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 24, 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]

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 LUMA[4].[5]

On April 24, 2023, LUMA filed a document titled *Informative Motion on Two Proposals Under the Smart Grid Investment Matching Grant Program of the U.S. Department of Energy ("DOE")* ("April 24 Motion"). As Exhibit 1 to the April 24 Motion, LUMA included a document titled *IIJA Funding Opportunities* which comprises a brief description of the Infrastructure Investment and Jobs Act ("IIJA")[6] and the description of two (2) projects: (i) *Deploying Real-Time Situational Awareness and Control Technologies for a Flexible and Resilient Transmission Grid in Puerto Rico* and (ii) *REINFORCE: Northeastern Puerto Rico Energy Innovation Alliance for Outage Anticipation, Response and Self-Healing Control during Abnormal Weather*.

As part of the April 24 Motion, LUMA indicates their plans to submit proposals under the Smart Grid Investment Matching Grant Program[7] for the above-mentioned projects.

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[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")

[5] August 20 Resolution, p. 3.

[6] Referred as the Infrastructure Investment and Jobs Act signed in 2021 by President Biden, to encourage significant amounts of incremental spending to enhance different types of priority infrastructure, including electric utilities.

[7] Established under Section 1306 of the *Energy Independence and Security Act of 2007*.

II. Evaluation of the April 24 Motion

Through the April 24 Motion, as Exhibit 1, LUMA submitted two (2) proposals for projects under the Smart Grid Investment Matching Grant Program of the U.S. Department of Energy.

A. Deploying Real-Time Situational Awareness and Control Technologies for a Flexible and Resilient Transmission Grid in Puerto Rico.

The project as presented by LUMA seeks to increase grid flexibility and resilience, reduce the impact of extreme weather events, and facilitate reliable integration of renewable energy resources in Puerto Rico while supporting local communities.

The main goal of this project is to deploy advance sensors known as Phasor Measurement Units ("PMU") on the transmission system, allowing the control capability to leverage the data from these sensors to provide situational awareness and meet the sustainability and resilience goals of LUMA, including the integration of large-scale renewable energy deployment.

The budget for this project is $65,000.00.

B. REINFORCE: Northeastern Puerto Rico Energy Innovation Alliance for Outage Anticipation, Response, and Self-Healing Control during Abnormal Weather.

The project pursues advancing renewable energy resources forecasts to understand better the needs of the grid associated with adding those resources, as well as demonstrating technologies to improve the resiliency of the system, by deploying sensors to support the health assesment of critical parts of the transmission infrastructure so that better-informed decisions can be made to execute hardening.

The project goals are: (i) to advance the understanding of extreme hydrometeorological events and their impact on electric power infrastructure., (ii) to advance the design of electric power transmission and distribution infrastructure systems resistance to extreme wind and precipitation, (iii) to assess the operational added value of real time line-rate and system health monitoring for optimal system performance and risk management, and (iv) to assess the operational added value and anticipate risks to the transmission and distribution systems for risk mitigation and management, and provide correct forecasts of renewable energy resources.

The budget for this project is $100,000.00.

After a review of the Exhibit 1 of the April 24 Motion, the Energy Bureau **DETERMINES** that 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 **$165,000.00** based on estimates submitted by LUMA.

III. Energy Bureau Determination

The Energy Bureau **APPROVES** the projects in **Attachment A** to this Resolution and Order, which shall be presented to the DOE to finalize their approval process for the request of federal funds. The Energy Bureau approved these projects based on 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.

The Energy Bureau **ORDERS** LUMA to (i) submit to the Energy Bureau copy of the approval by DOE 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, or any other federal agency, remains unaltered.

Be it hereby notified and published.

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 12, 2023. Chairman Edison Avilés Deliz did not intervene. I also certify that in May 15, 2023 a copy of this Resolution and Order was notified by electronic mail to laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com, Yahaira.delarosa@us.dlapiper.com; jmarrero@diazvaz.law; mvazquez@diazvaz.law; and have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today May 15, 2023.

Sonia Seda Gaztambide
Clerk

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

Attachment A
Projects Approved by the Energy Bureau

Project Name	Presented Estimate
Deploying Real-Time Situational Awareness and Control Technologies for a Flexible and Resilient Transmission Grid in Puerto Rico.	$65,000.00
REINFORCE: Northeastern Puerto Rico Energy Innovation Alliance for Outage Anticipation, Response, and Self-Healing Control during Abnormal Weather. Line 50300 from Costa Sur Steam Plant to Aguirre Steam Plant	$100,000.00
Total	**$165,000.00**