

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



**IN RE:** PUERTO RICO ELECTRIC POWER  
AUTHORITY'S EMERGENCY RESPONSE  
PLANS

**CASE NO.:** NEPR-MI-2019-0006

**SUBJECT:** Commencement of Proceeding for  
Evaluation of Emergency Response Plan  
under Section 4(g) of the Luma Operation  
and Maintenance Agreement.

**RESOLUTION AND ORDER**

Pursuant to the provisions of Act 57-2014,<sup>1</sup> the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") has jurisdiction over the Puerto Rico Electric Power Authority ("PREPA") and other electric service companies. Act 57-2014, clearly states it is public policy that all consumers have the right to a reliable and stable electric service.<sup>2</sup> In the aftermath of the destruction caused by Hurricanes Irma and Maria, it is of the utmost importance that PREPA transforms the power grid and its operations to provide a more reliable and stable service to its clients.

Act 17-2019<sup>3</sup> broadened the Energy Bureau's authority and reinforced the foregoing public policy by declaring that, "(t)he electric power system should be reliable and accessible, promote industrial, commercial, and community development, improve the quality of life at just and reasonable cost, and promote the economic development of the Island."<sup>4</sup>

Regarding the preparation and submittal of emergency plans for the electric system, Section 6 of Act No. 83 of May 2, 1941 ("Act 83"), as amended, provides as follows:

(m) To submit a report to the Governor, the Bureau, and both Houses of the Legislative Assembly, not later than May 31 of every year, stating the measures taken during the preceding calendar year to address the emergencies that may arise regarding the upcoming hurricane season and other atmospheric disturbances, including floods that may affect the electrical system of the Island. Likewise, said report shall present the adopted plans or protocols to be followed if fires in facilities occurs and establishments of the Authority. It shall also include any preventive measure identified for the conservation of the

<sup>1</sup> Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended.

<sup>2</sup> *Id.*, Article 1.2(l).

<sup>3</sup> Known as the *Puerto Rico Energy Public Policy Act*.

<sup>4</sup> *Id.*, Statement of Motives, p.2.

power lines if an earthquake occurs. The report shall include, but not be limited to, the following information:

- i. Improvements to the Electric Power Authority's Revised Operating Plan for Emergencies due to Atmospheric Disturbances;
- ii. Development of an emergency plan to face a possible earthquake;
- iii. Adopted plans or protocols to be followed if fire in the authority's facilities occurs and establishments;
- iv. Status of the tree trimming program to protect power transmission lines, while protecting our trees and preventing them from being damaged; and
- v. Decision-making protocol to enforce the shutting down of the electrical system;
- vi. Trainings offered to the Authority's essential personnel to qualify it on the procedure to be followed if emergencies occurs arising from atmospheric disturbances, fire in the Authority's facilities or establishments, or earthquakes, and a certification attesting that all the personnel performing supervisory functions in the operating areas has been duly advised on the norms of the operating emergency plan in effect; and
- vii. Contingency plans to address the situation after a storm, a hurricane, a fire in the Authority's facilities or establishments, or an earthquake, directed to normalizing or reestablishing the electrical system as soon as possible.

As the regulator, for the Energy Bureau is imperative to ensure that PREPA and/or LUMA are fully prepared to prevent emergencies, and to respond to them so it guarantees that consumers will have safe and reliable electric service as soon as possible in the aftermath of an emergency.

On June 22, 2020, PREPA, the Puerto Rico Public-Private Partnerships Authority, LUMA ENERGY, LLC<sup>5</sup> as ManagementCo, and LUMA ENERGY SERVCO, LLC<sup>6</sup> as ServCo (collectively, "LUMA") entered into a Operation and Maintenance Agreement ("OMA") under which LUMA will manage PREPA's transmission and distribution system ("T&D System").<sup>7</sup>

As a certified electric service company and the operator of the T&D, LUMA is subject to compliance with applicable statutory and regulatory requirements Regarding the preparation of an Emergency response Plan, Section 4.2(f) of the OMA, provides:

<sup>5</sup> See In re: Request for Certification LUMA ENERGY, LLC, Case No. NEPR-CT-2020-0008.

<sup>6</sup> See In re: Request for Certification LUMA ENERGY SERVCO, LLC, Case No. NEPR-CT-2020-0007.

<sup>7</sup> The execution copy of the OMA is available at <https://aafaf.necdo.gov/p3/wp-content/uploads/2020/06/executed-consolidated-om-agreement-td.pdf>



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(g) Emergency Response Plan. Operator shall provide Administrator and PREB, for their information, with a plan of action meeting Contract Standards that takes effect from the Service Commencement Date and outlines the procedures and actions necessary for responding to any emergency affecting or reasonably likely to affect the T&D System after the Service Commencement Date (the “Emergency Response Plan”), including fire, weather, environmental, health, safety and other potential emergency conditions, which Emergency Response Plan shall become effective on the Service Commencement Date. The Emergency Response Plan shall (i) provide for appropriate notice of any such emergency to PREB and all other Governmental Bodies that ManagementCo is notified in writing have jurisdiction over the T&D System, (ii) establish measures that facilitate coordinated emergency response actions by all appropriate Governmental Bodies, (iii) specifically include outage minimization and response measures, and (iv) assure the timely availability of all personnel required to respond to any emergency under (A) Contract Standards and (B) the Federal Funding Procurement Manual if the Emergency Event relates, or could potentially relate, to an event that may be or has been declared a Declared Emergency or Major Disaster. Such Emergency Response Plan shall be updated by Operator from time to time as necessary or appropriate.<sup>8</sup>

It is important to clarify that as expressed in the Energy Bureau’s Resolution and Order of June 17, 2020, any language depriving or restricting Energy Bureau’s jurisdiction is not binding to the Energy Bureau.<sup>9</sup>

The Energy Bureau **ORDERS** PREPA and LUMA to ensure that any filing to be executed before the Energy Bureau under Section 4.2(g) of the OMA complies with content required under Section 6 (m) of Act 83. While undertaking the preparation of this filing, PREPA and LUMA **SHALL** ensure that duplicity of efforts, which result imprudent costs, is avoided.<sup>10</sup> Once the filing takes place, the Energy Bureau will issue the corresponding procedural calendar.

Notwithstanding the foregoing, and to ensure that the filing is aligned with the foregoing, the Energy Bureau **ORDERS** PREPA and LUMA representatives to attend a Pre-Filing Technical Conference to be held remotely on **January 15, 2020 at 2:00 pm**. During the mentioned Technical Conference, which will be streamed via the Energy Bureau’s

<sup>8</sup> See Section 4.2 and Annex IX of the OMA.

<sup>9</sup> See In re: Certificate of Energy Compliance, Case No. NEPR-AP-2020-0002, Resolution and Order, June 17, 2020.

<sup>10</sup> See In re: Coordination of System Planning Efforts – Front End Transition of T&D System Operation and Maintenance, Case No. NEPR-MI-2020-0008, Resolution and Order, December 8, 2020. The warnings and orders included in the foregoing Resolution and Order are extensive and applicable to this process and filing. *Id.* at page 2.



YouTube Channel, PREPA and LUMA may clarify their questions regarding the filing (*i.e.*, content that should be included in the filing).

The Energy Bureau **WARNS** PREPA and LUMA that, noncompliance with any provision of this Resolution and Order, may result in the imposition fines under Act 57-2014 and the applicable Energy Bureau's regulations and/or any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.



Edison Avilés Deliz  
Chairman



Ángel R. Rivera de la Cruz  
Associate Commissioner



Lillian Mateo Santos  
Associate Commissioner



Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner



**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on December 31, 2020. I also certify that on December 31, 2020 a copy of this Resolution and Order was notified by electronic mail to the following: astrid.rodriguez@prepa.com, fabiola.rosa@prepa.com, marisol.pomales@prepa.com, vilmarie.fontanet@prepa.com, jorge.ruiz@prepa.com, Legal@lumamc.com, wayne.stensby@lumamc.com and mario.hurtado@lumamc.com. I also certify that today, December 31, 2020, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and I have sent a true and exact copy to the following:

For the record, I sign this in San Juan, Puerto Rico, today December 31, 2020.

  
Wanda I. Cordero Morales  
Clerk

