

**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:** Resolution and Order for  
PREPA's Fifth Group of Generation Projects  
Scope of Work.

**RESOLUTION AND ORDER**

**I. Introduction**

On March 26, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("March 26 Resolution") through which it ordered the Puerto Rico Electric Power Authority ("PREPA") to submit each specific capital investment project for approval, to avoid potential noncompliance with the Approved Integrated Resource Plan ("IRP") and Modified Action Plan<sup>1,2</sup> The Energy Bureau required PREPA to submit the specific projects to the Energy Bureau for approval at least thirty (30) calendar days before their submittal to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency ("COR3") and the Federal Emergency Management Agency ("FEMA").<sup>3</sup>

On December 1, 2021, PREPA filed before the Energy Bureau a document titled Motion to Submit Fifth Group of Generation Projects Scope of Work ("December 1 Motion"). Through the December 1 Motion, PREPA submitted four (4) Exhibits, Exhibit A through Exhibit D, containing several Scopes of Work ("SOW") for permanent repairs performed at the Cambalache, Mayaguez Hydro-Gas, Palo Seco Steam Plant and San Juan Power Plant Plants. The jobs were necessary for the repair of damages that the referred power plants suffered because of the direct impact of Hurricane Maria. These repairs were essential to sustain and improve the reliability of the systems. Exhibits contain four groups of projects related to the Cambalache Power Plant, Mayaguez Hydro-gas Power Plant, Palo Seco Steam Plant, and San Juan Power Plant.<sup>4</sup>

**II. Evaluation of PREPA's December 01 Motion**

As part of the December 1 Motion, PREPA included four groups of projects related to the Cambalache Power Plant, Mayaguez Hydro-gas Power Plant, Palo Seco Steam Plant and San Juan Power Plant Scopes of Work (SOW) with cost incurred, distributed across Exhibit A through Exhibit D. These SOWs include projects mainly related to the restoration of several areas and equipment within each generation facility. They were intended to restore all the damaged equipment to pre-disaster function within the corresponding approved codes and standards. As part of the SOWs, PREPA included four Project Scopes of Work with Cost Estimates, which describe in detail the contractor scopes and incurred cost for each project.

Exhibit A of the December 1 Motion contains nine (9) SOWs for work performed on the Cambalache Power Plant related to repairs on the sanitary water pumping system, hydraulic equipment, Different areas of the generation plant, Different A/C units of the generation plant, Generation plant fences, Storm water pump system, Fuel transfer pump, Cable trays,

<sup>1</sup> See, *In Re: Review of the Integrated Resources Plan of the Puerto Rico Electric Power Authority*, Case. No. CEPR-AP-2018-0001, Final Resolution and Order, August 24, 2020 ("August 24 Resolution").

<sup>2</sup> See, *In Re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan – December 2020*, Case. No. NEPR-MI-2021-0002, Resolution and Order, March 26, 2021. ("March 26 Resolution").

<sup>3</sup> March 26 Resolution, pp. 14-15. The Energy Bureau determined that this directive equally applies to LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"). See, 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> December 1 Motion, pp. 1-2, ¶ 3.

and Lighting. Exhibit B includes four (4) SOWs for work performed on the Mayaguez Hydro-gas Power Plant related to repairs on the Gas generator, Brush generator unit 1, Fuel tank 1, and Mayaguez plant operations (RO membranes, interconnectors, vessel assembly caps, O-rings, and other spare parts). Exhibit C includes four (4) SOWs for the Palo Seco Steam Plant for repairs on the Cooling towers 3 & 4, Boilers' cameras to monitor opacity, Federal Alert system, and repairs to all generation units (refractory work, paint, insulation, and other). Exhibit D includes eleven (11) SOWs for repairs performed in the San Juan Power Plant related to repairs on Boilers 7 & 8, Boilers 9 & 10, Units 9 & 10, Units 7 & 8, Plant's emergency notification system, Dikes (R1, R2, R3 and R4), Boiler's dining room AC unit, NPDES office AC unit, Units 5 & 6 package AC unit, General Mechanical Workshop-North, and Power plant rehabilitation contracts. According to PREPA, the SOWs have the objective to (i) repair all the damages to equipment and areas within the four plants caused by Hurricane Maria; and (ii) restore the facilities to pre-disaster function and approved codes and standards.

Upon review of the December 1 Motion, the Energy Bureau **DETERMINES** that the projects presented were necessary to maintain and improve the reliability of the systems in all four (4) Plants. Therefore, the Energy Bureau **APPROVES** the projects in Attachment A to D of this Resolution and Order. The Energy Bureau notes this approval represents \$5.189 MM based on the **incurred cost** of all completed repairs submitted by PREPA through the December 1 Motion.<sup>5</sup>

III. PREPA's Request of Confidential Treatment

In support of its request for confidential treatment, PREPA alleged that Exhibits A through Exhibit D of the December 1 Motion includes certain confidential information in the form of critical energy infrastructure information or critical electric infrastructure information ("CEII") that garners protection from public disclosure pursuant to federal statutes and regulations.<sup>6</sup> PREPA requests the Energy Bureau to grant confidential designation and treatment to portions of the referred Exhibits A, B, C, and D. Table 1 below details the portions of Exhibits A, B, C and D for which PREPA requested confidential designation and treatment.

Table 1

Exhibit	Description	Confidential Information	Summary of Legal Basis for Confidentiality Protection, if applicable
Exhibit A	Cambalache Power Plant permanent repairs	Global positioning system data Page 4, Sec. 2.1	Critical Energy Infrastructure Information 18 C.F.R. §388.113; 6 U.S.C. §§ 671- 674
Exhibit B	Mayaguez Hydro-gas Power Plant permanent repairs	Global positioning system data Page 4, Sec2.1	Critical Energy Infrastructure Information 18 C.F.R. §388.113; 6 U.S.C. §§ 671- 674
Exhibit C	Palo Seco Steam Plant permanent repairs	Global positioning system data Page 4, Sec. 2.1	Critical Energy Infrastructure Information 18 C.F.R. §388.113; 6 U.S.C. §§ 671- 674
Exhibit D	San Juan Power Plant permanent repairs	Global positioning system data Page 4, Sec. 2.1	Critical Energy Infrastructure Information 18 C.F.R. §388.113; 6 U.S.C. §§ 671- 674

<sup>5</sup> The Energy Bureau has approved a total of \$4,430.76 MM = \$1,240.77 MM + \$1,789.58 MM + \$1,376.97 + \$18.257 + \$5.189 up to date based on the Class Cost Estimates submitted by PREPA and LUMA as part of this process.

<sup>6</sup> 6 U.S.C. §§ 671-674; 18 C.F.R. §388.113 (2020).



Act 57-2014<sup>7</sup> establishes that any person having the obligation to submit information to the Energy Bureau, can request privilege or confidential treatment to any information that the party submitting understands deserves such protection.<sup>8</sup> Specifically, Act 57-2014 requires the Energy Bureau to treat as confidential the submitted information provided that “the Energy Bureau, after the appropriate evaluation, believes such information should be protected”.<sup>9</sup> In such case, the Energy Bureau “shall grant such protection **in a manner that least affects the public interest, transparency,** and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted.”<sup>10</sup>

Upon review of PREPA’s arguments and the law, the Energy Bureau **GRANTS** confidential designation and treatment to portions of Exhibit A through Exhibit D as described in Table 1 above, pursuant to Article 6.15 of Act 57-2014. The Energy Bureau **TAKES NOTICE** that PREPA has submitted a redacted (*i.e.*, public) version of Exhibits A through D.

#### IV. Conclusion





The Energy Bureau **APPROVES** the projects included as part of the **Attachments A** to this Resolution and Order, which shall be presented to FEMA and COR3 to finalize its approval process. These projects were approved based on the information provided by PREPA, should the scope of the project changes, PREPA **SHALL** immediately seek the Energy Bureau’s approval of such changes.

The Energy Bureau **ORDERS** PREPA to (i) submit to the Energy Bureau copy of the approval by COR3 and/or FEMA of the projects in Attachment A, which shall contain the costs obligated for each project, **within ten (10) days of receipt of such approval.**

The Energy Bureau **GRANTS** confidential designation and treatment to portions of Exhibit A through Exhibit C as described in Table 1 above.

The directive instated in the March 26 Resolution related to 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
<u>Did not Intervine</u> Ferdinand A. Ramos Soegaard Associate Commissioner		 Sylvia B. Ugarte Araujo Associate Commissioner

<sup>7</sup> The Puerto Rico Energy Transformation and RELIEF Act, as amended.

<sup>8</sup> Section 6.15 of Act 57-2014.

<sup>9</sup> *Id.*

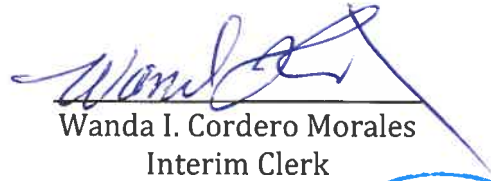
<sup>10</sup> *Id.* (Emphasis added).



## CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on December 20, 2021. I also certify that on December 20, 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, December 20, 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 December 20, 2021.

  
Wanda I. Cordero Morales  
Interim Clerk





**Attachment A**  
**Projects Approved by the Energy Bureau for Cambalache Power Plant Permanent Repairs**

	Category	Initial SOW Document (December 01, 2021) - Project Name	Incurred Cost (\$M)	Comments
1	Generation	Sanitary Water Pumping System	\$ 0.058	Approved as requested.
2	Generation	Hydraulic Equipment	\$ 0.042	Approved as requested.
3	Generation	Different Areas	\$0.200	Approved as requested.
4	Generation	Different AC units of the Plant	\$ 0.048	Approved as requested.
5	Generation	Generation Plant Fences	\$ 0.200	Approved as requested.
6	Generation	Storm Water Pump System	\$ 0.344	Approved as requested.
7	Generation	Fuel Transfer Pump	\$ 0.004	Approved as requested.
8	Generation	Cable Trays	\$ 0.060	Approved as requested.
9	Generation	Lighting	\$ 0.039	Approved as requested.
<b>TOTAL</b>			<b>\$ 1.105</b>	

**Attachment B**  
**Projects Approved by the Energy Bureau for Mayaguez Hydro-gas Power Plant Permanent Repairs**

	Category	Initial SOW Document (December 01, 2021) - Project Name	Incurred Cost (\$M)	Comments
1	Generation	Gas Generator	\$ 0.012	Approved as requested.
2	Generation	Brush Generator	\$ 0.071	Approved as requested.
3	Generation	Fuel Tank 1	\$ 0.034	Approved as requested.
4	Generation	Plant Operations	\$ 0.080	Approved as requested.
<b>TOTAL</b>			<b>\$ 0.197</b>	

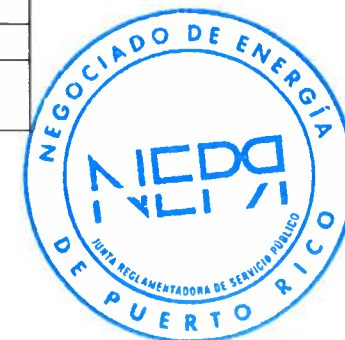


**Attachment C**  
**Projects Approved by the Energy Bureau for Palo Seco Steam Plant Permanent Repairs**

	Category	Initial SOW Document (December 01, 2021) - Project Name	Incurred Cost (\$M)	Comments
1	Generation	Cooling Towers 3 & 4	\$ 1.433	Approved as requested.
2	Generation	Boilers' Cameras	\$ 0.025	Approved as requested.
3	Generation	Federal Alert System	\$0.010	Approved as requested.
4	Generation	All Generation Units	\$ 1.040	Approved as requested.
<b>TOTAL</b>			<b>\$ 2.508</b>	

**Attachment D**  
**Projects Approved by the Energy Bureau for San Juan Power Plant Permanent Repairs**

	Category	Initial SOW Document (December 01, 2021) - Project Name	Incurred Cost (\$M)	Comments
1	Generation	Boilers 7 & 8	\$ 0.413	Approved as requested.
2	Generation	Boilers 9 & 10	\$ 0.342	Approved as requested.
3	Generation	Units 9 & 10	\$0.037	Approved as requested.
4	Generation	Units 7 & 8	\$ 0.096	Approved as requested.
5	Generation	Plant's Emergency Notification System	\$ 0.010	Approved as requested.
6	Generation	Dikes R1, R2, R3, R4	\$ 0.100	Approved as requested.
7	Generation	Boiler's Dining Room AC	\$ 0.004	Approved as requested.
8	Generation	NPDES office AC	\$ 0.001	Approved as requested.
9	Generation	Units 5 & 6	\$ 0.020	Approved as requested.
10	Generation	General Mechanic Workshop	\$ 0.185	Approved as requested.
11	Generation	Power Plant Rehabilitation contracts	\$ 0.171	Approved as requested.
<b>TOTAL</b>			<b>\$ 1.379</b>	



	Category	Initial SOW Document (December 01, 2021) - Project Name	Incurred Cost (\$M)	Comments
		GRAND TOTAL of ATTACHMENTS A to D	\$ 5.189	

