

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

NEPR Received: May 19, 2023 7:38 PM
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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 submits 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 was the "Substation Minor Repairs". The project covered work in areas throughout Puerto Rico.

3. On September 22, 2021, the Energy Bureau entered a Resolution and Order in which it approved the "Substation Minor Repairs" T&D Project SOW. It determined that this project was necessary to improve the system's reliability ("September 22nd Order"). Further, the Energy Bureau ordered LUMA to provide the actual contracted cost to construct the approved project.

4. Additionally, on October 4, 2021, LUMA filed a *Motion Submitting Updated List of Transmission and Distribution Projects and Thirty-Eight Scopes of Work*. Therein, LUMA submitted thirty-eight (38) SOWs for T&D Projects for its review and approval before submitting them to COR3 and FEMA ("October 4th Motion"). Among the SOWs submitted to this Energy Bureau was the "Physical Security." The project covered work in areas throughout Puerto Rico.

5. On October 18, 2021, the Energy Bureau entered a Resolution and Order in which it determined that the thirty-eight (38) SOWs for T&D projects submitted by LUMA were

necessary to improve the system's reliability ("October 18th Order"). The Energy Bureau also ordered LUMA to provide the actual contracted cost to construct the approved project.

6. Although the "Substation Minor Repairs" and "Physical Security" T&D Projects were initially submitted to FEMA as overall projects that covered all of Puerto Rico, FEMA divided these works into individual projects by groups. As the Energy Bureau is cognizant, throughout 2022 and 2023, FEMA has provided FAAS^t numbers to the following "Substation Minor Repairs" T&D Projects: "Substation Minor Repairs Group A", "Substation Minor Repairs - Group B", "Substation Minor Repairs - Group C", "Substation Minor Repairs - Group D", "Substation Minor Repairs - Group E", "Substation Minor Repairs - Group E-1 (Substation)", "Substation Minor Repairs - Group F", "Substation Minor Repairs - Group G", "FAAS^t [C Minor Repairs - Group D-1] (Substation)", "FAAS^t [C Minor Repairs - Group E-2] (Substation Minor Repairs - Group E-2)", "FAAS^t [Substation Minor Repairs - Group A-2] (Substation)", "FAAS^t [Substation Minor Repairs - Group A-1] (Substation)", "FAAS^t [Substation Minor Repairs - Group - H] (Substations)", and "FAAS^t [Substation Minor Repairs - Group C-1]". FEMA also provided FAAS^t numbers for the following "Physical Security" T&D Projects: "Physical Security Group 1", "Physical Security Group 2", "Physical Security Group 3", "Physical Security Group 4", and "Physical Security Group 5".³

7. In compliance with the September 22nd and October 18th Orders, LUMA hereby informs that a contract has been executed in relation to the "Substation Minor Repairs" and

³ See Exhibit 2 (Updated List of Projects) to the *Motion Submitting Three Scopes of Work and Updated List of Projects and Request for Confidentiality and Supporting Memorandum of Law* filed on April 27, 2023, in this instant proceeding.

“Physical Security” T&D Projects. The contract was executed with Tekniek Construction, Inc. for the amount of \$40,876,290.00.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **deem** LUMA complied with the September 22nd and October 18th Orders.

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 attorney for PREPA, Joannely Marrero-Cruz, jmarrero@diazvaz.law.

In San Juan, Puerto Rico, on this 19th day of May 2023.



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