

**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 PREPA's February 8, 2022, Request for approval of ten (10) SOWs; Evaluation of PREPA's February 14, 2022, Request for approval of twenty-three (23) SOWs; and Request for Confidential Designation and Treatment.

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^{1,2} 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").³

On November 15, 2021, PREPA filed before the Energy Bureau a document titled *Motion to Submit Fourth Group of Generation Projects* ("November 15 Motion"). Through the November 15 Motion, PREPA submitted one hundred-four (104) Work descriptions in Attachment A ("Proposed Generation Projects") containing a general description of works of conservation, repairs, and retrofitting of generation units and their auxiliary equipment, including, without limitation, boilers, turbines, rotors, generators, motors, pumps, breakers, and control systems for their generation power plants. The works are to be performed in the following Plants: San Juan Power Plant, Aguirre Power Plant and Combined Cycle, Costa Sur Power Plant, Palo Seco Steam Plant, Hydrogas Turbine Peakers, Cambalache, Mayagüez Gas Turbines, and a list of jobs to be performed in all the power plants. PREPA prepared a comprehensive list of repairs works projects of its generation assets and for which PREPA will seek reimbursement under several FEMA programs (i.e., Section 404, Section 428 Public Assistance, etc.).

On January 4, 2022, the Energy Bureau issued a Resolution and Order ("January 4 Order") addressing the November 15 Motion. Through the January 4 Order the Energy Bureau conditionally approved the generation projects described in Attachments A to H, pending the submittal by PREPA of the Scope of Works ("SOWs") of each project. To complete the evaluation on the Proposed Generation Projects, the Energy Bureau requested:

1. The status of each unit in the Proposed Generation Projects;
2. If and how the expenditure will help bring the unit back to availability for operation;

¹ Resolution and Order, *In re: Review of the Puerto Rico Electric Power Authority's 10- Year Infrastructure Plan*, Case No. NEPR-MI-2021-0002, March 26, 2021 ("March 26 Resolution").

² Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, *In re: Review of the Integrated Resource Plan of the Puerto Rico Electric Power Authority*, Case No. CEPR-AP-2018-0001, August 24, 2020 ("IRP Order").

³ March 26 Resolution, pp. 14-15. The Energy Bureau determined that this directive equally applied to LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"). 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, June 8, 2021.



3. When the unit would be available for operation if the expenditure was made;
4. The expected duration of availability status of the unit after the expenditure is made, and any other required explanation;
5. An updated snapshot of the status of repairs and expected availability over the next three years for the units at San Juan, Palo Seco, Costa Sur, and Aguirre; and
6. Either the "Draft released to PREPA" of the "10-Year Thermal Generation Retirement, Addition and Conversion Plan" as listed on page 7 of the December 2021 Status Report scheduled for finishing by March 2022⁴ or a synopsis of PREPA's current understanding of how planned retirements of the fossil fleet are considered when requesting approval for maintenance and capital investment funding through the instant procedure.

On January 13, 2022, PREPA filed before the Energy Bureau a document titled *Partial Compliance with the January 4 Order and Request for Extension of Time* ("January 13 Motion"). Through the January 13 Motion PREPA submitted twenty-five (25) initial SOWs for certain Proposed Generation Projects for the review and approval of the Energy Bureau. Of the twenty-five (25) SOWs, twenty-four (24) were conditionally approved while one (1) was classified as Deferred Project, as stated in the January 4 Order. Attachment A of the January 13 Motion describes the Proposed SOWs for these twenty-five (25) Proposed Generation Projects.

On January 25, 2022, PREPA filed before the Energy Bureau a document titled *Motion to Submit Additional Generation Projects SOWs* ("January 25 Motion"). Through the January 25 Motion PREPA submitted ten (10) additional SOWs for the review and approval of the Energy Bureau. Of these Generation SOW's, seven (7) were conditionally approved while three (3) were classified as Deferred Project, as stated in the January 4 Order.

On January 28, 2022, PREPA filed before the Energy Bureau a document titled *Second Motion to Submit Additional Generation Projects SOWs* ("January 28 Motion"). Through the January 28 Motion PREPA submitted twenty (20) additional SOWs for the review and approval of the Energy Bureau. Of these Generation SOW's, nineteen (19) were conditionally approved while one (1) was classified as Deferred Project, as stated in the January 4 Order. Attachment A of the January 28 Motion describes the Proposed SOWs for these twenty (20) Proposed Generation Projects.

On February 2, 2022, PREPA filed before the Energy Bureau a document titled *Third Motion to Submit Additional Generation Projects SOWs* ("February 2 Motion"). Through the February 2 Motion PREPA submitted fourteen (14) additional SOWs for the review and approval of the Energy Bureau. Of these Generation SOW's, twelve (12) were conditionally approved while two (2) were classified as Deferred Projects, as stated in the January 4 Order. Attachment A of the February 2 Motion describes the Proposed SOWs for these fourteen (14) Proposed Generation Projects.

On February 8, 2022, PREPA filed before the Energy Bureau a document titled *Fourth Motion to Submit Additional Generation Projects SOWs* ("February 8 Motion"). Through the February 8 Motion PREPA submitted ten (10) additional SOWs for the review and approval of the Energy Bureau. Of these Generation SOW's, four (4) were conditionally approved while six (6) were classified as Deferred Projects, as stated in the January 4 Order. Attachment A of the February 8 Motion describes the Proposed SOWs for these ten (10) Proposed Generation Projects.

Through the February 8 Motion, PREPA also requested confidential designation and treatment of Attachment A for certain global positioning system ("GPS") information for the projects. PREPA states that such GPS information is considered Critical Energy Infrastructure Information ("CEII") and is therefore confidential. PREPA requested to publish

⁴ See Motion to Submit December 2021 Status Report in Compliance with Order, *In re. Preliminary Studies for New Combined Cycle Power Plant in Palo Seco*, Case. No. NEPR-MI-2021-0003, December 15, 2021.



the public redacted version of the referenced Attachment A, as filed in the February 8 Motion.⁵

On February 10, 2022, the Energy Bureau issued a Resolution and Order ("February 10 Resolution") through which it addressed the January 13 Motion. Through the February 10 Resolution the Energy Bureau approved twenty-four (24) SOWs conditionally approved through the January 4 Order. The Energy Bureau determined not to approve SOW 4069 identified as (Procurement and delivery of water wall boiler tubes and economizer unit Palo Seco 3), as described in Attachment B of the February 10 Resolution⁶

On February 14, 2022, PREPA filed before the Energy Bureau a document titled *Motion to Complete Generation Projects SOWs Submittal and Partial Responses to RFI and Request for Extension of Time to Submit Additional Responses to RFI* ("February 14 Motion"). Through the February 14 Motion PREPA submitted twenty-three (23) additional SOWs for the review and approval of the Energy Bureau. Of these Generation SOW's, twenty-two (22) were conditionally approved while one (1) was classified as a Deferred Project, as stated in the January 4 Order. Attachment A of the February 14 Motion describes the Proposed SOWs for these twenty-three (23) Proposed Generation Projects.

Through the February 14 Motion, PREPA also requested confidential designation and treatment of Attachment A for certain global positioning system ("GPS") information for the projects. PREPA states that such GPS information is considered Critical Energy Infrastructure Information ("CEII") and is therefore confidential. PREPA requested to publish the public redacted version of the referenced Attachment A, as filed in the February 14 Motion.⁷

On February 18, 2022, the Energy Bureau issued a Resolution and Order ("February 18 Resolution") through which it addressed the January 25 Motion. In the February 18 Resolution the Energy Bureau approved seven (7) SOWs conditionally approved through the January 4 Order. The Energy Bureau determined not to approve three (3) SOWs identified as: 4073 (Unit Palo Seco 4 refractory, insulation, scaffolding, and painting application works), 4075 (Procurement turning gear system, Unit Palo Seco 3 and 4) and 4080 (Unit Palo Seco 4, superheater, header number 5 material and installation) as described in Attachment B of the February 18 Resolution.⁸

On February 24, 2022, the Energy Bureau issued a Resolution and Order ("February 24 Resolution") through which it addressed the February 2 Motion. In the February 24 Resolution the Energy Bureau approved twelve (12) SOWs conditionally approved through the January 4 Order. The Energy Bureau determined not to approve two (2) SOWs identified as: 1012 (Structural repairs fuel service tank 10, San Juan Power Plant) and 6088 (Unit 1 Rehabilitation – Cambalache Power Plan) as described in Attachment B of the February 24 Resolution.⁹

On March 9, 2022, the Energy Bureau issued a Resolution and Order ("March 9 Resolution") through which it addressed the January 28 Motion. In the March 9 Resolution, the Energy Bureau approved nineteen (19) SOWs conditionally approved through the January 4 Order. The Energy Bureau determined not to approve SOW 2029 identified as Unit 1 South wall boiler tubing replacement and boilers repairs – Aguirre Power Plant as described in Attachment B of the March 9 Resolution.¹⁰

⁵ February 8 Motion, pp.4-9.

⁶ SOW 4069 was classified as a deferred project through the January 4 Order.

⁷ February 8 Motion, pp. 5-11.

⁸ SOWs 4073, 4075 and 4080 were classified as a deferred project through the January 4 Order.

⁹ SOWs 1012 and 6088 were classified as a deferred project through the January 4 Order.

¹⁰ SOWs 2029 was classified as a deferred project through the January 4 Order.



II. PREPA’s Request for Confidential Information Designation and Treatment (“February 8 Motion”)

In the February 8 Motion, PREPA requested confidential designation and treatment of Attachment A for certain global positioning system (“GPS”) information for the projects. PREPA alleged that the SOWs in Attachment A of the February 8 Motion contains GPS coordinates of the power plants, which is confidential information in the form of CEII that garners protection from public disclosures pursuant to federal statutes and regulations.¹¹

To protect such confidential information, PREPA states it redacted the GPS information from the Generation Projects SOWs submitted with the February 8 Motion. PREPA requests the Energy Bureau to determine that the GPS information is CEII and thus, confidential. PREPA also requested the Energy Bureau to maintain the public files with the redaction already provided. PREPA requests the Energy Bureau to grant confidential designation and treatment to the referred GPS information in Attachment A of the February 8 Motion. Table 1 below details the list of the GPS information for which PREPA requested confidential designation and treatment:

Table 1: PREPA’s Request for Confidential Information Designation and Treatment for the February 8 Motion

SOW NO.	PROJECT DESCRIPTION	CONFIDENTIAL INFORMATION	LEGAL BASIS
1009	Cooling Tower Repair Work, San Juan Steam Plant – Unit 10	GPS Location Page 4, Sec. 2.1 Page 10, Sec. 10.3	CEII
1021	Unit 8 Turbine Rehabilitation	GPS Location Page 4, Sec. 2.1 Page 25, Sec. 10.3	CEII
1022	Unit 7 Turbine Rehabilitation	GPS Location Page 4, Sec. 2.1 Page 26, Sec. 10.3	CEII
1027	Unit 7 – Major Outage – Boiler Sections Replacement and Repairs & Auxiliary Equipment Inspection Work	GPS Location Page 4, Sec. 2.1 Page 12, Sec. 10.3	CEII
1028	Unit 8 – Major Outage – Boiler Sections Replacement and Repairs & Auxiliary Equipment Inspection Work	GPS Location Page 4, Sec. 2.1 Page 14, Sec. 10.3	CEII
3051	Replacement of Air Preheater’s Baskets Unit 5	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII
3058	CS 5 Major Inspection Unit 5 – HP IP LP Turbine Rotor Replacement	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII
3061	Caustic Soda & Acid Tanks Replacement Works Costa Sur Water Plant	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII
3062	Unit 6 – HP/IP/LP Inspection (Failure)	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII
4070	Low Pressure Turbine Rotor Refurbished Unit 3 Palo Seco Steam Plant	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII

¹¹ 6 U.S.C. §§ 671-674; 18 C.F.R. §388.113 (2020).



Act 57-2014¹² 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.¹³ 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”.¹⁴ 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.”¹⁵

Upon review of PREPA’s arguments and the law, the Energy Bureau **GRANTS** confidential designation and treatment to the GPS information described in Table 1 above, for the reasons stated by PREPA, pursuant to Article 6.15 of Act 57-2014. The Energy Bureau **TAKES NOTICE** that PREPA submitted a revised redacted (*i.e.*, public) version of the documents described in Table 1.

III. PREPA’s Request for Confidential Information Designation and Treatment (“February 14 Motion”)

In the February 14 Motion, PREPA requested confidential designation and treatment of Attachment A for certain global positioning system (“GPS”) information for the projects. PREPA alleged that the SOWs in Attachment A of the February 14 Motion contains GPS coordinates of the power plants, which is confidential information in the form of CEII that garners protection from public disclosures pursuant to federal statutes and regulations.¹⁶

To protect such confidential information, PREPA states it redacted the GPS information from the Generation Projects SOWs submitted with the February 8 Motion. PREPA requests the Energy Bureau to determine that the GPS information is CEII and thus, confidential. PREPA also requested the Energy Bureau to maintain the public files with the redaction already provided. PREPA requests the Energy Bureau to grant confidential designation and treatment to the referred GPS information in Attachment A of the February 8 Motion. Table 1 below details the list of the GPS information for which PREPA requested confidential designation and treatment:

Table 2: PREPA’s Request for Confidential Information Designation and Treatment for the February 14 Motion

SOW NO.	PROJECT DESCRIPTION	CONFIDENTIAL INFORMATION	LEGAL BASIS
1016	San Juan Power Plant – Unit 10 Rehabilitation	GPS Location Page 4, Sec. 2.1 Page 10, Sec. 10.3	CEII
1017	Steam Rotor Replacement Unit 5 and CT Repairs	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII
1018	San Juan Unit 5 LTSA	GPS Location Page 4, Sec. 2.1 Page 10, Sec. 10.3	CEII
1019	San Juan Unit 6 LTSA	GPS Location Page 4, Sec. 2.1 Page 10, Sec. 10.3	CEII

¹² Puerto Rico Energy Transformation and RELIEF Act, as amended (“Act 57-2014”).
¹³ Section 6.15 of Act 57-2014.
¹⁴ *Id.*
¹⁵ *Id.* (Emphasis added).
¹⁶ 6 U.S.C. §§ 671-674; 18 C.F.R. §388.113 (2020).



SOW NO.	PROJECT DESCRIPTION	CONFIDENTIAL INFORMATION	LEGAL BASIS
5082	Hydrogas Gas Turbine Peakers – Generator Breakers	GPS Location Page 10-13, Sec. 10.3	CEII
5083	Hydrogas Gas Turbine Peakers – Turbo Compressors	GPS Location Page 9-11, Sec. 10.3	CEII
5084	Hydrogas Gas Turbine Peakers – Speed Reduction Gear	GPS Location Page 9-11, Sec. 10.3	CEII
5085	Hydrogas Gas Turbine Peakers – Exhaust Plenums	GPS Location Page 9-13, Sec. 10.3	CEII
5086	Hydrogas Gas Turbine Peakers – Exhaust Gas Diffusion Ducts	GPS Location Page 9-13, Sec. 10.3	CEII
5087	Hydrogas Gas Turbine Peakers – Major Outage – Turbo Compressor – 15 Units	GPS Location Page 10-15, Sec. 10.3	CEII
3068	Costa Sur – Upgrade to Foxboro Simulation System	GPS Location Page 4, Sec. 2.1 Page 9, Sec. 10.3	CEII
8093	All Power Plants – Stamp R and Mechanical Repair Works for Boilers and Turbo Generators	GPS Location Page 9, 55-57, Sec. 10.3	CEII
8094	All Power Plants – Hydroblasting Service for Condensers	GPS Location Page 9, 86-88, Sec. 10.3	CEII
8095	All Power Plants – Hydroblasting Service for [Boilers]	GPS Location Page 9, 86-88, Sec. 10.3	CEII
8096	All Power Plants – Interior Dry-Cleaning Service for Boilers	GPS Location Page 11, 24-26, Sec. 10.3	CEII
8097	All Power Plants – Electrical and Instrumentation Works	GPS Location Page 10, 14-16, Sec. 10.3	CEII
8098	All Power Plants – Acid Substances for All Plants	GPS Location Page 9, 36-38, Sec. 10.3	CEII
8099	All Power Plants – Refractory, Insulation, Stack and Painting Application Works	GPS Location Page 10, 23-25, Sec. 10.3	CEII
8100	All Power Plants – Scaffolding Inside and Outside Boilers Works	GPS Location Page 10, 24-26, Sec. 10.3	CEII
8101	All Power Plants – Waste Management Services Contract	GPS Location Page 9, 19-21, Sec. 10.3	CEII
8102	All Power Plants – Non-Destructive Examinations and Inspection Service	GPS Location Page 10, 20-30, Sec. 10.3	CEII
8103	All Power Plants – Cargo Elevators Inspection and Repairs	GPS Location Page 10, 19-21, Sec. 10.3	CEII



SOW NO.	PROJECT DESCRIPTION	CONFIDENTIAL INFORMATION	LEGAL BASIS
8104	All Power Plants – Coating Application for Boiler Structures and Chimneys	GPS Location Page 9, 10-12, Sec. 10.3	CEII

Act 57-2014¹⁷ 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.¹⁸ 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”.¹⁹ 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.”²⁰

Upon review of PREPA’s arguments and the law, the Energy Bureau **GRANTS** confidential designation and treatment to the GPS information described in Table 2 above, for the reasons stated by PREPA, pursuant to Article 6.15 of Act 57-2014. The Energy Bureau **TAKES NOTICE** that PREPA submitted a revised redacted (*i.e.*, public) version of the documents described in Table 2.

IV. Evaluation of PREPA’s February 8 Motion

As part of the February 8 Motion, PREPA included ten (10) Work descriptions for the generation plants in San Juan Power Plant, Costa Sur Power Plant, and Palo Seco Steam Plant.

Attachment A of the February 8 Motion contains SOWs for all ten (10) projects to be performed in the power plants. Out of the ten (10) Generation Projects SOWs, four (4) were conditionally approved while six (6) were classified as deferred projects as stated in Attachments A through H, and Attachment I, respectively, of the January 4 Order. The six (6) SOWs classified as deferred projects are identified as SOWs: 1009 – Cooling Tower repair works for Unit 10 San Juan Power Plant; 1021 – Turbine Rehabilitation Unit 8 San Juan Power Plant; 1022 – Turbine rehabilitation for Unit 7 San Juan Power Plant; 1027 – Major Outage-boiler sections replacement and repairs and auxiliary equipment repairs for Unit 7 San Juan Power Plant; 1028- Major Outage- boiler sections replacement and repairs and auxiliary equipment repairs for Unit 8 San Juan Power Plant; and 4070 – Low pressure turbine rotor refurbished Unit 3 Palo Seco. Theses proposed generation project were classified as deferred in the January 4 Order, Attachment I, since they are work intended for units in the Retirement Plan²¹.

All SOWs described the project and work to be performed, with the corresponding cost estimates, many of which were based in historical prices, equipment specifications, bidding process for those works that requires the method, or corresponding documentation for those that are performed by unique or sole supplier. Attachment A of this Resolution and Order distinguishes between the original estimate in the November 15 Motion, and the estimate in the February 8 Motion. The difference represents a total increase of **\$ 17,752.50 from the estimates** presented originally in the November 15 Motion, excluding projects No. 1009, 1021, 1022, 1027, 1028, and 4070 as they are included in the Deferred List of Projects in the January 4 Order.

¹⁷ Puerto Rico Energy Transformation and RELIEF Act, as amended (“Act 57-2014”).

¹⁸ Section 6.15 of Act 57-2014.

¹⁹ *Id.*

²⁰ *Id.* (Emphasis added).

²¹ See Approved IRP, p.284 (“Retirement Plan”).



Upon review of the SOWs, the Energy Bureau **DETERMINES** that the four (4) SOWs filed in the February 8 Motion ("4 SOWs"), which were classified as conditionally approved in Attachments A through H of the January 4 Order, are necessary to maintain and improve the reliability of the systems in the corresponding PREPA Plants. The 4 SOWs include descriptions and justifications for the corresponding units, the type of project and the corresponding Codes and Standards affected. Therefore, the Energy Bureau **APPROVES** the 4 SOWs projects in **Attachment A** of this Resolution and Order. The Energy Bureau notes this approval represents an investment of \$ **8,412,752.50** based on the proposed works presented by PREPA through the February 8 Motion.

The Energy Bureau **DETERMINES** to maintain differed as indicated in the January 4 Order SOWs No. 1009, 1021, 1022, 1027, 1028, and 4070 for the San Juan Power Plant and the Palo Seco Steam Plant, as described in **Attachment B** of this Resolution and Order.

V. Evaluation of PREPA's February 14 Motion

As part of the February 14 Motion, PREPA included twenty-two (22)²² Work descriptions for the generation plants in San Juan Power Plant, the Hydro Gas Turbine Peakers, the Costa Sur Power Plant, and for all the Power Plants.

Attachment A of the February 14 Motion contains SOWs for all twenty-two (22) projects to be performed in the power plants. Out of the twenty-two (22) Generation Projects SOWs, twenty-one (21) were conditionally approved while one (1) was classified as a deferred project as stated in Attachments A through H, and Attachment I, in the January 4 Order. The one (1) SOW classified as deferred project is SOW No. 1016 identified as Rehabilitation on Unit 10 San Juan Power Plant. This proposed generation project was classified as deferred in the January 4 Order, Attachment I, since it is work intended for units in the Retirement Plan²³.

All SOWs described the project and work to be performed, with the corresponding cost estimates, many of which were based in historical prices, equipment specifications, bidding process for those works that requires the method, or corresponding documentation for those that are performed by unique or sole supplier. Attachment A of this Resolution and Order distinguishes between the original estimate in the November 15 Motion, and the estimate in the February 8 Motion. The difference represents a total increase of \$ **13,635,544.40 from the estimates** presented originally in the November 15 Motion, excluding project No. 1016, as it was included in the Deferred List of Projects in the January 4 Order.

Upon review of the SOWs, the Energy Bureau **DETERMINES** that the twenty-one (21) SOWs filed in the February 14 Motion ("21 SOWs"), which were classified as conditionally approved in Attachments A through H of the January 4 Order, are necessary to maintain and improve the reliability of the systems in the corresponding PREPA Plants. The 21 SOWs include descriptions and justifications for the corresponding units, the type of project and the corresponding codes and standards affected. Therefore, the Energy Bureau **APPROVES** the 21 SOWs for the projects in **Attachment C** of this Resolution and Order. The Energy Bureau notes this approval represents an investment of \$ **94,225,544.40** based on the proposed works presented by PREPA through the February 14 Motion.

The Energy Bureau **DETERMINES** to maintain differed as indicated in the January 4 Order SOW No. 1016 for the San Juan Power Plant, as described in **Attachment D** of this Resolution and Order.



²² Attachment A of the February 14 Motion did not include information on SOW 8095 identified as Hydro-blasting service for boilers for All Power Plants. Instead, Attachment A repeated SOW 8094.

²³ See Approved IRP, p.284 ("Retirement Plan").

VI. Approved SOWs to date by the Energy Bureau

Table 3. Approved SOWs by the Energy Bureau

PREB R&O Issued	Approval (Million dollars)
June 8, 2021	\$1,240.77
August 20, 2021	\$1,789.58
September 8, 2021	\$1,376.97
September 22, 2021	\$3,885.17
September 28, 2021	\$80.81
October 14, 2021	\$117.47
October 18, 2021	\$652.58
December 1, 2021	\$18.26
December 20, 2021	\$5.19
January 4, 2022	\$253.78
February 10, 2022	\$3.71 DIFF ²⁴
February 18, 2022	\$0.91 DIFF
February 28, 2022	\$0.78 DIFF
March 9, 2022	\$(0.51) DIFF
March 15, 2022	\$355.10
This R&O	\$13.65 DIFF
Total	\$9,794.21

VII. Conclusion

In response to the February 8 Motion and the February 14 Motion, the Energy Bureau **APPROVES** the projects in **Attachment A and Attachment C** of this Resolution and Order, which shall be presented to FEMA and COR3 to finalize the approval process. These projects were approved based on the information provided by PREPA, should the scope of the project change, PREPA **SHALL** immediately seek the Energy Bureau’s approval of such changes.

The Energy Bureau **ORDERS** PREPA to submit the documents for SOW 8095 identified as Hydro-blasting service for boilers for All Power Plants, on or before ten (10) days from issuing this Resolution and Order. Such documents were missing from the February 14 Motion; therefore, the Energy Bureau was not able to evaluate SOW 8095.


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 and Attachment C** of this Resolution and Order, 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 approved in such Attachment A, **within ten (10) days from the execution of the contract**; and (iii) inform the Energy Bureau once the projects are completed.

²⁴ “DIFF” refers to the difference in the updated estimation compared to the original estimation filed in the November 15 Motion. Values in parenthesis mean a negative value.



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.


Edison Aviles Deliz
Chairman


Lillian Mateo Santos
Associate Commissioner


Ferdinand A. Ramos Soegand
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 April 13, 2022. Associate Commissioner Ángel R. Rivera de la Cruz did not intervene. I also certify that on April 13, 2022, a copy of this Resolution and Order was notified by electronic mail to the following: laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com, kbolanos@diazvaz.law; mvazquez@diazvaz.law. I also certify that today, April 13, 2022, 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 April 13, 2022.


Sonia Seda Gaztambide
Clerk



Attachment A
February 8 Motion
Works Approved by the Energy Bureau for the Power Plants Permanent Repairs

SOW NO.	Facility	Project Name	Proposed Scope of Work	Original ²⁵ Estimate	Presented ²⁶ Estimate	Diff	Page at Att. A
3051	Costa Sur Power Plant	Replacement of Air-Preheaters Baskets, Unit 5	Removal and replacement of the existing air-preheaters cold and hot section's baskets, sector plates, adjusters, static seal, axial plates among other components and repair air heater out casing.	\$ 700,000.00	\$ 700,000.00	\$0.00	p 163-175
3058	Costa Sur Power Plant	CS 5Major Inspection Unit 5 - HP/IP/LP Turbine Rotor Replacement	Procurement for the inspection and refurbishment of the spare turbine rotors (HP/IP, LPA & LPB) for the October 2022 programmed outage	\$ 6,000,000.00	\$ 5,902,222.00	\$(97,778.00)	p 176-208; proposal by MD&A
3061	Costa Sur Power Plant	Caustic Soda and Acid Tanks Replacement Works	Procurement and delivery of 4 stainless steel tanks (2 storage & 2 service) for the Demi water plant. One pair for soda ash and one pair for sulfuric acid. Installation by plant crew.	\$ 750,000.00	\$ 750,000.00	\$0.00	p 209-219
3062	Costa Sur Power Plant	Unit 6 - HP/IP/LP Inspection (Failure)	Perform the inspection and non-destructive testing on the Lower Pressure Turbine Rotor Segment B (LP-B) due to an event that caused a major failure on this component.	\$ 945,000.00	\$ 1,060,530.50	\$ 115,530.50	p 220-246; proposal by MD&A
TOTAL				<u>\$8,395,000.00</u>	<u>\$8,412,752.50</u>	<u>\$17,752.50</u>	

²⁵ November 15 Motion.

²⁶ February 8 Motion.



Attachment B
February 8 Motion
Works Not Approved by the Energy Bureau for the Power Plants Permanent Repairs

SOW NO.	Facility	Project Name	Proposed Scope of Work	Original Estimate	Presented Estimate	Diff	Page at Att. A
1009	San Juan Power Plant	Cooling Tower Unit 10 Repair Works	These technical specifications cover the work required under this Contract for the design, manufacture, delivery, and erection for one (1) new cell of 3,000 GPM, and the dismantling of the one (1) existing cell of the cooling towers of the units 10 PREPA's San Juan Plant.	\$ 385,000.00	\$ 385,000.00	\$0.00	p 13-36
1021	San Juan Power Plant	Unit 8 Rehabilitation (Turbine)	Inspection and replacement of the High Pressure, Intermediate Pressure and Low-Pressure Rotors of the Turbine and perform all the testing and commissioning of the equipment.	\$ 10,000,000.00	\$ 10,000,000.00	\$0.00	p 37-79
1022	San Juan Power Plant	Unit 7 Rehabilitation (Turbine)	Inspection and replacement of the High Pressure, Intermediate Pressure and Low-Pressure Rotors of the Turbine and perform all the testing and commissioning of the equipment.	\$ 10,000,000.00	\$ 10,000,000.00	\$0.00	p 80-125
1027	San Juan Power Plant	Unit 7 - Major Outage - Boiler Sections Replacement and Repairs & Auxiliary Equipment Inspection Work	Necessary Repairs of deteriorated Boiler Tubes and Assemblies, and Auxiliary Equipment.	\$ 8,000,000.00	\$ 8,000,000.00	\$0.00	p 126-142



SOW NO.	Facility	Project Name	Proposed Scope of Work	Original Estimate	Presented Estimate	Diff	Page at Att. A
1028	San Juan Power Plant	Unit 8 - Major Outage - Boiler Sections Replacement and Repairs & Auxiliary Equipment Repairs	Necessary Repairs of deteriorated Boiler Tubes and Assemblies, and Auxiliary Equipment.	\$ 8,000,000.00	\$ 8,000,000.00	\$0.00	p 143-162
4070	Palo Seco Steam Plant	PS 3 Low Pressure Turbine Rotor Refurbished, Unit 3	Inspection, transportation, maintenance, and repair of the power turbine spare low-pressure rotor.	\$ 2,000,000.00	\$ 3,500,000.00	\$1,500,000.00	p 247-277
TOTAL				<u>\$38,385,000.00</u>	<u>\$39,885,000.00</u>	<u>\$1,500,000.00</u>	



Attachment C
February 14 Motion
Works Approved by the Energy Bureau for the Power Plants Permanent Repairs

SOW NO.	Facility	Project Name	Proposed Scope of Work	Original²⁷ Estimate	Presented²⁸ Estimate	Diff	Page at Att. A
1017	San Juan Power Plant	Steam Rotor Replacement Unit 5 & CT Repairs	Replacement of all the main components of the steam rotor of Unit 5 and perform all the repairs of the combustion turbine, including its auxiliary equipment.	\$ 12,000,000.00	\$ 12,055,544.40	\$55,544.40	p 1-246 Mitsubishi Power MD&A
1018	San Juan Power Plant	LTSA SJ5	Inspection, repairs, and replacements of critical parts of the combustors, hot gas path, fuel systems and applicable deteriorated parts in the unit.	\$ 8,000,000.00	\$ 8,000,000.00	\$0.00	p 317-344
1019	San Juan Power Plant	LTSA SJ6	Inspection, repairs, and replacements of critical parts of the combustors, hot gas path, fuel systems and applicable deteriorated parts in the unit.	\$ 8,000,000.00	\$ 8,000,000.00	\$0.00	p 345-372
5082	Hydrogas Gas Turbine Peakers	Procurement of Spare Generator Breakers for Frame 5000 Hitachi Gas Turbines	Procurement and delivery of seven (7) 2000amp, 15.0kV rms (operational voltage - 13.18kv) spare main breakers to be used for the Frame 5000 Hitachi Gas Turbines during emergency or maintenance repair works.	\$ 500,000.00	\$ 650,000.00	\$150,000.00	p 384-397

²⁷ November 15 Motion.

²⁸ February 14 Motion.



SOW NO.	Facility	Project Name	Proposed Scope of Work	Original ²⁷ Estimate	Presented ²⁸ Estimate	Diff	Page at Att. A
5083	Hydrogas Gas Turbine Peakers	Procurement of Turbo-Compressors for Frame 5000 Gas Turbines	Procurement and delivery of two (2) Rating 23250KW, 17 stages, 2 stages, 5100 rpm re-build turbo-compressor for the Frame 5000-N Gas Turbines to be used during emergency or repair works.	\$ 4,000,000.00	\$ 7,800,000.00	\$3,800,000.00	p 398-409 Possible error in estimate. To be confirmed.
5084	Hydrogas Gas Turbine Peakers	Procurement of Spare Speed Reduction Gear for Frame 5000 Gas Turbines	Procurement and delivery of two (2) 5094/3600 RPM, Rating; 28,000KW spare speed reduction gears for Frame 5000 Gas Turbines to be used during emergency of repair works.	\$ 1,200,000.00	\$ 1,560,000.00	\$360,000.00	p 424-435 SOW No. 5085 in Att. A.
5085	Hydrogas Gas Turbine Peakers	New Spare Three Exhaust Plenums for Frame 5000 Gas Turbines	Fabrication and Delivery of three (3) 117.5" x 75.26" x 106.5" spare steel exhaust plenums for the Frame 5000 Gas Turbines to be used during repair works.	\$ 600,000.00	\$ 780,000.00	\$180,000.00	p 410-423 SOW No. 5084 in Att. A
5086	Hydrogas Gas Turbine Peakers	Procurement of Three Exhaust Gas Diffusion Ducts for Frame 5000 Gas Turbines	Fabrication and Delivery of three (3) 41" Internal Diameter/ 46" External Diameter spare steel exhaust gas diffusion ducts the Frame 5000 Gas Turbines to be used during repair works.	\$ 300,000.00	\$ 390,000.00	\$90,000.00	p 436-449
5087	Hydrogas Gas Turbine Peakers	Major Outage Turbo - compressor (CT) 15 units	Major outage for all Frame 5 units which shall include repairs and overhaul of a defined scope as per-unit needs, to assure availability and reliability at most.	\$ 30,000,000.00	\$ 39,000,000.00	\$9,000,000.00	p 450-465 Not many supporting documents; no RFIs, Past Pos, or Proposals
3068	Costa Sur Power Plant	Upgrade to Foxboro Simulation System	Services of software and hardware installation and programming to update the simulation station of the Foxboro control system.	\$ 500,000.00	\$ 500,000.00	\$0.00	p 373-383



SOW NO.	Facility	Project Name	Proposed Scope of Work	Original ²⁷ Estimate	Presented ²⁸ Estimate	Diff	Page at Att. A
8093	All Power Plants	Stamp R - Mechanical Repair Works for Boilers and Turbo-Generators Contract	Boilers and Pressure vessels repairs as per the National Board Inspection Code (NBIC).	\$ 1,950,000.00	\$ 1,950,000.00	\$0.00	p 466-523
8094	All Power Plants	Hydro-blasting Service for Condenser	Pressure washing and neutralization service of the internal and external components of the condensers of the PREPA's power plants.	\$ 650,000.00	\$ 650,000.00	\$0.00	p 524-612
8096	All Power Plants	Interior Dry-Cleaning Service for Boilers	Environmental compliance cleaning of boiler interior	\$ 850,000.00	\$ 850,000.00	\$0.00	p 702-728
8097	All Power Plants	Electrical and Instrumentation works in power plants	Services of inspection, maintenance and repair of electrical auxiliary components and control systems necessary for the operation of the PREPA's power plants.	\$ 850,000.00	\$ 850,000.00	\$0.00	p 729-745
8098	All Power Plants	Procurement Acid for all power plants	Procurement and delivered of Acid substance used on the power plant for pH Control during water treatment of process water and demi-water treatment plant maintenance work.	\$ 1,000,000.00	\$ 1,000,000.00	\$0.00	p 746-784



SOW NO.	Facility	Project Name	Proposed Scope of Work	Original ²⁷ Estimate	Presented ²⁸ Estimate	Diff	Page at Att. A
8099	All Power Plants	Refractory, Insulation, stack, and Painting Application Works	Services of removal and replacement of refractory material for boilers and stacks, and the removal and application of painting of stacks.	\$ 1,950,000.00	\$ 1,950,000.00	\$0.00	p 785-810
8100	All Power Plants	Scaffolding Inside and outside Boilers Works	Services of the rental, engineering, and fabrication of scaffolding systems to be used during maintenance and repair works of the PREPA's power plants.	\$ 1,990,000.00	\$ 1,990,000.00	\$0.00	p 811-837
8101	All Power Plants	Waste Management Services Contract for Power Plants	Services of collection and deposit of non-hazardous waste materials and non-organic silt material collected from the sludge pools of the PREPA's power plants.	\$ 1,000,000.00	\$ 1,000,000.00	\$0.00	p 838-859
8102	All Power Plants	Non-Destructive Examinations and Inspection Services	Services of inspection and testing of repair processes such as welding of boiler tubes, construction or repair of water and fuel tanks.	\$ 750,000.00	\$ 750,000.00	\$0.00	p 860-890
8103	All Power Plants	Inspection and Maintenance Cargo Elevator	Inspection of and maintenance service of the cargo elevators used to transport personnel, materials, and equipment necessary for the operation and maintenance of the PREPA's power plants.	\$ 900,000.00	\$ 900,000.00	\$0.00	p 891-912



SOW NO.	Facility	Project Name	Proposed Scope of Work	Original ²⁷ Estimate	Presented ²⁸ Estimate	Diff	Page at Att. A
8104	All Power Plants	Coating Application Boiler Structures and Chimneys All Power Plants	Supply all materials, equipment and services for the surface preparation and application of paint coating of all structural elements that supports all the power plant's boiler components and also the exhaust stacks.	\$ 3,600,000.00	\$ 3,600,000.00	\$0.00	p 912-925 Most expensive estimate, less supporting documents provided.
			TOTAL	<u>\$80.590.000.00</u>	<u>\$94.225.544.40</u>	<u>\$13.635.544.40</u>	



Attachment D
February 14 Motion
Works Not Approved by the Energy Bureau for the Power Plants Permanent Repairs

SOW NO.	Facility	Project Name	Proposed Scope of Work	Original Estimate	Presented Estimate	Diff	Page at Att. A
1016	San Juan Power Plant	Unit 10 Rehabilitation	Provide parts and service for the open-inspection and close of the steam turbine and generator. Also, in shop repairs for the steam turbine and the generator rotor and oil flush of the turbine.	\$ 16,000,000.00	\$ 15,960,538.80	\$ (39,461.20)	p 247-316 GE
TOTAL				<u>\$16,000,000.00</u>	<u>\$15,960,538.80</u>	<u>(\$39,461.20)</u>	

