

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

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IN RE: THE PERFORMANCE OF THE
PUERTO RICO ELECTRIC POWER
AUTHORITY

CASE NO.: NEPR-MI-2019-0007

SUBJECT: LUMA’s Motion Requesting
Partial Reconsideration of the April 2 Order

**MOTION REQUESTING PARTIAL RECONSIDERATION
OF THE APRIL 2 ORDER**

TO THE PUERTO RICO ENERGY BUREAU:

COMES NOW, LUMA ENERGY SERVCO, LLC (“LUMA”), through the undersigned legal counsel and respectfully states and requests the following:

I. Introduction

1. LUMA respectfully moves for partial reconsideration of the Puerto Rico Energy Bureau’s (“Energy Bureau” or “Bureau”) Resolution and Order issued on April 2, 2026, titled Updated Data Template for Quarterly Reporting (the “April 2 Order”). Although LUMA supports transparency and has consistently complied with the Bureau’s reporting directives in this docket, the April 2 Order imposes new monthly reliability metrics for quarterly reporting, including retroactive reporting for earlier months in Fiscal Year 2026, that were not previously required, defined, or established through the process the Bureau adopted to govern the creation and modification of performance metrics.

2. Regulation No. 9137, the Bureau’s Regulation for Performance Incentive Mechanisms, sets forth the procedural framework by which the Bureau may establish or modify Metrics, Targets, and Financial Incentives. That framework contemplates two proceedings for adopting new metrics: (i) an initial proceeding initiated by an Order of Intent with a schedule for public comment and reply, and (ii) an annual proceeding initiated with sufficient lead time and

culminating in an order supported by findings of fact and conclusions of law. The April 2 Order did not result from either proceeding and does not identify whether the newly imposed metrics are for reporting purposes, targets, or financial incentives.

3. This departure from Regulation No. 9137 is not merely formal. The Regulation's metric-adoption process is designed to ensure notice and a meaningful opportunity to be heard, as well as a technically informed record before new reliability indices are imposed. Because that process was not followed, the Bureau lacked a developed record demonstrating that several of the newly ordered metrics, as defined and scheduled, are subject to material technical constraints (including event-attribution challenges, data limitations, and validation requirements), such that reliable reporting cannot be achieved as ordered without a significant risk of inconsistent or inaccurate results. Those constraints are summarized in this Motion and addressed in detail in the attached Technical Memorandum (Annex A). Accordingly, the challenged requirements should not be enforced against LUMA unless and until adopted through the procedures required by Regulation No. 9137.

4. LUMA respectfully requests that the Bureau partially reconsider the April 2 Order by setting aside the requirement to report and suspending implementation of the newly imposed monthly reliability metrics identified in Paragraph 24 of this Motion. LUMA further requests any additional relief the Bureau deems just and proper to ensure that any future expansion of reliability reporting is implemented through the procedures established in Regulation No. 9137 and on a record that accurately reflects the operational and data realities associated with the requested indices.

II. Procedural Background

5. On May 14, 2019, the Energy Bureau issued a Resolution and Order initiating this docket to establish quarterly reporting requirements for electric system performance metrics. Said order directed the submission of performance data using a standardized reporting template.

6. On June 1, 2021, LUMA assumed responsibility for the operation and maintenance of the transmission and distribution system (“T&D System”).¹ Since that date, LUMA has filed quarterly performance reports in this docket using the reporting templates and methodologies ordered by the Energy Bureau through successive resolutions and orders.

7. Between 2021 and 2025, the Energy Bureau issued multiple resolutions and orders modifying the quarterly reporting template and associated reporting obligations, including orders issued on May 21, 2021; April 3, 2023; January 19, 2024; October 18, 2024; and January 17, 2025. These orders required LUMA to adjust reported metrics, align certain methodologies, provide historical data for newly defined metrics, and submit responses to requirements of information, which LUMA did through various compliance motions filed in this docket.

8. On May 16, 2025, the Energy Bureau issued a Resolution and Order titled *Response to LUMA’s January 15 Motion, Response to Genera’s February 3 and February 10 Motions, System Reliability Metric Reporting Frequency, and Additional System Reliability Metrics* (the “May 16 Order”). In the May 16 Order, the Energy Bureau determined to expand reliability reporting requirements applicable to LUMA and issued multiple ROIs directed specifically to LUMA regarding the metrics it reports in this docket. As to LUMA, the Energy Bureau ordered

¹ LUMA Energy, LLC, LUMA Energy ServCo, LLC, the Puerto Rico Electric Power Authority and the Puerto Rico Public-Private Partnerships Authority, *Transmission and Distribution System Operation and Management Agreement* between (June 22, 2020); *Puerto Rico Transmission and Distribution System Operation and Maintenance Supplemental Terms Agreement* (June 22, 2020)(together herein referred to as the “T&D OMA”) <https://docs.pr.gov/files/P3-PublicaPrivadas/Projects/Projects/TD%20-%20LUMA/OM%20Agreement/executed-consolidated-om-agreement-td.pdf>

the provision of information addressing, among other matters: (1) the methodologies used to calculate SAIDI and SAIFI, including confirmation that such metrics are calculated consistent with IEEE Standard 1366-2012; (2) the treatment and exclusion of Major Event Days (“MEDs”), catastrophic events, planned interruptions, momentary interruptions, and interruptions caused by generation events; (3) the Major Event Day threshold (“Tmed”), including how it is calculated, what historical data is used, whether different thresholds apply at the district level, and how frequently the threshold is updated; (4) LUMA’s definitions of momentary versus sustained interruptions, and whether momentary interruptions are included in reliability metrics; (5) the outage cause codes used by LUMA, with an indication of whether each cause code is included in or excluded from SAIDI and SAIFI calculations; and (6) any additional information relevant to proposed system-level reliability metrics, including generation-related reliability metrics the Energy Bureau stated it intended to add.

9. In that same May 16 Order, the Energy Bureau also ordered LUMA to begin reporting certain existing SAIDI and SAIFI metrics on a monthly basis and stated that it intended to add additional system-level reliability metrics to the quarterly reporting template to reflect outages experienced by customers. Nonetheless, the Energy Bureau did not specify which metrics it intended to add, nor did it request information regarding specific metrics.

10. On June 5, 2025, LUMA filed its *Motion in Compliance with Resolution and Order of May 16, 2025* (the “June 5 Motion”). Through the June 5 Motion, LUMA submitted responses to each ROI addressed to it in the May 16 Order. Among other things, LUMA: (1) confirmed that SAIDI and SAIFI are calculated in accordance with IEEE Standard 1366-2012; (2) explained the methodology for calculating the Tmed threshold, including the historical data used and the timing of updates; (3) defined momentary and sustained interruptions, confirming that momentary

interruptions are excluded from SAIDI and SAIFI calculations and explained limitations associated with momentary interruptions; (4) provided a comprehensive list of outage cause codes, identifying which causes are included and excluded from reliability metrics; and (5) explained limitations associated with proposed generation-related reliability metrics, including LUMA's lack of direct control over generation operations and data dependencies.

11. Thereafter, the Energy Bureau, through the April 2 Order, decided to revise the quarterly reporting template and ordered LUMA to begin reporting additional system reliability metrics that had not previously been required of LUMA in this docket. The Energy Bureau stated that these additional metrics were intended to increase transparency regarding system reliability experienced by customers.

12. More specifically, the April 2 Order directs LUMA to begin reporting the following new reliability metrics:

- Unit generation shortfall load shed events: The number of monthly load shed events due to generation shortfall.
- Unit performance load shed events: The number of monthly load shed events due to unit performance.
- Monthly SAIDI (Generation) – System: Calculated as the sum of total customer minutes interrupted due to load-shed events (including, automatic, planned, and contingency) divided by the total number of customers served.
- Monthly SAIFI (Generation) – System: Calculated as the sum of total customers interrupted due to load-shed events (including, automatic, planned, and contingency) divided by the total number of customers served.
- Monthly SAIDI (T&D Unnormalized) – System: Calculated using the same / methodology as Monthly SAIDI (T&D) - System metric but includes MEDs and catastrophic events.
- Monthly SAIFI (T&D Unnormalized) – System: Calculated using the same / methodology as Monthly SAIDI (T&D) - System metric but includes MEDs and catastrophic events.
- Monthly SAIDI (T&D All-in) – System: Calculated using the same methodology as Monthly SAIDI (T&D) - System metric, but includes all T&D- related outages, including MEDs, catastrophic events, planned outages, and momentary outages.
- Monthly SAIFI (T&D All-in) – System: Calculated using the same methodology as Monthly SAIFI (T&D) - System metric, but includes all T&D related outages, including MEDs, catastrophic events, planned outages, and momentary outages.

April 2 Order, p. 6.

13. The April 2 Order further directs LUMA to report values for the newly added reliability metrics for the months covered in the applicable quarterly submission and for prior months within Fiscal Year 2026. However, these metrics were not previously required, defined, or reported by LUMA in this or another Energy Bureau proceeding.

14. In addition, the April 2 Order requires LUMA to populate the methodology tab in the updated reporting template for each newly added metric, including descriptions of data sources, calculations, and key assumptions. Furthermore, it requires LUMA to review the Definitions tab for these metrics.

III. Relevant Legal and Regulatory Framework

15. Article 6.25B of the *Puerto Rico Energy Transformation and RELIEF Act*, Act 57-2014, 22 LPRA § 1054x-2 (2026), provides that it was “necessary to encourage energy companies to invest, in a cost effective manner, in infrastructure, technology, the incorporation of distributed generation, renewable energy sources, and services that inure to the benefit of the electrical system and consumers.” Act 57-2014 required the Energy Bureau to prescribe by regulations, on or before December 2019, “such incentive and penalty mechanisms that take into account electric power companies’ performance and compliance with the performance metrics set forth in the energy public policy.” 22 LPRA § 1054x-2. The statute further requires performance-based incentives and penalties to consider certain criteria listed therein.²

² To wit:

- (a) the volatility and affordability of the electric power service rates;
- (b) the economic incentives and investment payback;
- (c) the reliability of the electric power service; customer service and commitment, including options to manage electric power costs available to customers;

16. On December 2019, the Energy Bureau enacted the *Regulation for Performance Incentive Mechanisms*. PREB, *Regulation for Performance Incentives Mechanism*, No. 9137 (December 13, 2019). The purpose of the regulation is to set forth the reporting requirements for all eligible power companies and “outlines de process by which Metrics, Targets, and Financial Incentives shall be established.” Regulation No. 9137, Sec. 1.2.

17. Regulation No. 9137 provides there are two proceedings in which new metrics can be established. “[T]he Energy Bureau shall establish Metrics, Targets and Financial Services in an initial proceeding. After the initial proceeding, the Energy Bureau shall hold an annual proceeding to ... determine whether to establish, eliminate or modify any Metric, Target, or Financial Incentive.” *Id.* Sec. 3.1.

18. For the first process, the initial proceeding, the Energy Bureau must issue an “Order of Intent” proposing the Metrics for reporting purposes, the Metrics subject to Targets and the Metrics subject to Financial Incentives. *Id.* Sec. 3.2(A). The order shall also include which company will be required to report and a schedule for public comments and reply. *Id.* The Energy Bureau retains discretion to hold public hearings, technical conferences, or workshops for these

(d) customers’ access to the electric power companies’ information systems including, but not limited to, public access to information about the aggregated customer energy and individual consumers’ access to the information about their electric power consumption;

(e) compliance with the Renewable portfolio standard and rapid integration of renewable energy sources, including the quality of the interconnection of resources located in consumers’ properties;

(f) compliance with metrics to achieve the energy efficiency standards established in this Act;

(g) infrastructure maintenance.

Among the mechanisms to be used, the Bureau may consider using, but not limited to, the following:

i. Decoupling mechanisms;

ii. Performance-Based Regulation or PBR;

iii. Time of Use Rates;

iv. Prepaid Rates.

v. Unbundled Rates;

vi. Formula Ratemaking and rate review mechanism;

vii. Reconciliation Mechanisms.

proceedings. *Id.* Sec. 3.5. The Energy Bureau shall consider the comments in issuing an order setting forth the Performance Incentive Mechanisms for the first period and shall address comments from the interested parties. *Id.* Sec. 3.2(B).

19. The second proceeding in which, per Regulation No. 9137, new Metrics may be established is the annual proceeding, which has the purpose “to set forth the Metrics, Targets, and Financial Incentives that shall apply for the next Reporting Period.” *Id.* Sec. 3.3(A). The annual proceeding must be initiated at least three (3) months prior to the end of the current reporting period. *Id.* Sec. 3.3(B).

20. Pursuant to Section 3.3(D):

The Energy Bureau, at its discretion, may suspend any annual proceeding until a later date, in which case the current Metrics and Targets, as well as any applicable Financial Incentives, shall remain in effect until such time as the Energy Bureau resumes the suspended annual proceeding and issues an Order setting forth the new Metrics, Targets, and, if applicable, Financial Incentives.

21. Once the annual proceeding concludes, the Energy Bureau shall issue an order, based on conclusions of law and findings of fact, which shall document its ruling on the Final Annual Report, compliance during the Reporting Period. *Id.* Sec. 3.3(E). “If applicable, the Energy Bureau shall also set forth the new set of Metrics and Targets, and any Financial Incentives to be established, for the next Reporting Period. *Id.*”

22. The initial proceeding (Section 3.2) or the annual proceeding (Section 3.3) were not held before the metrics established in the April 2 Order were set and ordered.³

23. Regulation No. 9137 expressly preserves procedural safeguards: parties subject to the Metrics, Targets, and Financial Incentives framework may move for reconsideration and seek judicial review of determinations issued thereunder, pursuant to *the Puerto Rico Uniform*

³ Regulation No. 9137 includes a set of very specific processes and considerations that must be followed to establish Performance Incentive Mechanisms. *Id.* Article 7.

Administrative Procedure Act, Act No. 38-2017, 3 LPRA §§ 9601–9713 (2026). Regulation No. 9137, Article 8.

IV. Request for Partial Reconsideration

24. LUMA respectfully requests that the Energy Bureau partially reconsider April 2 Order. Specifically, LUMA requests that the Energy Bureau set aside and relieve LUMA of the obligation to report the following newly imposed monthly metrics:

- Monthly SAIDI (Generation) – System
- Monthly SAIFI (Generation) – System
- Monthly SAIDI (T&D Unnormalized) – System
- Monthly SAIFI (T&D Unnormalized) – System
- Monthly SAIDI (T&D All-in) – System
- Monthly SAIFI (T&D All-in) – System

25. First, the April 2 Order does not comply with the process established in Regulation No. 9137 for adopting performance metrics applicable to an Electric Service Company such as LUMA. Regulation No. 9137 prescribes the procedures by which the Energy Bureau may establish, modify, or eliminate Metrics, Targets, and Financial Incentives, whether for reporting purposes alone or for purposes that may later support targets or financial incentives. *See* Regulation No. 9137, §§ 3.2–3.3.

26. Regulation No. 9137 contemplates two -and only two- proceedings through which new metrics may be adopted: (i) an initial proceeding, initiated by an Order of Intent that proposes the metrics and establishes a schedule for public comments and replies, *id.* § 3.2; and (ii) an annual proceeding, initiated at least three months before the end of the current reporting period and culminating in an order supported by findings of fact and conclusions of law, *id.* § 3.3.

27. The April 2 Order is not the product of an initial proceeding under Section 3.2. Although the Energy Bureau stated in the May 16 Order that it intended to add additional reliability metrics, that statement did not constitute an “Order of Intent” as defined by Regulation No. 9137. The May 16 Order did not clearly propose the specific new metrics that it later imposed in the April 2 Order; did not specify whether those metrics were proposed for reporting purposes, targets, or financial incentives; and did not establish the public comment and reply schedule required by Section 3.2(A). Accordingly, the April 2 Order lacks the minimum procedural predicates required for adopting new metrics under the initial-proceeding framework. *See* Regulation No. 9137 § 3.2.

28. Nor is the April 2 Order the product of an annual proceeding under Section 3.3. The April 2 Order does not reflect the findings of fact and conclusions of law contemplated by Regulation No. 9137 for the conclusion of such a proceeding. *See* Regulation No. 9137 § 3.3(E).

29. In short, the procedural steps designed to ensure notice, an opportunity to be heard, and reasoned decision-making were not followed before imposing the new monthly reliability metrics at issue.

30. The Bureau’s failure to follow Regulation No. 9137 has legal consequences: it means the challenged metrics were not adopted through the Bureau’s prescribed mechanism for establishing new reporting obligations and therefore were imposed without the procedural safeguards that Regulation No. 9137 was designed to provide, including clear notice of the proposed metrics, their intended purpose (reporting vs. targets vs. incentives), and an opportunity for meaningful public input before the obligations attach. Enforcing the challenged requirements under these circumstances would deny LUMA fundamental administrative due process and would effectively permit the Bureau to impose new metric obligations outside the regulatory process it

adopted to govern that very subject. Accordingly, the challenged requirements must be set aside and their implementation suspended as applied to LUMA.

31. The failure to follow Regulation No. 9137 directly contributes to the practical and methodological challenges LUMA now faces in attempting to comply with the April 2 Order's required metrics. By way of example, the April 2 Order would require LUMA to generate and report monthly indices on a quarterly basis that (i) attribute interruptions to "Generation" load-shed events even when those events overlap with transmission and/or distribution contingencies, (ii) calculate "unnormalized" results during catastrophic events when emergency operations constrain granular coding and segmentation, and (iii) incorporate momentary interruptions into "all-in" SAIDI and SAIFI notwithstanding current data and system limitations that prevent comprehensive tracking of reclosing operations within the five-minute window. These and other related constraints and their implications for data integrity, comparability, and timely reporting are explained in detail in the Technical Memorandum attached as **Annex A**.

32. The Technical Memorandum further describes the underlying data dependencies and validation requirements associated with the newly ordered metrics and identifies the technical personnel available to participate in a technical conference to address the issues described therein.

V. Conclusion

33. For the reasons set forth herein, the Bureau should partially reconsider the April 2 Order. The Bureau's adoption of new monthly reliability metrics, together with retroactive reporting and expanded methodological documentation requirements, was not accomplished through the procedures mandated by Regulation No. 9137. That departure from the Bureau's own regulatory framework deprived the Bureau, stakeholders and accountable parties of the process necessary to develop a technically informed record, including the feasibility constraints that now

demonstrate that several of the ordered metrics cannot be reliably reported as ordered. Because the challenged metrics were imposed outside the Regulation No. 9137 process, they should not be enforced against LUMA and must be set aside.

34. LUMA respectfully requests that the Bureau grant this Motion for Partial Reconsideration and issue an order setting aside the challenged metric requirements, releasing LUMA from the obligation to report the metrics identified in Paragraph 24 of this Motion, and suspending implementation of those requirements, particularly where the April 2 Order adopted them outside the procedures mandated by Regulation No. 9137 and without a record demonstrating that compliance is technically achievable as ordered.

WHEREFORE, LUMA respectfully requests that this Honorable Bureau take notice of the foregoing, partially reconsider the April 2 Order, and set aside and suspend implementation of the requirements for LUMA to report the challenged metrics listed in Paragraph 24 of this Motion, together with any other relief the Bureau deems just and proper.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, this April 22, 2026.

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CERTIFICATE OF SERVICE

I hereby certify that I filed this motion with the Clerk of the Energy Bureau using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to

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In Guaynabo, Puerto Rico, this 22nd day of April 2026.

/s Katuska Bolaños Lugo

Katuska Bolaños Lugo