

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

**IN RE: REVIEW OF THE PUERTO RICO  
ELECTRIC POWER AUTHORITY'S 10-YEAR  
INFRASTRUCTURE PLAN – DECEMBER  
2020**

**CASE NO.: NEPR-MI-2021-0002**

**SUBJECT: Evaluation of Projects in  
Buildings Category of August 30 Motion.**

**RESOLUTION AND ORDER**

**I. Introduction**

On August 30, 2021, LUMA<sup>1</sup> filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Motion Requesting Clarification of a Portion of the Energy Bureau's Resolution and Order Entered on August 20, 2021 and Submitting Updated List of Transmission and Distribution Projects and Twenty-Nine Scopes of Work* ("August 30 Motion"). Among others, LUMA stated that it completed the planning phase and project definition for twenty-nine (29) projects to be submitted to the Federal Emergency Management Agency ("FEMA") and the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency ("COR3"). LUMA included as Exhibit 1 to the Motion, an updated project list. Further, LUMA included as Exhibit 2 to the Motion the twenty-nine (29) Scopes of Work ("SOW") for Transmission and Distribution ("T&D") projects for the Energy Bureau's review and approval.

On September 22, 2021, the Energy Bureau issued a Resolution and Order ("September 22 Resolution") through which it approved several projects in the August 30 Motion.<sup>2</sup> Regarding the SOWs for projects under the buildings category, the Energy Bureau deemed necessary to obtain additional information from LUMA before completing the evaluation. The Energy Bureau ordered LUMA to attend a Technical Conference on September 30, 2021, at 1:00 p.m.

After certain procedural incidents, on October 7, 2021, the Energy Bureau held the Technical Conference. During the Technical Conference, LUMA personnel explained to the Energy Bureau the work to be performed under the SOWs related to the buildings category, and the reasons why such work is necessary.

**II. Evaluation Projects in the Buildings Category in the August 30 Motion**

Through the August 30 Motion, LUMA submitted eight (8) Project SOWs related to the buildings category. As part of the SOWs, LUMA included a Class 5 Cost Estimate for each

<sup>1</sup> LUMA Energy, LLC, and LUMA Energy ServCo, LLC (collectively, "LUMA").

<sup>2</sup> Attachment A, September 22 Resolution.



project, which details materials, construction, labor and equipment, engineering, permitting, management, and contingencies. As explained in the SOWs, said cost estimates could deviate between -50% to +100% of the final project cost.

As part of the information provided by LUMA, all buildings will undergo a preliminary and final design to address specific requirements. Field assessments will further define the scope of restoration to code and industry standards. Building-specific studies will be performed to verify building code compliance, fire safety compliance, structural damage, and electric hazards, among others.

In the Technical Conference, LUMA personnel explained that the buildings category SOWs submitted as part of the August 30 Motion, as well as the three (3) SOWs for the same category previously approved<sup>3</sup> by the Energy Bureau, comprise 188 buildings and 65 work sites to be used by LUMA as part of its operations. LUMA explained that as part of its assessment of buildings and work sites, it considered the building health, ease of access for vendors and customers, critical functions already established within several facilities, among others. LUMA presented several images as a representative of the condition of some of the buildings reviewed as part of their assessment.

Upon review of the August 30 Motion and considering the information obtained through the Technical Conference, the Energy Bureau **DETERMINES** that the buildings category SOWs submitted as part of the August 30 Motion are necessary to improve the reliability of the system. Therefore, the Energy Bureau **APPROVES** the projects contained in Attachment A to this Resolution and Order. The Energy Bureau notes this approval represents \$117.47 MM based on the Class 5 Cost Estimates submitted by LUMA through the August 30 Motion.<sup>4</sup>

### III. Conclusion

The Energy Bureau **APPROVES** the projects included in **Attachment A** to this Resolution and Order, which shall be presented to FEMA and COR3 to finalize its approval process. The Energy Bureau approved these projects based upon the information provided by LUMA. Should the scope of the project change, LUMA **SHALL** immediately seek the Energy Bureau's approval of such changes.

The Energy Bureau **ORDERS** LUMA to (i) submit to the Energy Bureau copy of the approval by COR3 and/or FEMA of the projects contained in Attachment A, which shall contain the costs obligated for each project, **within ten (10) days of receipt of such approval**; (ii) provide the Energy Bureau the actual contracted cost to construct each project

<sup>3</sup> Resolution and Order, In Re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan – December 2020, Case No. NEPR-MI-2021-0002, June 8, 2021.

<sup>4</sup> The Energy Bureau has approved a total of \$8,409.96 = \$8,292.49 MM + \$117.47 MM up to date based on the Class 5 Cost Estimates submitted by PREPA and LUMA as part of this process.



contained in attachment A, **within ten (10) days from the execution of the contract**; and (iii) inform the Energy Bureau once the projects are completed.

The directive established in the March 26 Resolution regarding the submission of projects before the Energy Bureau at least thirty (30) calendar days before submitting such projects to FEMA and/or COR3 remains unaltered.

Be it notified and published.

 Ángel R. Rivera de la Cruz Associate Commissioner	 Edison Avilés Deliz Chairman	 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 October 14, 2021. I also certify that on October 14, 2021 a copy of this Resolution and Order was notified by electronic mail to the following: [laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com); [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com), [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law); [mvazquez@diazvaz.law](mailto:mvazquez@diazvaz.law). I also certify that today, October 15, 2021, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today October 14, 2021.

  
Sonia Seda Gaztambide  
Clerk



**Attachment A  
Projects Approved by the Energy Bureau**

<b>SOW No.</b>	<b>Category</b>	<b>Project</b>	<b>Class 5 Cost Estimate (Millions)</b>	<b>Comments</b>
1	Buildings	San Germán ESC	\$ 2.48	Approved as Requested.
2	Buildings	Arecibo Region Repairs	\$ 9.23	Approved as Requested.
3	Buildings	Palo Seco South Building Repairs	\$ 11.17	Approved as Requested.
4	Buildings	Bayamón Region Repairs	\$ 15.45	Approved as Requested.
5	Buildings	Caguas Region Repairs	\$ 14.47	Approved as Requested.
6	Buildings	San Juan Region Repairs	\$ 31.03	Approved as Requested.
7	Buildings	Mayagüez Region Repairs	\$ 13.35	Approved as Requested.
8	Buildings	Ponce Region Repairs	\$ 20.29	Approved as Requested.
<b>TOTAL</b>			<b>\$ 117.47</b>	

