

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

**IN RE:** PUERTO RICO ELECTRIC POWER  
AUTHORITY RATE REVIEW

**CASE NO.:** NEPR-AP-2023-0003

**SUBJECT:** Hearing Examiner's Order on  
Agenda for Conference of August 5,  
2025

**Hearing Examiner's Order on Agenda for Conference of August 5, 2025**

This Order has the agenda for today's conference, which begins at 2.00pm Atlantic. **Part I** will address the questions raised by Genera, PREPA, the Solar and Energy Storage Association of Puerto Rico (SESA) and Mr. Victor González. **Part II** will address three brief miscellaneous matters.

When we have completed Parts I and II, I will adjourn the conference. What will follow will be an informal session conducted by Energy Bureau consultant Zach Ming, who has questions for LUMA witness Sam Shannon on rate design. That informal session will occur in public—anyone may attend—because the questions go beyond mere clarification.

**I. July 31 PREB Order: Clarifications and corrections**

The questions from the three utilities, all received by email, are copied here. Mr. González presented his in an official submission.

**A. Genera**

(All questions related to the Emergency Reserve Account discussed in the Order on provisional rates.)

1. Can the Hearing Examiner confirm whether non-emergency but essential expenditures—such as long-lead spare parts, contractor services, and non-routine overhauls—currently covered under Genera's GMR as well as the Reserve Account (Sec. 7.6(d)) would be included as part of ERA eligibility?

2. In other words, is the ERA strictly limited to sudden or unexpected emergencies, or could it be accessed in advance to mitigate foreseeable risks that exceed GMR capacity?
3. Could the Hearing Examiner clarify the expected timeline and procedural steps for disbursement from this account once a request is submitted?
4. Specifically, is there any preliminary guidance or standard for the Energy Bureau's evaluation of such requests (e.g., turnaround time, evidentiary thresholds, or urgency triggers)?

**B. PREPA**

1. What is the correct amount for the Emergency Reserve Account? \$20M or \$15M? Pages 16 and 23 of the Resolution and Order state \$15M, while Page 37 states \$20M. PREPA's financial consultants analyzed the incremental Provisional-Rate Rider amounts and confirmed that \$15 million, not \$20 million, was used for the Emergency Reserve Account line item to calculate the approved Provisional-Rate of 1.4931 cents per kWh.
2. Please confirm that the pension rider will apply to all customers including the subsidized residential tariffs LRS, RH3 and RFR, and clarify whether any subsidy credit or offset will be applied to any subsidized tariffs for the Pension rider during the provisional period.

**C. LUMA**

1. Similar to the request for clarification of the Puerto Rico Electric Power Authority, please clarify the amount of the system-wide Emergency Reserve Account ("ERA"). Is it \$15 million or \$20 million? Section III (J), item (35), of the Energy Bureau's Resolution and Order on Provisional Rates, dated July 31, 2025 ("July 31st Order") establishes a "single, system-wide Emergency Reserve Account, funded at \$15 million." See also Attachment A, FY2026 Electric Utility Provisional Budgets Summary (allotting \$15 million to the ERA). But then, Section VI(U) of the July 31st Order, states that the "Emergency Reserve Account (ERA) [is to be] funded at \$20 million," and "PREPA shall establish a new, separate and segregated account with an initial balance of \$20 million within sixty (60) days" See also Section II (H), item (18) (referencing an ERA amount of \$20 million).
2. Chairman Avilés' dissenting opinion states that a reduction in the quarterly adjustment factors totals 3.426 cents per kilowatt-hour for the

months of August and September 2025. However, LUMA understands the total reduction in FCA/PPCA is 2.66 cents per kWh.

**D. SESA**

1. DG Customers' Share of Pension Costs: The Energy Bureau's Resolution and Order expresses that with a per-kWh charge "net-metering customers will not pay their fair share" of fixed costs like pensions. The Order requires LUMA to convert the pension rider to a fixed per-customer charge "as soon as possible".

What is the timeline and process for implementing this fixed monthly pension charge for all customers? Will it be subject to stakeholder review?

2. Net vs. Gross Consumption Charging: The Order indicates that in the permanent rate phase the Bureau will consider "whether the statutes allow" charging net-metered customers based on gross consumption (their total usage including self-generation) instead of net.

How can 'gross consumption' be on the table when it's clear that Puerto Rico law requires all kWh charges to be based on net consumption?

3. Introduction of Fixed Monthly Charges: The Resolution and Order "alerts" that permanent rates may include an increased fixed customer charge (with offsetting reductions in other charges) retroactive to July 1, 2025.

How would such an increase in fixed monthly fees impact net-metered solar customers? For example, if the fixed charge is raised, DG customers would pay that full amount regardless of solar production. Is the Bureau considering any DG-specific fixed charge or just a general increase for all residential customers?

- E. Victor González (already filed officially with the Energy Bureau)

**II. Miscellaneous matters**

- A. SESA's question about witness participating remotely
- B. Budgets for legal services

C. Rate design question

The filing requirement for Schedule M-1(a) requires LUMA to submit proposed rates for both the optimal and constrained budgets. It appears that LUMA submitted only one set of proposed rates—rates based on LUMA’s constrained budget. LUMA needs to fill this gap expeditiously. It needs to present rates that fund the optimal budget, using the same principles that LUMA used to develop rates for the constrained budget.

Be notified and published.



---

Scott Hempling  
Hearing Examiner

**CERTIFICATION**

I certify that the Hearing Examiner, Scott Hempling, has so established on August 5, 2025. I also certify that on August 5, 2025, I have proceeded with the filing of the Order, and a copy was notified by electronic mail to: mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net; jgonzalez@gmlex.net; katiuska.bolanos-lugo@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; sromero@sbgblaw.com; gcastrodad@sbgblaw.com; jfr@sbgblaw.com; regulatory@genera-pr.com; legal@genera-pr.com; mvazquez@vvlawpr.com; gvilanova@vvlawpr.com; ratecase@genera-pr.com; hrivera@jrsp.pr.gov; gerardo\_cosme@solartekpr.net; contratistas@jrsp.pr.gov; victorluisgonzalez@yahoo.com; Cfl@mcvpr.com; nancy@emmanuelli.law; jrinconlopez@guidhouse.com; Josh.Llamas@fticonsulting.com; Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Intisarul.Islam@weil.com; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; monica@emmanuelli.law; cristian@emmanuelli.law; lgnq2021@gmail.com; jan.albinolopez@us.dlapiper.com; Rachel.Albanese@us.dlapiper.com; varoon.sachdev@whitecase.com; jdiaz@sbgblaw.com; javrua@sesapr.org; Brett.ingerman@us.dlapiper.com; agraitfe@agraitlawpr.com; jpouroman@outlook.com; epo@amgprlaw.com; loliver@amgprlaw.com; acasellas@amgprlaw.com; matt.barr@weil.com; Robert.berezin@weil.com; Gabriel.morgan@weil.com; corey.brady@weil.com; lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; isaac.glassman@whitecase.com; tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com;

jgreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com;  
howard.hawkins@cwt.com; mark.ellenberg@cwt.com; casey.servais@cwt.com;  
bill.natbony@cwt.com; zack.schrieber@cwt.com; thomas.curtin@cwt.com;  
escalera@reichardescalera.com; riverac@reichardescalera.com;  
susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com;  
dmonserrate@msglawpr.com; fgierbolini@msglawpr.com; rschell@msglawpr.com;  
eric.brunstad@dechert.com; Stephen.zide@dechert.com; David.herman@dechert.com;  
Isaac.Stevens@dechert.com; James.Moser@dechert.com; Kayla.Yoon@dechert.com;  
Julia@londoneconomics.com; Brian@londoneconomics.com; luke@londoneconomics.com;  
juan@londoneconomics.com; mmcgill@gibsondunn.com; LShelfer@gibsondunn.com;  
jnieves@cstlawpr.com; arrivera@nuenergypr.com; apc@mcvpr.com.

I sign this in San Juan, Puerto Rico, on August 5, 2025.



  
Sonia Seda Gaztambide  
Clerk