

Puerto Rico Energy Bureau Approves Final Wheeling Implementation Agreements

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On January 13, 2023, the Puerto Rico Energy Bureau (“PREB”) issued a Resolution and Order (the “January 13 R&O”) initiating proceedings for the Wheeling Implementation Docket (NEPR-MI-2023-0001). These proceedings aimed to develop a Wheeling Services Agreement (“WSA”) between Retail Electric Suppliers (“RES”) and LUMA Energy, LLC, a Wheeling Services Agreement Application Form (“WSAAF”), and determine the amount of a Nonrefundable Fee to be paid by RES to participate in the wheeling program (collectively, the “Wheeling Implementation Agreements”). The January 13 R&O ordered LUMA, among other matters, to file the draft Wheeling Implementation Agreements.

On April 21, 2023, LUMA submitted its drafts for the Wheeling Implementation Agreements and requested the PREB to approve a stakeholder collaboration period to develop the final Wheeling Implementation Agreements. The PREB approved LUMA’s request on June 6, 2023, mandating an independent monitor to oversee the process. Thereafter, LUMA submitted an updated WSA (“Updated WSA”), addressed stakeholder feedback from the collaboration period, and updated the PREB on the progress of the wheeling implementation timeline.

On January 22, 2024, the PREB issued its Final Resolution and Order (the “Final R&O”) for the Wheeling Implementation Docket. With the Final R&O, the PREB approved the WSA, on the condition that LUMA submit a final WSA, consistent with the decisions of the Final R&O, by February 6, 2023. The PREB also approved the WSAAF and a \$500 Non-Refundable Fee. The Final R&O mandates LUMA to provide, by February 23, 2024, a detailed table and accompanying explanation that compares the projected wheeling implementation costs outlined in one of LUMA’s previous filings to the costs incurred for similar program implementations in other pertinent jurisdictions. Lastly, the Final R&O ratifies the stakeholders’ consensus on a series of outstanding items from the collaboration period which relate broadly to some the following topics: energy imbalance charges, curtailment, RES wheeling charges, and insurance requirements. Where there was no agreement among stakeholders, the Final R&O outlines the varying views of the participants and establishes decisions to initiate the program.

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