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: Determination on LUMA's April 27, 2023, Motion.

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") in the instant case, through which it ordered the Puerto Rico Electric Power Authority ("PREPA") to provide certain information related to the different projects under the categories of Transmission Line Projects, Transmission Substation Projects, and Distribution Substation Projects in the PREPA 10 -Year Infrastructure Plan. The Energy Bureau ordered 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 To streamline the process, the Energy Bureau requested PREPA to submit the specific projects to the Energy Bureau 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").²

Aron

On August 20, 2021, the Energy Bureau issued a Resolution and Order ("August 20 Resolution"),³ through which it determined that the March 26 Resolution applies equally to LUMA⁴.⁵

AAA

On April 27, 2023, LUMA filed a document titled *Motion Submitting Three Scope of Work, an Updated List of Projects, and a Request for Confidentiality and Supporting Memorandum of Law* ("April 27 Motion"). As Exhibit 1 to the April 27 Motion, LUMA included three (3) FEMA Projects Scope of Work ("SOW") of Transmission and Distribution ("T&D") for: "Line 50200 from Costa Sur to Bayamon TC" Revision 1 dated 04/21/2023, "Line 50300 from Costa Sur Steam Plant to Aguirre Steam Plant" Revision 1 dated 04/21/2023, and "Line 51200 from Costa Sur Steam Plant to Cambalache Gas Plant" Revision 1 dated 04/21/2023.



As part of the April 27 Motion, as Exhibit 2, LUMA included an excel file titled *Updated Project List*, containing a current list of the total initial SOWs submitted to the Energy Bureau, a list of the approved projects by the Energy Bureau with assigned FEMA Accelerated Awards Strategy ("FAASt") numbers and a list of projects with approved FEMA funding obligations.

Through the April 27 Motion, LUMA requested confidential designation and treatment to the unredacted version of Exhibit 1.6

II. Evaluation of the April 27 Motion

Through the April 27 Motion, as Exhibit 1, LUMA submitted three (3) SOW for: (i) Line 50200 from Costa Sur SP to Bayamon TC, (ii) Line 50300 from Costa Sur Steam Plant to Aguirre Steam Plant, and (iii) Line 51200 from Costa Sur Steam Plant to Cambalache Gas Plant, and as Exhibit 2, LUMA submitted an updated Project List, containing: (i) a current list of the total initial SOWs



¹ 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").

² March 26 Resolution, pp. 14-15.

³ August 20, 2021, Resolution and Order, p. 3.

⁴ LUMA Energy, LLC, and LUMA Energy ServCo, LLC (collectively, "LUMA")

 $^{^{\}rm 5}$ August 20 Resolution, p. 3.

⁶ April 27 Motion, p. 3.

submitted to the Energy Bureau, (ii) a list of approved projects by the Energy Bureau with assigned FEMA FAASt number and (iii) a list of projects with approved FEMA funding obligations.

A. Line 50200 from Costa Sur SP to Bayamon TC.

The SOW project consists of installing a 230kV overhead transmission lines and covers about 36.6 miles from Costa Sur Steam Plant to the Manatí Transmission Center substation and approximately 30.5 miles from the Manatí Transmission Center to the Bayamon Transmission Center, totaling 67.10 miles.

B. Line 50300 from Costa Sur Steam Plant to Aguirre Steam Plant.

The SOW project consists of installing a 230kV overhead transmission lines and covers approximately 41.2 miles from Costa Sur Steam Plant to the Aguirre Steam Plant.

C. Line 51200 from Costa Sur Steam Plant to Cambalache Gas Plant.

The SOW project consists of installing a 230kV overhead transmission lines and covers approximately 37.6 miles from Costa Sur Steam Plant to the Cambalache Gas Plant.

The SOWs described above include aluminum lattice structures, guyed steel poles and self-supported poles (with their corresponding foundations), framing and polymer insulators, load break switches (manual and automated), conductors, guy wires, anchors, connections, grounding assemblies, ground conductors, restoring communications associated with the transmission lines, replacement of conductors spans, repair or adding of vibration and/or drag dampers or armor rods, and any other associated components to conform with codes and standards.

The projects are considered hardening projects, in which an addition of a second circuit will run in parallel withing the existing right-of-way along the existing route. The new structures should be able to accommodate the two (2) circuits.

The repair and/or replacement of the transmission structures must meet applicable codes and standards. The transmission lines will undergo modeling and analysis to confirm design criteria, including electrical clearances and mechanical loading requirements.

The estimated costs for the projects represent is **\$613,480,000.00** and are based on a Class 5 estimates that includes materials, construction labor and equipment, engineering, permitting, management, and contingencies.

After a review of the Exhibit 1 of the April 27 Motion, the Energy Bureau **DETERMINES** that all the projects are necessary to improve the reliability and resiliency of the electrical system while the impact to the environment is reduced and the safety of the personnel and the equipment is increased. The Energy Bureau **APPROVES** the projects in **Attachment A** to this Resolution and Order. This approval represents **\$613,480,000.00** based on the Class 5 Cost Estimates submitted by LUMA.

D. LUMA's Updated Project List

LUMA presented as Exhibit 2 of the April 27 Motion an updated Project List with a current list of projects presented by LUMA to the Energy Bureau, projects approved by the Energy Bureau with the assigned FEMA FAASt numbers and a list of projects approved with FEMA funding obligations.

After a review of the updated Project List filed by LUMA, the Energy Bureau **DETERMINES** that the information in this list is consistent with the information in the Energy Bureau records.

III. LUMA's Request for Confidential Information Designation and Treatment of portions of Exhibit 1 of the April 27 Motion

In the April 27 Motion, LUMA requested that the unredacted version of portions of Exhibit 1 be granted confidential treatment. LUMA alleges that the unredacted version of the SOWs in Exhibit 1 contain: confidential information in the form of critical energy infrastructure information or critical electric infrastructure information ("CEII") that garners protection from public









disclosures pursuant to federal statutes and regulations;⁷ and the Energy Bureau policy on management of confidential information,⁸ that therefore is also protected under Act 57-2014.⁹ LUMA states that the SOWs include personal identifying information of individuals who are LUMA staff or contractors protected under Puerto Rico's legal framework on privacy emanating from the Puerto Rico Constitution. LUMA requests the Energy Bureau to grant confidential designation and treatment to the referred portion of Exhibit 1. Table 1 below details the portions of Exhibit 1 which LUMA requested confidential designation and treatment.

Table 1: LUMA's Request for Confidential Information Designation and Treatment, of portions of Exhibit 1

Document	Name	Pages in which Confidential Information is Found, if applicable	Summary of Legal Basis for Confidentiality Protection, if applicable	Date Filed
Exhibit 1	Line 50200 from Costa Sur SP to Bayamon TC	Page 1 and 9	Right to privacy (<i>see, e.g.</i> , Const. ELA, Art. II, Sections 8 and 10)	April 27, 2023
		Page 4	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671- 674.	
	Line 50300 from Costa Sur Steam Plant to Aguirre Steam Plant	Page 1 and 9	Right to privacy (see, e.g., Const. ELA, Art. II, Sections 8 and 10)	- April 27, 2023
		Page 4	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671- 674.	
	Line 51200 from Costa Sur Steam Plant to Cambalache Gas Plant	Page 1 and 9	Right to privacy (see, e.g., Const. ELA, Art. II, Sections 8 and 10)	- April 27, 2023
		Page 4	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671- 674.	

IV. Energy Bureau Determination

The Energy Bureau **APPROVES** the projects in **Attachment A** to this Resolution and Order, which shall be presented to FEMA and COR3 to finalize their approval process for the request of federal funds. The Energy Bureau approved these projects based upon the information provided by LUMA. Should the scope of the project change or the request for the federal funds are not approved-for such projects, LUMA **SHALL** immediately seek the Energy Bureau's approval of such changes.

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

⁸ See, Resolution, *In re: Política sobre Manejo de Información Confidencial en los Procedimientos ante la Comisión,* Case No. CEPR- MI-2016-0009, issued on August 31, 2016.

⁹ Known as Puerto Rico Energy Transformation and RELIEF Act, as amended.

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 the 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.

Act 57-2014¹⁰ establishes that any person having the duty to submit information to the Energy Bureau, can request privilege or confidential treatment to any information that the party submitting understands deserves such protection.¹¹ Specifically, Act 57-2014 requires the Energy Bureau to treat as confidential the submitted information stated that "the Energy Bureau, after the appropriate evaluation, believes such information should be protected".¹² 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."¹³

After a review of LUMA's arguments and the applicable law, the Energy Bureau **GRANTS** confidential designation and treatment to the parts of Exhibit 1 as described in Table 1 above, pursuant to Article 6.15 of Act 57-2014. The Energy Bureau **TAKE NOTICE** that LUMA already submitted a redacted (*i.e.*, public) version of Exhibit 1 as described in Table 1.

The Energy Bureau **WARNS** LUMA that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines pursuant to Act 57-2014¹⁴ and applicable Energy Bureau's regulations and any other appropriate administrative sanctions, as considered appropriate by the Energy Bureau.

Be it hereby notified and published.

Edi**s**on Avilés Deliz

Chairman

Lillian Mateo Santos Associate Commissioner Ferdinand A. Ramos Soegaard Associate Commissioner

Sylvia B. Ugarte Araujo Associate Commissioner Antonio Torres Miranda Associate Commissioner

¹⁰ *Id.*

¹¹ Section 6.15 of Act 57-2014.

¹² *Id*.

13 Id. (Emphasis added).

¹⁴ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended.



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 5, 2023. I also certify that in May 5, 2023 a copy of this Resolution and Order was notified by electronic mail to the following: Yahaira.delarosa@us.dlapiper.com; laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com; jmarrero@diazvaz.law; mvazquez@diazvaz.law. I also certify that today, May 5, 2023, 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 May 5, 2023.

Sonia Seda Gaztambide Clerk



Attachment A Projects Approved by the Energy Bureau

Damage Number	Region	Project Name	Presented Estimate
206253	Ponce, Arecibo & Bayamon	Line 50200 from Costa Sur SP to Bayamon TC	\$279,240,000.00
	Ponce	Line 50300 from Costa Sur Steam Plant to Aguirre Steam Plant	\$173,100,000.00
	Ponce & Arecibo	Line 51200 from Costa Sur Steam Plant to Cambalache Gas Plant	\$161,140,000.00
	Total	\$613,480,000.00	

