

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

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| NEPR |
| Received: |
| Nov 23, 2022 |
| 11:47 AM |

IN RE:

REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S 10-
YEAR INFRASTRUCTURE PLAN-
DECEMBER 2020

CASE NO. NEPR-MI-2021-0002

**SUBJECT: Informative Motion on Contracted
Costs for Federally Funded Projects**

**INFORMATIVE MOTION ON CONTRACTED COSTS FOR
FEDERALLY FUNDED PROJECTS**

TO THE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC¹, and LUMA Energy ServCo, LLC², (jointly referred to as "LUMA"), through the undersigned legal counsel and respectfully submit the following:

1. On March 26, 2021, this Honorable Puerto Rico Energy Bureau ("Energy Bureau") issued a Resolution and Order in the instant proceeding, ordering, in pertinent part, that the Puerto Rico Electric Power Authority ("PREPA") submit to the Energy Bureau the specific projects to be funded with Federal Emergency Management Agency ("FEMA") funds or any other federal funds at least thirty (30) calendar days prior to submitting these projects to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency ("COR3"), FEMA or any other federal agency ("March 26th Order"). It also directed PREPA to continue reporting to the Energy Bureau and FEMA within the next five years, the progress of all ongoing efforts related to the approval of the submitted projects not yet approved by the Energy Bureau. This Energy Bureau thereafter

¹ Register No. 439372.

² Register No. 439373.

determined this directive applied to PREPA and LUMA. *See* Resolution and Order of August 20, 2021.

2. On August 30, 2021, LUMA filed a *Request for Clarification of a Portion of the Energy Bureau's Resolution and Order entered on August 20, 2021, and Submission of Updated List of Projects and Twenty-Nine Scopes of Work*. Therein, LUMA submitted twenty-nine (29) scopes of works (“SOWs”) for transmission and distribution projects (“T&D Projects”) for its review and approval before submitting them to COR3 and FEMA (“August 30th Submission”). Among the SOWs submitted to this Energy Bureau were the “Distribution Pole and Conductor Replacement” and the “Distribution Streetlighting.” The initial SOW for the “Distribution Pole and Conductor Replacement” T&D Project amounted to \$600,000,000.00. In turn, the initial SOW for the “Distribution Streetlighting” T&D Project amounted to \$1,220,000,000.00. Both projects covered work in those areas throughout Puerto Rico, Vieques, and Culebra.

3. On September 22, 2021, the Energy Bureau entered a Resolution and Order in which it approved the “Distribution Pole and Conductor Replacement” and the “Distribution Streetlighting” T&D Projects SOWs. It determined that these projects were necessary to improve the system’s reliability (“September 22nd Order”). Further, the Energy Bureau ordered LUMA to provide the actual contracted cost to construct each approved project.

4. Although the “Distribution Pole and Conductor Replacement” and the “Distribution Streetlighting” T&D Projects were initially submitted to FEMA as overall projects that covered all of Puerto Rico, FEMA divided this work into individual projects covering each municipality. As the Energy Bureau is cognizant, throughout 2022, FEMA approved the following “Distribution Pole and Conductor Replacement” T&D Projects: FAASt [Distribution Pole and Conductor Repair

- San Juan Group 2] (Distribution), FAASSt [Distribution Pole and Conductor Repair-Bayamon Group 2] (Distribution), FAASSt [Distribution Pole and Conductor Repair-Carolina Group 3] (Distribution), FAASSt [Distribution Pole and Conductor Repair – Mayaguez Group 1] (Distribution), FAASSt Distribution Pole and Conductor Repair – Mayaguez Group 4 (Distribution), FAASSt [Distribution Pole and Conductor Repair - San Juan Group 1] (Distribution), FAASSt [Distribution Pole and Conductor Repair-Carolina Group 2] (Distribution), FAASSt [Distribution Pole and Conductor Repair - Caguas Group 2] (Distribution), FAASSt [Distribution Pole and Conductor Repair - Caguas Group 7] (Distribution), FAASSt [Distribution Pole and Conductor Repair - San Juan Group 3] (Distribution), FAASSt [Distribution Pole and Conductor Repair - Caguas Group 1] (Distribution), FAASSt [Distribution Pole and Conductor Repair - Caguas Group 5] (Distribution), FAASSt [Distribution Pole and Conductor Repair - Caguas Group 6] (Distribution), FAASSt [Distribution Pole and Conductor Repair - Caguas Group 3] (Distribution), FAASSt [Distribution Pole and Conductor Repair-Bayamon Group 3] (Distribution), and FAASSt [Distribution Pole and Conductor Repair - Mayagüez Group 2] (Distribution).³

5. Moreover, as informed previously to the Energy Bureau, FEMA has approved the following “Distribution Streetlighting” T&D Projects: FAASSt - Aguada Streetlighting (Distribution), FAASSt - Maunabo Streetlighting (Distribution), FAASSt - Luquillo Distribution

³ See *Motion Submitting FEMA Approval of Four Projects, Request for Confidential Treatment and Memorandum of Law in Support of this Request*, dated July 19, 2022; *Motion Submitting Two FEMA Approvals of Project Request for Confidential Treatment and Supporting Memorandum of Law*, dated September 2, 2022; *Motion Submitting Three FEMA Approvals of Project, Request for Confidential Treatment and Supporting Memorandum of Law*, dated September 22, 2022; *Motion Submitting Five FEMA Approvals of Project, Request for Confidential Treatment and Supporting Memorandum of Law*, dated October 24, 2022; *Motion Submitting FEMA Approval of Project, Request for Confidential Treatment and Supporting Memorandum of Law*, dated October 31, 2022.

Streetlighting (Distribution), FAASSt - Lajas Streetlighting (Distribution), FAASSt [Streetlighting - Guanica] (Distribution), and FAASSt- [Streetlighting - Villalba] (Distribution).⁴

6. In compliance with the September 22nd Order, LUMA hereby informs the contracted costs for the “Distribution Pole and Conductor Replacement” T&D Projects. The contracted costs amount up to \$133,250,000.00 for a construction contract executed with Continental Lord and up to \$71,750,000.00 for a construction contract executed with Master Link. To date, these two contracts cover all Projects for distribution poles and conductor replacements to be constructed by contractors throughout Puerto Rico.

7. Further, in compliance with the September 22nd Order, LUMA informs that five construction contracts have been executed thus far for the “Distribution Streetlighting” T&D Projects. As of yet, projects for distribution streetlighting to be constructed throughout Puerto Rico will be covered under the five contracts below. The amounts contracted are as follows:

- a. Beta - \$21,000,000.00
- b. Marathon- \$21,000,000.00
- c. Master Link- \$21,000,000.00
- d. Multicom Group-\$21,000,000.00
- e. Román Electric-\$21,000,000.00

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **deem** LUMA complied with the September 22nd Order.

⁴ See *Motion Submitting FEMA Approval of Project and Requesting Subject Matter of this Proceeding be Expanded*, dated May 9, 2022; *Motion Submitting FEMA Approval of Project*, dated May 24, 2022; *Motion Submitting FEMA Approval of Three Projects*, dated May 27, 2022; *Motion Submitting Two FEMA Approvals of Project Request for Confidential Treatment and Supporting Memorandum of Law*, dated September 2, 2022.

RESPECTFULLY SUBMITTED.

We hereby certify that we filed this motion using the electronic filing system of this Energy Bureau. We will send an electronic copy of this motion to the attorneys for PREPA, Joannely Marrero-Cruz, jmarrero@diazvaz.law, and Katuska Bolaños-Lugo, kbolanos@diazvaz.law.

In San Juan, Puerto Rico, on this 23rd day of November 2022.



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