

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 LUMA's May 20,  
2022, Request for approval for SOW- Test  
and Technology Laboratory.

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 May 20, 2022, LUMA filed before the Energy Bureau a document titled *Motion Submitting Scope of Work and Updated List of Projects* ("May 20 Motion"). As Exhibit 1 to the May 20 Motion, LUMA included the FEMA Project Scope of Work ("SOW") for a Project named *Test and Technology Laboratory*. Further, LUMA included as Exhibit 2 to the May 20 Motion, an updated project list, which contains a current list of the initial SOWs, assigned FEMA Accelerated Award Strategy (FAAST) numbers, and projects with approved FEMA funding obligation.

**II. Evaluation of the May 20 Motion**

Through the May 20 Motion, LUMA submitted a Project SOW, for the installation of the *Test and Technology Laboratory* to be established in the Luchetti Building (PREPA owned facility). The laboratory will enable the proper implementation of new protection, control, and automation (PAC), by testing performance, system integration and impact on the grid. The reconstruction efforts on the island need to be aligned with local and federal regulations, and actual codes and standards. The laboratory will provide the adequate testing for system design optimization and performance validation for upgraded relay protections and controls systems.

Upon review of the May 04 Motion, the Energy Bureau **DETERMINES** that the project presented for the Testing and Technology Laboratory is necessary to improve the reliability and resiliency of the system. Therefore, the Energy Bureau **APPROVES** the project to be funded by federal funds in Attachment A to this Resolution and Order. The Energy Bureau notes this approval represents **\$11,880,000.00** based on the Class 5 Cost Estimates submitted by LUMA through the May 20 Motion.

<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, *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.

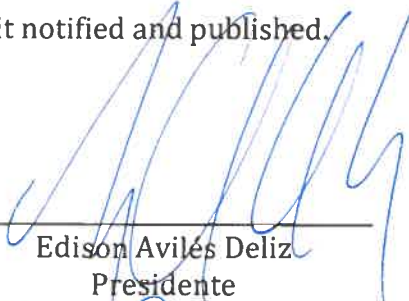
### III. Conclusion

The Energy Bureau **APPROVES** the project in **Attachment A** to this Resolution and Order, which shall be presented to FEMA and COR3 to finalize their approval process and therefore be awarded as a federally funded project. The Energy Bureau approved this project based upon the information provided by LUMA and that the project shall be paid by federal funds. Should the scope of the project or the funding change, LUMA **SHALL** immediately seek the Energy Bureau's approval of such changes.

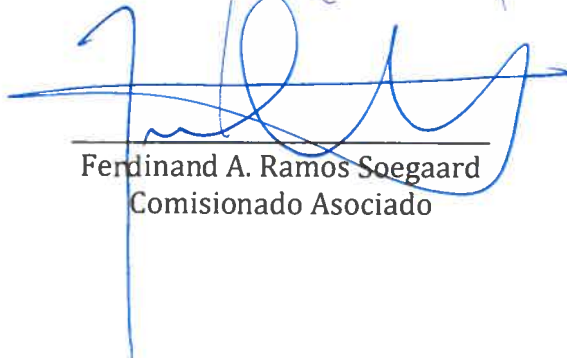
The Energy Bureau **ORDERS** LUMA to (i) submit to the Energy Bureau copy of the approval by COR3 and/or FEMA of the projects in Attachment A, which shall contain the costs obligated for each project, **within ten (10) days of receipt of such approval**; (ii) provide the Energy Bureau the actual contracted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

  
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Edison Avilés Deliz  
Presidente

  
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Lillian Mateo Santos  
Associate Commissioner

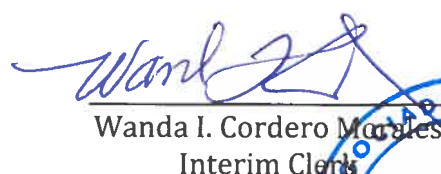
  
\_\_\_\_\_  
Ferdinand A. Ramos Soegaard  
Comisionado Asociado

  
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Sylvia B. Ugarte Araujo  
Comisionada Asociada

### CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on July 11, 2022. I also certify that on July 11, 2022 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); [yahaira.delarosa@us.dlapiper.com](mailto:yahaira.delarosa@us.dlapiper.com); [adrian.jimenez@us.dlapiper.com](mailto:adrian.jimenez@us.dlapiper.com). I also certify that today, July 11, 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 July 11, 2022.

  
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Wanda I. Cordero Morales  
Interim Clerk



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

Facility	Project Name	Proposed Scope of Work	Presented Estimate
PR	Testing and Technology Laboratory	The laboratory will enable the proper implementation of new protection, control, and automation (PAC), by testing performance, system integration and impact on the grid.	\$ 11,880,000.00
<b>TOTAL</b>			<b>\$ 11,880,000.00</b>

