

## Permanent Rate

# PERMANENT RATE

NEPR-MI-2020-0001

NEPR

Received:

Sep 24, 2025

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## Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.1

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### SUBJECT

Transmission System Outages

### REQUEST

During the months of July and August 2025:

- a. Were there any transmission system outages that prevented generation from being supplied to serve electric load?
- b. If the answer to part (a) is "yes" identify and explain the cause of each transmission system outage in July and August 2025 that affected the system's ability to transmit power generated and/or purchased to serve the demand. Also, explain how these incidents did or did not affect the fuel and purchased power revenues and/or costs for the months of July and August 2025. Include supporting calculations.
- c. Were any generating units unavailable due to unplanned or forced outages?
- d. If the answer to part (c) is "yes" identify each forced/unplanned outage in July and August 2025 by generating unit, date, time, duration and cause. Also, explain how these incidents did or did not affect the fuel and purchased power revenues and/or costs for the months of July and August 2025. Provide an analysis, with calculations or estimates, of the impact on fuel and purchased power costs related to those outages, including but not limited to estimates of the amounts of fuel costs saved by not running the units that experienced the forced outages, and estimates of the additional costs incurred for the replacement power. If such analysis is not available, explain fully why not. Include supporting calculations").

### RESPONSE

This is preliminary data, and we are requesting additional time to finalize the analysis.

- a. Yes, there were transmission system outages during July and August 2025 that prevented generation from being supplied to serve the electric load.
- b. On August 18, 2025, at 1531 hours, a failure between Bank 115/38 kV and the two low-side breakers caused the interruption of the 38 kV system and San Juan Plant. This interruption affected the ESST 9-10, causing the loss of San Juan 9. After the failure was repaired and ESST

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9-10 returned to service, San Juan 9 was started and synchronized back to the system on August 19, 2025, at 0511 hours.

- c. Yes, there were generating units that experienced unplanned or forced outages during July and August 2025.
- d. For each forced or unplanned outage that occurred in July and August 2025, please refer to the following table:

**Table 1.1--1. July and August 2025 Forced or Unplanned Outage Occurred**

UNIT	DATE/TIME OUT	DATE/TIME IN	DURATION (H:M)	OUTAGE	CAUSE OF OUTAGE
COSTA SUR 5	7/4/25 0:39	7/8/25 19:54	115:15	CONTROLLED FO	BOILER RUPTURE
AES 1	7/8/25 10:23	7/10/25 22:35	60:12	CONTROLLED FO	AIR INFILTRATION IN ELECTROSTATIC PRECIPITATOR
AES 2	7/8/25 10:00	7/8/25 11:35	1:35	TRIP	NSST 2 TRIP
SAN JUAN CT 6	7/9/25 0:08	7/10/25 16:16	40:08	CONTROLLED FO	PROBLEM WITH DIESEL COMBUSTORS
SAN JUAN CT 6	7/11/25 5:05	7/11/25 9:07	4:02	TRIP	GENERATOR LOCKOUT
AGUIRRE 2	7/11/25 5:55	7/17/25 14:17	152:22	TRIP	FIRE IN MPT 2
AES 1	7/15/25 8:59	7/18/25 6:23	69:24	CONTROLLED FO	RUPTURED PIPE OUTSIDE OF HEAT EXCHANGER
SAN JUAN CT 6	7/17/25 23:03	7/19/25 4:45	29:42	CONTROLLED FO	FORCED MAINTENANCE OUTAGE
AGUIRRE 2	7/17/25 14:22	7/17/25 14:28	0:06	TRIP	UNKNOWN
PALO SECO 3	7/21/25 11:16	7/21/25 15:56	4:40	TRIP	CLOGGED BURNERS
SAN JUAN CT 6	7/24/25 9:54	7/24/25 19:10	9:16	TRIP	GENERATOR LOCKOUT
SAN JUAN CT 6	7/24/25 20:35	7/24/25 21:53	1:18	TRIP	PROBLEMS WITH EXCITER SYSTEM
SAN JUAN 9	7/24/25 23:09	7/25/25 4:14	5:05	TRIP	RUPTURE IN DISCHARGE FLANGE
SAN JUAN CT 6	7/25/25 3:05	7/25/25 13:48	10:43	TRIP	FIELD GROUND ALARM
SAN JUAN CT 6	7/26/25 5:21	7/26/25 14:22	9:01	TRIP	FIELD GROUND ALARM
SAN JUAN 9	7/27/25 8:36	7/28/25 8:55	24:19	CONTROLLED FO	RUPTURE IN BOILER MUD DRUM LINE
SAN JUAN 9	7/28/25 9:07	7/28/25 10:31	1:24	TRIP	PROBLEMS WITH VALVES
SAN JUAN CT 6	7/28/25 12:54	7/29/25 19:07	30:13	CONTROLLED FO	CHLORIDE PASS
COSTA SUR 6	7/31/25 22:36	8/3/25 23:29	72:53	CONTROLLED FO	AIR HEATERS OBSTRUCTION

# RESPONSES TO SEPTEMBER 19, 2025 REQUESTS

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COSTA SUR 6	8/4/25 11:36	8/5/25 14:42	27:06	CONTROLLED FO	RUPTURE IN MAINSTREAM PIPE
AGUIRRE 2	8/8/25 23:51	8/12/25 20:45	92:54	CONTROLLED FO	PROBLEMS WITH BOILER
AES 1	8/14/25 9:13	8/16/25 8:03	46:50	CONTROLLED FO	COOLING WATER SYSTEM
SAN JUAN CT 6	8/14/25 17:51	8/25/25 22:10	268:19	TRIP	FIRE SYSTEM ACTIVATION IN HOT PATH AREA
AGUIRRE 2	8/15/25 11:02	8/15/25 20:44	9:42	CONTROLLED FO	RUPTURE IN RADIATOR AND MPT OIL LEAK
SAN JUAN 9	8/18/25 15:31	8/19/25 5:11	13:40	TRIP	BANK 115/38KV SAN JUAN TRIP
SAN JUAN STM 5	8/20/25 9:05	8/20/25 15:14	6:09	TRIP	UNKNOWN
AGUIRRE 2	8/21/25 17:17	8/21/25 20:17	3:00	TRIP	FAULT IN DC CIRCUIT OF BOILER BURNERS
AGUIRRE 2	8/21/25 20:35	8/21/25 21:01	0:26	TRIP	UNKNOWN
SAN JUAN CT 6	8/26/25 23:27	8/28/25 17:26	41:59	CONTROLLED FO	mitsubishi requested the unit to be taken out to inspect bearing
SAN JUAN CT 6	8/28/25 22:56	9/2/25 12:24	109:28	CONTROLLED FO	mitsubishi requested the unit to be taken out for inspection works
AGUIRRE 2	8/31/25 8:46	8/31/25 18:13	9:27	CONTROLLED FO	RUPTURE IN SUPER HEATER SPRAY

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Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.2

SUBJECT

Economic Dispatch

REQUEST

During the months of July and August 2025 were any generating units run for system reliability reasons and/or because of system constraints outside of normal economic dispatch in which the lowest variable cost units are called upon first to meet load? If so, identify the days and hours in which non-economic dispatch occurred and explain the related reasons. During the months of July and August 2025 were there any hours in which sufficient generating and purchased power resources were not available to meet system demand? If so, identify the days and hours in which the available generating and purchased power resources were insufficient to fully supply the system demand and explain the related reasons why sufficient resources were not available during those hours.

RESPONSE

This is preliminary data, and we are requesting additional time to finalize the analysis.

Yes, during the months of July and August 2025, certain generating units were operated outside of normal economic dispatch due to system reliability and transmission constraints. These actions were necessary to maintain grid stability. For the days and hours in which non-economic dispatch occurred, please refer to the following table:

Table 1.2--2. Summary of Non-Economic Dispatch Events

UNIT	DATE/TIME OUT	DATE/TIME IN	DURATION (H:M)	OUTAGE	DESCRIPTION
DAGUAO 1-1	8/31/25 16:07	8/31/25 23:24	7:17	TRANSMISSION EVENT	HELP STABILIZE SYSTEM BETWEEN SABANA LLANA AND RIO BLANCO DUE TO LOSS OF BUS 1 115KV SABANA LLANA AFFECTING SUPPLY TO LINE 36800 AND LINE 41200 TO CANOVANAS. EVENT STARTED AT 1541 H TO 1833 H. UNIT REMAINS ONLINE AFTER EVENT CONCLUSION DUE TO SPINNING RESERVE REQUIREMENTS.

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DAGUAO 1-1	8/31/25 16:23	8/31/25 23:28	7:05	TRANSMISSION EVENT	HELP STABILIZE SYSTEM BETWEEN SABANA LLANA AND RIO BLANCO DUE TO LOSS OF BUS 1 115KV SABANA LLANA AFFECTING SUPPLY TO LINE 36800 AND LINE 41200 TO CANOVANAS. EVENT STARTED AT 1541 H TO 1833 H. UNIT REMAINS ONLINE AFTER EVENT CONCLUSION DUE TO SPINNING RESERVE REQUIREMENTS.
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Yes, during the months of July and August 2025, there were specific hours during which available generating and purchased power resources were insufficient to fully meet system demand. For the days and hours in which available generating and purchased power resources were insufficient to fully meet demand, please refer to the following table: Table 1.2-2. Instances of Insufficient Generation and Purchased Power to Meet System Demand.

**Table 1.2-2. Instances of Insufficient Generation and Purchased Power to Meet System Demand**

DATE/TIME START	DATE/TIME END	DURATION (H:M)	DESCRIPTION
8/14/25 20:23	8/31/25 23:24	411:01	HELP STABILIZE SYSTEM BETWEEN SABANA LLANA AND RIO BLANCO DUE TO LOSS OF BUS 1 115KV SABANA LLANA AFFECTING SUPPLY TO LINE 36800 AND LINE 41200 TO CANOVANAS. EVENT STARTED AT 1541 H TO 1833 H. UNIT REMAINS ONLINE AFTER EVENT CONCLUSION DUE TO SPINNING RESERVE REQUIREMENTS.
7/8/25 19:53	7/8/25 20:20	0:27	GENERATION SHORTFALL TRIGGER BY LIMITATION OF AES 2 AT 190 MW DUE TO RAMPING UP PROCESS AFTER TRIP AT 1002 H DUE TO PROBLEMS DURING AUXILIARY EQUIPMENT TRANSFER FROM AES 1.
7/11/25 6:02	7/11/25 7:26	1:24	GENERATION SHORTFALL TRIGGER BY TRIP OF AGUIRRE 2 AT 0555 H DUE TO FAULT AT MPT GROUND CABLE AND RADIATOR RUPTURE.
7/11/25 20:10	7/11/25 20:40	0:30	GENERATION SHORTFALL TRIGGER BY TRIP OF AGUIRRE 2 AT 0555 H DUE TO FAULT AT MPT GROUND CABLE AND RADIATOR RUPTURE.
7/15/25 19:44	7/15/25 21:03	1:19	GENERATION SHORTFALL TRIGGER BY FORCED OUTAGE OF AES 1 AT 0859 H DUE TO FBHE RUPTURE.
7/29/25 18:25	7/29/25 20:42	2:17	GENERATION SHORTFALL TRIGGER BY LIMITATION OF AGUIRRE 2 FROM 279 MW TO 68 MW AT 1743 H DUE TO LOSS OF VACUUM PUMP.
8/14/25 20:23	8/14/25 21:12	0:49	GENERATION SHORTFALL TRIGGER BY TRIP OF SAN JUAN CT 6 AT 1751 H DUE TO FIRE SYSTEM ACTIVATION AT HOT PATH AREA AND LIMITATION OF AGUIRRE 2 FROM 350 MW TO 249 MW AT 2013 H DUE TO GENERATOR TEMPERATURE AFFECTING REACTIVE POWER OUTPUT.

## RESPONSES TO SEPTEMBER 19, 2025 REQUESTS

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8/15/25 17:28	8/15/25 22:39	5:11	GENERATION SHORTFALL TRIGGER BY FORCED OUTAGE OF AGUIRRE 2 AT 1102 H DUE TO MPT OIL LEAKAGE.
8/18/25 20:28	8/18/25 20:31	0:03	GENERATION SHORTFALL TRIGGER BY TRIP OF SAN JUAN TM 2, 3 AND 6 AT 2028 H DUE TO MOBILE REGAS PUMP PROBLEMS.
8/21/25 17:19	8/21/25 21:39	4:20	GENERATION SHORTFALL TRIGGER BY TRIP OF AGUIRRE 2 AT 1717 H DUE TO FAULT AT DC CIRCUIT OF BOILER BURNERS.

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**Response: RFI-LUMA-MI-2020-0001-20250919-PREB- PREB-1.3**

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#### SUBJECT

Fuel Sources

#### REQUEST

During the months of July and August 2025 were there any days on which the most economical fuel source (*i.e.*, LNG) was not available, for any reason (*e.g.*, fuel storage replenishment), in sufficient quantities, or not available at all, at such fuel compatible generating units? If so, identify the days during which the most economical fuel source was not available, and a higher cost fuel was used for generation. Also, explain the related reasons why the most economic fuel source was not available to those generating units during those days and provide all related analysis and calculations of the related cost impacts for each month.

#### RESPONSE

Genera to respond to this RFI.

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NEPR-MI-2020-0001

**Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.4**

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#### **SUBJECT**

Fuel Deliveries

#### **REQUEST**

During the months of July and August 2025, were any incoming fuel deliveries diverted to another delivery location (e.g., because of delivery site conditions, weather, or other causes)? If so, please identify with specificity which fuel deliveries were diverted and include a short explanation of why the delivery diversion occurred and whether it had any impact on plant operations and generation availability.

#### **RESPONSE**

General to respond to this RFI.



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**Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.5**

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#### **SUBJECT**

TM Units

#### **REQUEST**

Was a new contract for supply of natural gas to the TM units executed? If yes, provide the following information: (i) a copy of the contract (highlighting the pricing, quantities and delivery terms), (ii) the names and job titles of the people who negotiated the contract, and (iii) certify if the identified people are employed by affiliated entities or related parties, and, if so, an explanation of the affiliated relationship.

#### **RESPONSE**

Genera to respond to this RFI.

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#### Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.6

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##### SUBJECT

EcoEléctrica

##### REQUEST

For July and August 2025, were there any constraints on the power being supplied by EcoEléctrica? If so, please identify, quantify and explain those constraints.

##### RESPONSE

For July and August 2025 there were no constraints on the power being supplied by EcoEléctrica. EcoEléctrica's generation performance for the period of July and August 2025, is summarized as follows:

During July and August 2025, EcoEléctrica supplied power without any operational constraints or under normal dispatch conditions with no material restrictions on its ability to supply power to the system. There were no unit deratings or forced outages that limited EcoEléctrica's contractual capability. No reductions in available capacity were recorded.

- EcoEléctrica did not experience constraints during July–August 2025, delivered its contracted capacity and energy obligations in full, without limitation, for July and August 2025.

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**Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.7**

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#### SUBJECT

EcoEléctrica

#### REQUEST

For July and August 2025, were there any days or hours in which power could not be supplied by EcoEléctrica? If so, please identify those days and hours and explain what prevented the EcoEléctrica power from being supplied.

#### RESPONSE

For July and August 2025, EcoEléctrica's supply availability during July and August 2025, LUMA provided the following:

- There were no days or hours during the referenced period in which EcoEléctrica was unable to supply power. EcoEléctrica remained continuously available in accordance with dispatch instructions from LUMA.
- EcoEléctrica delivered power without interruption for the full duration of July and August 2025.

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### Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.8

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#### SUBJECT

Interconnection Cost Restricted Reserve Account

#### REQUEST

Refer to page 5 of LUMA's September 15, 2025 Motion which addresses the establishment of the restricted reserve account for funds transferred from PREPA to LUMA, exclusively for Tranche 1 interconnection costs.

- a. What was the balance in that restricted reserve account as of August 31, 2025?
- b. What is the expected balance in that restricted reserve account for September 30, 2025?
- c. Explain in detail and identify amounts from the restricted reserve account, if any, that are projected to be utilized each month, October through December 2025.

#### RESPONSE

- a. The balance in the restricted reserve account as of August 31, 2025, is \$59,571,595.31.
- b. The expected account balance on September 30 is \$59,233,595.30.
- c. LUMA expects that the balance of the restricted reserve account will be reduced by \$422,835,70, \$1,654,233.00, and \$157,000.00 in October, November, and December, respectively. LUMA has received Notice to Proceed notifications and the project's contributions to the construction of the Points of Interconnection from three projects: Clean Flexible Energy Solar Jobos, Clean Flexible Energy Energy Storage Jobos, and Yabucoa YFN Solar. The Engineering, Procurement, and Construction Contract for these projects has been activated with the contractor Linxon, and payments for the Engineering portion and the procurement of long lead items have been executed as per the Agreements. LUMA has prudently utilized the contributions made by Clean Flexible Energy and Yabucoa YFN of \$10,373,689.00 and \$3,952,206.00 respectively in advance of utilizing the ratepayer funds in the restricted account.

LUMA's expectation, based on bi-weekly project management meetings with the Tranche 1 developers, is that several additional projects will be able to issue their own notice to proceed and make payments for the construction of the Points of Interconnection in the latter part of October 2025. LUMA anticipates that this progress will come from the following projects: Convergent

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Coamo, Convergent Caguas, Convergent Ponce, Convergent Penuelas, Pattern Barcelonta Solar, Pattern Barceloneta BESS, Pattern Santa Isabel Bess, and Yabucoa Energy Park Solar.

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**Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.9**

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#### SUBJECT

CBES

#### REQUEST

What is the cumulative difference between actual and forecasted dollar amounts for Customer Battery Energy Sharing ("CBES and CBES+"), including an estimate of actual costs for the remainder of September? When are payments to CBES aggregators effectuated relative to the service provided?

#### RESPONSE

As of August 31, 2025, the cumulative actual expenditures for the Customer Battery Energy Sharing (CBES and CBES+) programs totaled [REDACTED], compared to a forecast amount of [REDACTED].

For administrative costs, the estimated expenditure for the month of September is approximately [REDACTED] based on the average costs incurred in July and August. With no demand response events anticipated for the remainder of September, no additional incentive payments are expected during this period.

Payments to CBES aggregators are processed on a quarterly basis. Aggregators typically submit invoices within 45 to 60 days following the end of each quarter. Upon approval of the submitted invoices, payments are issued within 30 to 45 days.

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## NEPR-MI-2020-0001

## Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.10

**SUBJECT**

Accelerated Storage Addition Program

**REQUEST**

What is the cumulative difference between actual and forecasted dollar amounts for the implementation of the ASAP Program, including an estimate of actual costs for the remainder of September? When are payments to ASAP implementation providers effectuated relative to the service they provided?

**RESPONSE**

For the cumulative difference between actual and forecast related to the Accelerated Storage Addition Program (ASAP), please refer to the table below.

Table 1.10-1. ASAP Cumulative Difference

Expenses incurred Costs [Month by Month]	Optimistic Cost (\$)	Actuals (\$)	Variance (\$)	YTD Budget (\$)	YTD Actuals (\$)	YTD Variance (\$)
Expended through December 31, 2024						
Jan-25						
Feb-25						
Mar-25						
Apr-25						
May-25						
Jun-25						
Jul-25						
Aug-25						

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For September, providers should facilitate the invoice to LUMA for the validation process before the service is paid. An estimate for September is [REDACTED], the same as forecasted. LUMA has been collaborating effectively in this period with engineers managing the studies and with legal counsel moving forward to finalize the drafts of the Large Generation Interconnection Agreement (LGIA) and Agreed Operating Procedures (AOP). Payments to providers are normally disbursed between 30 to 120 days after invoice submittal. This is highly dependent on the Puerto Rico Electric Power Authority (PREPA)s ability to refund the actuals provided by LUMA.



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**Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.11**

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#### SUBJECT

CBES & ASAP

#### REQUEST

If the actual costs for CBES and ASAP Implementation through September 2025 are exceeding LUMA's forecasted costs, is there any reason why that difference cannot or should not be amortized over three months to reduce PPCA costs for the October through December 2025 period? Explain fully.

#### RESPONSE

##### CBES

As of August 31, 2025, actual expenditures for the Customer Battery Energy Sharing (CBES) Implementation program total [REDACTED], which remains below the forecasted amount of [REDACTED]. Actual costs for September 2025 are not yet available and are therefore not included in this assessment.

At this time, LUMA does not see any reason not to amortize the excess amount, if any, for the period of October through December 2025.

##### ASAP

As of August 31, 2025, actual expenditures for the Accelerated Storage Addition Program (ASAP) Program total [REDACTED], which remains below the forecasted amount of [REDACTED]. Actual costs for September 2025 are not yet available therefore, they have not been included in this assessment.

Given that ASAP actual expenditures are below the limits of forecast, the consideration of amortizing an excess amount is not applicable.

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#### Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.12

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##### SUBJECT

CBES & ASAP

##### REQUEST

Provide all invoices and documentation that justify the amounts spent on the CBES and ASAP Implementation for July and August 2025.

##### RESPONSE

Requesting an extension of time to provide the invoices and respectfully request that these invoices be treated as confidential.

##### CBES

The documentation available for July and August reflects accrual-based accounting estimates derived from prior periods, rather than actual invoiced costs. Due to the operational structure of the Customer Battery Energy Sharing (CBES) Program, vendor invoices are typically not received until after the close of the quarter. As such, for the July–September period, LUMA anticipates receiving invoices beginning in October. Upon receipt, LUMA undertakes a reconciliation process to align actual costs with prior assumptions. These assumptions, particularly those related to the number of demand response events and the volume of energy dispatched per event can vary significantly, introducing a wide range of potential cost outcomes. This variability is inherent to the program's performance-based nature and timing of cost recognition.

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### ASAP

Please refer to the tables below for the Accelerated Storage Addition Program (ASAP) July and August 2025 invoices. As previously approved, these amounts represent PREB approved categories such as legal, consultant, other, and contingency. Please note that July and August invoices represent a one-month lag trend.

July 2025 Invoices	Amounts (\$)
18374479	
18374481	
541	
542	
488	
<b>Total</b>	

August 2025 Invoices	Amounts (\$)
550	
551	
556	
18375092	
18374480	
18382112	
18381778	
18381779	
<b>Total</b>	

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#### SUBJECT

Actual Energy Production

#### REQUEST

How did actual energy production, per plant, during the months of June, July and August 2025, deviate from the projections in the *July-September 2025 Proposed Factors.xlsx* file (Attachment 3, Tab) filed by LUMA in June 24, 2025. (All files provided must include all formulae).

#### RESPONSE

Projections for the month of June 2025 cannot be compared since it was not included in the analyses underlying the *July-September 2025 Proposed Factors.xlsx* filed on June 16, 2025<sup>1</sup>. For July and August 2025, actual energy production per plant generally deviated from the projections due to differences in units and fuel availability. These deviations are within the expected range of operational variability and do not indicate systematic errors in the projections. Detailed per-plant comparisons are provided in Attachment “*PREB\_July&August\_Generation\_Values.xlsx*”

For July and August 2025, actual energy production per generating unit deviated from the projected values contained in the Proposed Factors due to a combination of operational conditions:

- Unit Dispatch: System dispatch decisions led to changes in unit generation relative to forecasted levels.
- Unit Availability: Unexpected units forced outages, changes in planned outages or changes in estimated time of return (ETR) of certain units contribute to deviations between forecast and actuals.

It is important to highlight that the projections of *July-September 2025 Proposed Factors.xlsx* file (Attachment 3, Tab) was filed on June 16, 2025 as part of the quarterly factors and the annual reconciliation and riders were filed June 2024<sup>2</sup>.

Overall, the projections filed on June 16, 2025, were intended as planning assumptions. Actual outcomes in July and August reflected real-time operational requirements and external constraints. A detailed

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<sup>1</sup> LUMA's Motion on July to September 2025 Proposed factors of June 16, 2025, Docket No. NEPR-MI-2020-0001.

<sup>2</sup> LUMA's Motion on FY2026 Annual Riders of June 24, 2025, Docket No. NEPR-MI-2020-0001.

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breakdown of variances by plant is provided in Attachment  
“*PREB\_July&August\_Generation\_Values.xlsx*”.

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### NEPR-MI-2020-0001

#### Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.14

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##### SUBJECT

Energy Production Projections

##### REQUEST

Explain why energy production projections, per plant, during the months of October, November and December 2025 in the *Oct-Dec.2025 Proposed Factors.xlsx* file (Attachment 3, Tab) filed by LUMA on September 15, 2025 deviates from the energy production projections, per plant, in the *July-September 2025 Proposed Factors.xlsx* file (Attachment 3, Tab) filed by LUMA on June 24, 2025. Specifically, explain why certain base load generators show less forecasted energy production, and certain peaking units show more forecasted energy production than the forecasted production in the June 24, 2025 filing. (All files provided must include all formulae).

##### RESPONSE

The October–December 2025 projections filed on September 15, 2025, differ from the July–September 2025 projections filed on June 16, 2025, because they reflect updated planning assumptions and operational considerations.

It is important to highlight that the projections of July-September 2025 Proposed Factors.xlsx file (Attachment 3, Tab) was filed on June 16, 2025<sup>3</sup> as part of the quarterly factors and the annual reconciliation and riders were filed June 2024<sup>4</sup>.

Specifically, certain base load units show reduced forecasted production due to updated fuel availability expectations, updates on the scheduled maintenance, updates on fuel prices, and updates on the Commercial Operating Date (COD) of the utility scale projects that are expected to synchronize to the system. Certain peaking units show increased forecasted production to address variability in the system.

The *Oct–Dec. 2025 Proposed Factors.xlsx* (filed September 15, 2025<sup>5</sup>) reflect updated assumptions and operational inputs that differ from those applied in the *July–September 2025 Proposed Factors.xlsx* (filed June 16, 2025). As a result, the projected energy production per plant in the two filings is not directly comparable on a one-to-one basis.

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<sup>3</sup> LUMA's Motion on July to September 2025 Proposed Factors of June 16, 2025, Docket No. NEPR-MI-2020-0001.

<sup>4</sup> LUMA's Motion on FY2026 Annual Riders of June 24, 2025, Docket No. NEPR-MI-2020-0001.

<sup>5</sup> LUMA's Motion on October to December 2025 Proposed Factors of September 15, 2025, Docket No. NEPR-MI-2020-0001.

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The primary drivers of the observed differences are:

- Fuel Prices: Updates on fuel prices impacts directly what units are going to be dispatched.
- Maintenance Scheduling: Several base load units are scheduled for planned maintenance during the October–December period, reducing their forecasted availability.
- Forced Outages: These are unexpected events that are beyond the normal operation control, and can't be accurately predicted.
- System Reliability Requirements: Peaking units are projected to operate more frequently to address system variability.
- Upcoming Renewables Projects COD: Updates on these dates have made the system to rely more on the existing operating units.

Accordingly, base load generation forecasts are lower and peaking unit forecasts higher in the September 15, 2025 filing. These adjustments reflect changing system variabilities from the original June 16, 2025 projections.

## Permanent Rate

# PERMANENT RATE

NEPR-MI-2020-0001

## Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.15

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### SUBJECT

Bad Debt

### REQUEST

How does LUMA account for the portion of bad debt related to the Fuel and Purchased Power Cost of uncollectable bills?

### RESPONSE

Bad debt is accounted for exclusively in the utility revenue requirement. In other words, only one bad debt amount is contemplated in the utility's overall revenue requirement, and this amount (percentage and total value) is adjudicated and updated through a full rate case process. LUMA does not include bad debt expenses from uncollectible bills in the reconciliation of fuel and purchased power costs passed through to customers. Instead, these losses are treated as a separate operating expense, typically recorded through an allowance for doubtful accounts.

This approach is based on the following reasons:

- Fuel and purchased power costs are direct, variable expenses tied to electricity generation or procurement.
- Fuel cost reconciliation mechanisms are designed to recover only reasonable and necessary fuel-related expenses from customers.
- Bad debt reflects financial losses from unpaid bills, not operational costs, and is therefore accounted for separately.
- Regulatory treatment of bad debt falls under different frameworks and is typically addressed during a rate case, not through fuel cost recovery.



## Permanent Rate

### PERMANENT RATE

NEPR-MI-2020-0001

**Response: RFI-LUMA-MI-2020-0001-20250919-PREB-1.16**

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#### SUBJECT

Reconciliation

#### REQUEST

Explain in detail how LUMA calculates the Authority Use (energy and dollar amounts) used in the reconciliation process? How are these costs recovered?

#### RESPONSE

The Authority Use is calculated by multiplying the kilowatt-hour (kWh) consumption from both wholesale and secondary metered services—under the Puerto Rico Electric Power Authority (PREPA) and LUMA service agreements—by the Fuel Charge Adjustment (FCA) and Purchased Power Cost Adjustment (PPCA) factors approved by the Puerto Rico Energy Bureau (PREB) for the applicable quarter.

The consumption data is sourced from the monthly CM\_CONS0005 report, which is extracted from the billing system.

For example, in August 2025, the CM\_CONS0005 report showed:

- Secondary metered service consumption: 1,585,457 kWh
- Wholesale metered service consumption: 4,611,926 kWh

These figures are multiplied by:

- FCA factor: \$0.102718
- PPCA factor: \$0.041660

It's relevant to clarify, since the Puerto Rico Electric Power Authority (PREPA) does not bill itself, these revenues are effectively lost and are not recovered through customer charges.