.pr.gov; legal@genera-pr.com; regulatory@genera-pr.com; lrn@roman-negron.com; agraitfe@agraitlawpr.com; shempling@scotthemplinglaw.com.

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




Sonia Seda Gaztambide
Clerk