

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

NEPR
Received:
Feb 23, 2024
5:30 PM

IN RE:

IMPLEMENTATION OF THE
PUERTO RICO ELECTRIC POWER
AUTHORITY INTEGRATED
RESOURCE PLAN AND MODIFIED
ACTION PLAN

CASE NO.: NEPR-MI-2020-0012

SUBJECT: Memorandum of Law in Support of
Confidential Treatment of Exhibit 1 filed by
LUMA on February 12, 2024

**MEMORANDUM OF LAW IN SUPPORT OF CONFIDENTIAL TREATMENT OF
EXHIBIT 1 FILED BY LUMA ON FEBRUARY 12, 2024**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME now **LUMA Energy, LLC** (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”), (jointly referred to as “LUMA”), and respectfully state and request the following:

I. Relevant Procedural History

1. On April 4, 2023, the Puerto Rico Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order (“April 4th Order”) relating to, among others, LUMA’s procurement for the point of interconnection works (“Interconnection RFP”) for the renewable energy and energy storage resources procured in the Tranche 1 request for proposals process (“Tranche 1 RFP”). Through the April 4th Order, the Energy Bureau ordered the Puerto Rico Electric Power Authority (“PREPA”) to require Tranche 1 proponents “to utilize the most recent interconnection cost estimates, provided by LUMA, to present their Best and Final Offers” (“BFO”) under their Power Purchase and Operating Agreements (“PPOAs”). *See* April 4th Order on page 1. The Energy Bureau also determined that “any price discrepancy between the

interconnection costs used for the BFO [(for purposes of this Motion, the “Original Estimated Costs”)] and the interconnection costs (established by LUMA through the Interconnection RFP) (for purposes of this Motion, the “Final Estimated Costs”) would not be assumed by the Tranche 1 proponents (for purposes of this motion, this “price discrepancy” is referred to herein as the “Interconnection Costs Differences”). *See id.*

2. On September 15, 2023, the Energy Bureau issued a Resolution and Order (“September 15th Order”) ordering LUMA to submit information regarding the interconnection costs for each Tranche 1 project, including the Interconnection Costs Differences, a proposal to obtain the funds for the Interconnection Costs Differences (suggesting these be recovered through the Purchased Power Charge Adjustment (“PPCA”) reconciliation factor), the timing for needed funding, and the terms of the Tranche 1 interconnection agreements (to ensure these aligned with the April 4th Order). *See* September 15th Order on page 3.

3. On September 22, 2023, LUMA filed the information required in the September 15 Order¹, including, among others, and under request for confidential treatment, a proposal to obtain funds to offset the Interconnection Costs Differences via the PPCA factor, information on the Original Estimated Costs (comprised of the costs for the point of interconnection works plus the cost of LUMA’s project management) (referred to as the “LUMA Interconnection Works”); the Final Estimated Costs (comprised of the lump sum of the Interconnection RFP’s selected proponent for engineering, procurement and construction (“EPC”) provider plus the costs of the associated LUMA Interconnection Works); and the Interconnection Costs Differences (Final Estimated Costs minus Original Estimated Costs). *See Motion to Comply with Resolution and*

¹ As modified by Resolution and Order of September 20, 2023, which extended the deadline to comply.

Order of September 15, 2023, as Modified by Resolution and Order of September 20, 2023 of that date (“September 22nd Motion”) and its Exhibit 1.

4. On October 25, 2023, LUMA submitted a *Memorandum of Law in Support of Confidential Treatment of Attachments to Response submitted by LUMA on October 25, 2023 to Energy Bureau’s Informal Request for Information of October 10, 2023* (“October 25th Memorandum of Law”) in which LUMA requested confidential treatment of a Bid Evaluation and Award Approval (“BEAA”) document with the costs of the selected proponent in the Interconnection RFP for EPC provider for the interconnection works and a document with additional information on the Original Estimated Costs submitted to the Energy Bureau.

5. On December 6, 2023, LUMA informed the Energy Bureau that it had executed fourteen Interconnection Agreements (thirteen Tranche 1 and one non-Tranche 1) and requested approval to use the PPCA to cover the Interconnection Costs Differences. *See Informative Motion on Execution of Tranche 1 Interconnection Agreements, Request for Determination Regarding Interconnection Costs and Request for Confidential Treatment* filed on that date (“December 6th Motion”). LUMA submitted as Exhibit 2, under request for confidential treatment, information regarding the cost estimates of the LUMA Interconnection Works and the BEAA, for Energy Bureau approval, among others.

6. On December 7, 2023, LUMA submitted a *Motion to Submit Executed Interconnection Agreements and Request for Confidential Treatment* (“December 7th Motion”) which provided in its Exhibit 1 and under request for confidential treatment a copy of the mentioned fourteen Interconnection Agreements.²

² A memorandum of law in support of the confidentiality of the Interconnection Agreements and corrected Exhibit 1 with those agreements was submitted by LUMA on December 12, 2023. *See Motion to Submit Corrected Exhibit 1 to “Motion to Submit Executed Interconnection Agreements and Request for Confidential Treatment” Filed by LUMA on December 7, 2023 and Memorandum of Law in Support of Confidential Treatment of Exhibit 1* of that date.

7. On February 5, 2024, the Energy Bureau issued a Resolution and Order (“February 5th Order”) in which, among others, it ordered LUMA to submit information relating to the current estimate of the EPC provider’s costs, the interconnection costs considered in the PPOAs or ESSAs, the Original Estimated Costs, and the calculation of the values (\$/kWh) provided by LUMA to recover the incremental interconnection costs (for purposes of this motion, “Requests for Information (“RFIs”) Numbers 1 to 4”). *See* February 5th Order on pages 3-4. In the February 5th Order, the Energy Bureau also granted confidential designation and treatment of Exhibit 2 of the December 6th Motion and Exhibit 1 of the December 7th Motion. *See id.* at page 4.

8. In compliance with the February 5th Order, on February 12, 2024, LUMA filed a *Motion To Submit Information in Compliance with Resolution and Order of February 5, 2023 and Request for Confidential Treatment* (February 12th Motion”) in which it provided the responses to RFI Numbers 1 through 4 in an Exhibit 1 to that motion. In the February 12th Motion, LUMA requested the Energy Bureau to receive and maintain the Exhibit 1 (“February 12th Exhibit 1”) under seal of confidentiality and informed that it would be submitting the supporting Memorandum of Law within the next ten (10) days. *See* February 12th Motion on page 4.

9. As per the February 12th Motion, and pursuant to the Energy Bureau’s Policy on Management of Confidential Information, CEPR-MI-2016-0009, issued on August 31, 2016, and partially amended on September 16, 2016 (“Confidentiality Policy”), LUMA submits this Memorandum of Law setting forth the legal basis for which LUMA is entitled to tender the February 12th Exhibit 1 under seal of confidentiality and the redacted version of the February 12th Exhibit 1. *See Exhibit 1.*

II. Memorandum of Law in Support of Request for Confidentiality

A. Applicable Laws and Regulations to Submit Information Confidentially Before the Energy Bureau

10. The bedrock provision on the management of confidential information filed before this Energy Bureau is Section 6.15 of Act 57-2014, known as the “Puerto Rico Energy Transformation and Relief Act.” It provides, in pertinent part, that: “[i]f any person who is required to submit information to the [Energy Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the [Energy Bureau] to treat such information as such [...]” 22 LPRC §1054n. If the Energy Bureau determines, after appropriate evaluation, that the information should be protected, “it 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.” *Id.* §1054n(a).

11. Access to confidential information shall be provided “only to the lawyers and external consultants involved in the administrative process after the execution of a confidentiality agreement.” *Id.* §1054n(b). Finally, Act 57-2014 provides that this Energy Bureau “shall keep the documents submitted for its consideration out of public reach only in exceptional cases. In these cases, the information shall be duly safeguarded and delivered exclusively to the personnel of the [Energy Bureau] who needs to know such information under nondisclosure agreements. However, the [Energy Bureau] shall direct that a non-confidential copy be furnished for public review.” *Id.* §1054n(c).

12. Relatedly, in connection with the duties of electric power service companies, Section 1.10 (i) of Act 17-2019 states that electric power service companies shall “provide the documents and information as requested by customers, “except for: (i) confidential information in accordance with the Rules of Evidence of Puerto Rico, [...] and (viii) *issues that should be*

maintained confidential in accordance with any confidentiality agreement, provided, that such agreement is not contrary to public interest....” (Emphasis added.).

13. Moreover, the Energy Bureau’s Confidentiality Policy details the procedures that a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the Confidentiality Policy requires identifying confidential information and filing a memorandum of law explaining the legal basis and support for a request to file information confidentially. *See* CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 20, 2016, CEPR-MI-2016-0009. The memorandum should also include a table that identifies the confidential information, a summary of the legal basis for the confidential designation, and why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* at ¶ 3. The party who seeks confidential treatment of information filed with the Energy Bureau must also file both a “redacted” or “public version” and an “unredacted” or “confidential” version of the document that contains confidential information. *Id.* at ¶ 6.

14. The Energy Bureau’s Confidentiality Policy states the following with regard to access to validated Trade Secret Information:

1. Trade Secret Information

Any document designated by the [Energy Bureau] as Validated Confidential information because it is a trade secret under Act 80-2011 may only be accessed by the Producing Party and the [Bureau], unless otherwise set forth by the [Bureau] or any competent court.

Id. Section D (on Access to Validated Confidential Information).

15. Under the Industrial and Trade Secret Protection Act of Puerto Rico, Act 80-2011, 10 LPRA §§4131-4144, industrial or trade secrets are deemed to be any information:

- (a) That has a present or a potential independent financial value or that provides a business advantage, insofar as such information is not common knowledge or

- readily accessible through proper means by persons who could make a monetary profit from the use or disclosure of such information, and
- (b) for which reasonable security measures have been taken, as circumstances dictate, to maintain its confidentiality.

Id. §4131, Section 3 Act. 80-2011.³ Trade secrets include, but are not limited to, processes, methods, mechanisms, manufacturing processes, formulas, projects, or patterns to develop machinery and lists of specialized clients that may afford an advantage to a competitor. *See* Statement of Motives, Act 80-2011. As explained in the Statement of Motives of Act 80-2011, protected trade secrets include any information bearing commercial or industrial value that the owner reasonably protects from disclosure. *Id.* *See also* Article 4 of Puerto Rico Open Government Data Act, Act 122-2019 (exempting the following from public disclosure: (1) commercial or financial information whose disclosure will cause competitive harm; (2) trade secrets protected by a contract, statute, or judicial decision (3) private information of third parties). *See* Act 122-2019, Articles 4 (ix) and (x) and (xi).

16. The Puerto Rico Supreme Court has explained that the trade secrets privilege protects free enterprise and extends to commercial information that is confidential in nature. *Ponce Adv. Med. v. Santiago Gonzalez*, 197 DPR 891, 901-02 (2017) (citation omitted).

17. Energy Bureau Regulation No. 8543, *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, also includes a provision for filing confidential information in proceedings before this Energy Bureau. To wit, Section 1.15 provides that “a person has the duty to disclose information to the [Energy Bureau] considered to be privileged pursuant to the Rules of Evidence, said person shall identify the allegedly privileged

³ Relatedly, Rule 513 of the Rules of Evidence of Puerto Rico provides that the owner of a trade secret may invoke the privilege to refuse to disclose, and to prevent another person, from disclosing trade secrets, provide that these actions do not tend to conceal fraudulent actions or lead to an injustice. 32 P.R. Laws Annot. Ap. VI, R 513. If a court of law mandates disclosure of a trade secret, precautionary measures should be adopted to protect the interests of the owner of the trade secret. *Id.*

information, request the [Energy Bureau] the protection of said information, and provide supportive arguments, in writing, for a claim of information of privileged nature. The [Energy Bureau] shall evaluate the petition and, if it understands [that] the material merits protection, proceed according to [...] Article 6.15 of Act No. 57-2015, as amended.”

B. Request for Confidentiality and Grounds

18. The February 12th Exhibit contains confidential information pertaining to topics that are being addressed with proponents of the Tranche 1 RFP process, which is ongoing and still the object of negotiations, strategies, and proposals. The foregoing information includes interconnection details of specific Tranche 1 proponents and the Original Estimated Costs for interconnection of these projects used for the BFOs provided by the proponents. Information relating to LUMA’s insights on commercial aspects of the Tranche 1 and subsequent Tranches is also provided.

19. This honorable Energy Bureau has maintained under seal the documents, including confidential information related to the Tranche 1 RFP process. To that end, through its Resolution and Order of February 2, 2022 (“February 2nd Order”) in Case No. NEPR-MI-2020-0012, the Energy Bureau established that confidential treatment is required pursuant to Sections 4 and 10.2 of the Joint Regulations for the Procurement, Evaluation, Selection, Negotiation, and Award of Contracts for the Purchase of Energy and for the Procurement, Evaluation, Selection, Negotiation and Award Process for the Modernization of the Generation Fleet, Regulation 8815 of October 11, 2016 (“Regulation 8815”), and that only once the RFP is completed, shall it be made public. *See* the February 2nd Order at footnote 28. This Energy Bureau’s actions are consistent with the interest of maintaining the purity of the procurement process and avoiding disclosure of

information that may affect the financial, competitive or bargaining position of the parties. *See* Regulation 8815, Section 4.8(g).

20. In addition, the February 12th Exhibit contains commercially sensitive information that can be considered information on business processes or methods of the type that LUMA keeps and maintains confidential as part of its business dealings and the disclosure of which could cause competitive harms. Specifically, it includes a discussion of LUMA strategies and proposed approaches relating to the negotiation of PPOAs in the Tranche 1 and subsequent Tranches and PPOA costs.

21. Furthermore, Exhibit 1 contains the interconnection costs for each project determined based on the proposal submitted by the selected EPC proponent in the Interconnection RFP. According to the terms of the Interconnection RFP, the terms of the proposals are confidential until the selected proponent is contracted. The selected proponent has not yet been contracted, awaiting the final definition of the contract's scope which will depend on which Tranche 1 projects will proceed. Therefore, the amounts of the selected proponent's proposal remain confidential under that procurement process.

22. LUMA has taken reasonable measures to protect the confidential information in the December 12th Exhibit 1, as noted in the requests for confidentiality submitted in LUMA's September 22nd Motion, October 25th Memorandum of Law, December 6th Motion and December 7th Motion, which motions sought to protect the same or similar information. To date, the Energy Bureau has granted the requests relating to the confidential Exhibits in the December 6th and December 7th Motion. *See* February 5th Order at page 4.

23. In sum, Exhibit 1 contains information that could potentially impact one or two competitive procurement processes or that is commercial/proprietary of LUMA, it is not common

knowledge or readily accessible by third parties and with respect to which LUMA has taken reasonable measures to protect. Therefore, public interests are best served if this Energy Bureau keeps and maintains Exhibit confidentially and pursuant to the Energy Bureau’s Confidentiality Policy.

C. Identification of Confidential Information.

24. In compliance with the Energy Bureau’s Confidentiality Policy below is a table summarizing the hallmarks of this request for confidential treatment.

Documents	Page and description	Summary of legal basis for confidentiality protection, if applicable	Legal Provision	Date filed
Exhibit 1	4 th consecutive page (counting the pages commencing from the cover page): first and third lines of item 2 (containing interconnection details of specific Tranche 1 projects) and last paragraph (containing Final Estimated Interconnection costs and other related costs based on the selected proposal in the Interconnection RFP).	Protect confidential information in ongoing Tranche 1 RFP process and protect LUMA procurement process information (Interconnection RFP) that has not been disclosed to protect the integrity of a competitive process and subject to a confidentiality requirement in the RFP.	Section 1.10(j) of Act 17-2019 and Sections 4 and 10.2 of Regulation 8815	February 12, 2024
Exhibit 1	5 th consecutive page: Table 1: all monetary amounts in this table containing Final Estimated Interconnection costs and other related costs based on the selected proposal in the Interconnection RFP.	Protect confidential information in ongoing Tranche 1 RFP process and protect LUMA procurement process (Interconnection RFP) information that has not been disclosed to protect	Section 1.10(j) of Act 17-2019 and Sections 4 and 10.2 of Regulation 8815	February 12, 2024

Documents	Page and description	Summary of legal basis for confidentiality protection, if applicable	Legal Provision	Date filed
		the integrity of a competitive process and subject to a confidentiality requirement in the RFP.		
Exhibit 1	6 th consecutive page: continuation of Table 1; all monetary amounts in this table containing Final Estimated Interconnection costs and other related costs based on the selected proposal in the Interconnection RFP and interconnection details of specific Tranche 1 projects in Tranche 1 RFP.	Protect confidential information in ongoing Tranche 1 RFP and protect LUMA procurement process (Interconnection RFP) information that has not been disclosed to protect the integrity of a competitive process and subject to a confidentiality requirement in the RFP.	Section 1.10(j) of Act 17-2019 and Sections 4 and 10.2 of Regulation 8815	February 12, 2024
Exhibit 1	7 th consecutive page: Third paragraph under Response: information related to Tranche 1 commercial considerations.	Protect confidential information in ongoing Tranche 1 RFP and commercially sensitive information that can be considered information on business processes or methods of LUMA.	Sections 4 and 10.2 of Regulation 8815 and Industrial Trade Secret Protection Act of Puerto Rico Act 80-2011, 10 LPRA §§4131-4144	February 12, 2024

Documents	Page and description	Summary of legal basis for confidentiality protection, if applicable	Legal Provision	Date filed
Exhibit 1	8 th Consecutive Page: all monetary amounts in Table 2 and footnotes 2 and 3 pertaining to the Tranche 1 developers' contribution to interconnection costs.	Protect confidential information in ongoing Tranche 1 RFP process and protect LUMA procurement (Interconnection RFP) process information that has not been disclosed to protect the integrity of a competitive process and subject to a confidentiality requirement in the RFP.	Section 1.10(j) of Act 17-2019 and Sections 4 and 10.2 of Regulation 8815	February 12, 2024
Exhibit 1	9 th consecutive page: text commencing from the third line of the page to the bottom of the page containing confidential Tranche 1 information and information related to Tranche 1 commercial considerations.	Protect confidential information in ongoing Tranche 1 RFP and commercially sensitive information that can be considered information on business processes or methods of LUMA.	Sections 4 and 10.2 of Regulation 8815	February 12, 2024
Exhibit 1	10 th consecutive page: text in paragraphs 2, 3 and 4 with interconnection details of specific Tranche 1 projects and the amounts in the last paragraph containing specific interconnection costs of certain Tranche 1 projects.	Protect confidential information in ongoing Tranche 1 RFP.	Sections 4 and 10.2 of Regulation 8815	February 12, 2024

Documents	Page and description	Summary of legal basis for confidentiality protection, if applicable	Legal Provision	Date filed
Exhibit 1	12 th consecutive page: Table 3: all monetary amounts in this table relating to the calculations to determine collections to recover Interconnection Costs Differences.	Protect confidential information in ongoing Tranche 1 RFP process and protect LUMA procurement (Interconnection RFP) process information that has not been disclosed to protect the integrity of a competitive process and subject to a confidentiality requirement in the RFP.	Section 1.10(j) of Act 17-2019 and 10.2 of Regulation 8815	February 12, 2024
Exhibit 1	13 th consecutive page: Continuation of Table 3: all monetary amounts in this table relating to the calculations to determine collections to recover Interconnection Costs Differences and monetary amounts in last paragraph relating to the amounts to be collected to cover such costs.	Protect confidential information in ongoing Tranche 1 procurement process and protect LUMA procurement process information that has not been disclosed to protect the integrity of a competitive process and subject to a confidentiality requirement in the RFP.	Section 1.10(j) of Act 17-2019 and Sections 4 and 10.2 of Regulation 8815	February 12, 2024

Documents	Page and description	Summary of legal basis for confidentiality protection, if applicable	Legal Provision	Date filed
Exhibit 1	14 th consecutive page: Table 4: all monetary amounts in this table relating to the calculations to determine collections to recover Interconnection Costs Differences.	Protect confidential information in ongoing Tranche 1 RFP process and protect LUMA procurement process information that has not been disclosed to protect the integrity of a competitive process and subject to a confidentiality requirement in the RFP.	Section 1.10(j) of Act 17-2019 and Sections 4 and 10.2 of Regulation 8815	February 12, 2024

LUMA is providing herein a redacted version of the February 12th Exhibit 1. *See Exhibit 1.*

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **accept** this Memorandum of Law in support of confidential treatment of the February 12th Exhibit 1; and **grant** confidential treatment to the February 12th Exhibit 1 as described herein.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 23rd day of February 2024.

I hereby certify that I filed this motion using the electronic filing system of this Puerto Rico Energy Bureau and that a copy of this motion was notified by email to lionel.santa@prepa.com; arivera@gmlex.net; alopez@sbgblaw.com; jfr@sbgblaw.com; jlago@sbgblaw.com.



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Exhibit 1

Redacted February 12th Exhibit 1



Tranche 1 Interconnection Costs

NEPR-MI-2020-0012

Responses to February 5 Requests

February 12, 2024

List of Responses and Attachments

Response ID	Document Type	Response Subject
RFI-LUMA-MI-2020-0012-20240212-PREB-#0001	Response in PDF	EPC Lump Sum
RFI-LUMA-MI-2020-0012-20240212-PREB-#0002	Response in PDF	POI Class 3 Estimate
RFI-LUMA-MI-2020-0012-20240212-PREB-#0003	Response in PDF	Interconnection Studies Cost Estimate
RFI-LUMA-MI-2020-0012-20240212-PREB-#0004	Response in PDF	Incremental Interconnection Cost

1.0 Introduction

LUMA is committed to supporting the integration and adoption of clean energy and large-scale renewable projects while advancing the transformation of Puerto Rico's energy system into one that is more reliable, more resilient, cleaner, and more sustainable for everyone. Since assuming operations on June 1, 2021, LUMA's has connected over 84,000 customers to rooftop solar at the fastest rate in Puerto Rico's history and now ranks fifth among all U.S. states and territories for solar adoption, per capita.

As part of our commitment to a cleaner energy future, LUMA is also actively supporting additional utility-scale renewable energy and storage projects to help increase energy reliability across the island. To date, LUMA has not only completed multiple rounds of interconnection studies for Tranche 1 proponents, we have also executed 16 interconnection agreements with Tranche 1 project developers that are prepared to move forward. We are also actively facilitating progress on Tranches 2 and 3 by providing technical expertise on how to best ensure the growth of renewable energy across Puerto Rico while we continue to improve the overall reliability and resiliency of the grid.

To be clear, LUMA's role is to facilitate the safe and reliable interconnection of large-scale renewable projects to the grid for the benefit of all our customers, while working closely with project developers who are responsible for moving forward on these critical renewable projects. By working together with developers on how to best move Puerto Rico cleaner energy future forward, we remain optimistic that we can and will continue to make real progress in building the cleaner and more reliable energy future Puerto Rico expects and deserves.

LUMA Interconnection Cost

Response: RFI-LUMA-MI-2020-0012-20240212-PREB-#0001

SUBJECT

TOPIC #1 **EPC Lump Sum**

REQUEST

The Energy Bureau ORDERS LUMA to confirm, or otherwise explain, within 5 days of the notice of this Resolution and Order, that the "EPC Lump Sum" column in the table of Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), concerning Interconnection Cost Discrepancies, represents its current estimate of the cost of interconnection using its EPC provider.

RESPONSE

The EPC Lump Sum amounts in the table of Exhibit 1 of the LUMA September 22 Motion have been updated to reflect the current estimate of the costs of interconnection as these appear in the proposal by the selected EPC proponent set forth in the BEAA. These updated amounts are set forth in Table 1 below.

In addition, the total of this amount for all projects has been reduced since September 2022 for several reasons:

1. Several Projects did not receive the necessary regulatory approvals from the Energy Bureau or from the FOMB or did not complete the PPOA / ESSA closing conditions. Those projects that did not fulfil their commercial contract requirements will be removed from the scope of the EPC construction contract and will result in a reduction in the total amount of the EPC Lump Sum. Those projects are listed in red in the Table 1 below.
2. [REDACTED] negotiated a change of Point of Interconnection with PREPA for their interconnection at a new sectionalizer to [REDACTED]. This change to the scope of the construction for this Point of Interconnection will also reduce the total EPC Lump Sum and is indicated in green in the table below.

The new total EPC Lump Sum estimate is [REDACTED]. This total will be confirmed as individual project scopes of work are finalized in coordination with project developers. Table 1 below also includes the updated costs for LUMA project management works (in the column titled "LUMA Interconnection Works") for each project and the total for all projects (which is [REDACTED]). The total interconnection costs for all projects are \$ [REDACTED].

RESPONSES TO FEBRUARY 05, 2024, REQUESTS

The total The column titled “Developer Contribution” in Table 1 contains the Class 3 estimated costs for the Interconnection Works (estimated EPC component plus LUMA Interconnection Works) set forth in the Interconnection Studies of the projects, for which the developers are responsible.

With the benefit of the Energy Bureau’s approvals in the February 5 R&O, LUMA plans to conclude procurement and negotiation process and expects to include specific information in the Construction Agreement(s) on a per project basis with the contractor(s) to confirm scope and cost variations that may have materialized since the conclusion of the RFP in June of 2023. LUMA will report the results of this information on a per project basis to the Energy Bureau, the payment schedules that will inform the PPCA quarterly reconciliations and the mechanisms by which change orders, cost variations (over and under) will be reported and accounted for in the quarterly reconciliation.

Table 1. Updated Interconnection Costs

Project Name	Project Tag	EPC Lump Sum (BEAA)	LUMA Interconnection Works	Total	Developer Contribution (LGIA)
AES Jobos Solar & BESS	A-1-P & A-2-E	██████████	██████████	██████████	██████████
Yabucoa YFN	AK-1-P	██████████	██████████	██████████	██████████
Peñuelas Energy Storage	L-3-E	██████████	██████████	██████████	██████████
Ponce Energy Storage	M-3-E	██████████	██████████	██████████	██████████
Caguas Energy Storage	H-3-E	██████████	██████████	██████████	██████████
Yabucoa Energy Park Solar ITC	AT-1-P & AX-1-E	██████████	██████████	██████████	██████████
Pattern Barceloneta Solar ITC	W-3-P	██████████	██████████	██████████	██████████
Guayama Solar Energy	AE-1-P	██████████	██████████	██████████	██████████
Solaner San German	AI-1-P	██████████	██████████	██████████	██████████
Tetris Power	AS-1-P	██████████	██████████	██████████	██████████

LUMA Interconnection Cost

Response: RFI-LUMA-MI-2020-0012-20240212-PREB-#0002

SUBJECT

TOPIC #2 **POI Class 3 Estimate**

REQUEST

Energy Bureau ORDERS LUMA to confirm, or otherwise explain, within 5 days of the notice of this Resolution and Order, that the "POI Class 3 Estimate" column in the table of Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), concerning Interconnection Cost Discrepancies, represents the value of interconnection cost recovery currently contained in the PREPA PPOA and ESSA contracts for Tranche 1

RESPONSE

The pricing for the Tranche 1 PPOAs and ESSAs was prepared by the project developers in response to the best and final offer request by PREPA, therefore LUMA respectfully submits that it cannot answer the question as posed by the Energy Bureau as LUMA was not a party to the pricing discussions.

In its April 2023 Resolution and Order, the Energy Bureau ordered PREPA to request Best and Final Offers from Resource Providers based on the POI Class 3 Estimates that LUMA had communicated to PREPA in July of 2022. The resulting PPOAs and ESSAs include 2 price components as a result of the Best and Final Offers by developers.



The cost of each interconnection to be borne by the developers are those set forth in the column "Total" under Interconnection Studies Cost Estimate in Exhibit 1 of the September 22 Motion (which constitutes the addition of the amounts in the "POI Class 3 Estimate" and the "LUMA Interconnection Works" columns in such table), with some updates reflected in the table 2 below. These total costs for each project appear in the LGIAs (with some exceptions¹) and are set forth in Table 2.

Table 2. Updated Interconnection Costs to be Borne by Developers

¹ Some LGIAs do not specify these amounts but are to be supplemented to include them.

RESPONSES TO FEBRUARY 05, 2024, REQUESTS

Project Name	Project Tag	Developer Contribution (LGIA)
AES Jobos Solar & BESS	A-1-P & A-2-E	[REDACTED]
Yabucoa YFN	AK-1-P	[REDACTED]
Peñuelas Energy Storage	L-3-E	[REDACTED]
Ponce Energy Storage	M-3-E	[REDACTED]
Caguas Energy Storage	H-3-E	[REDACTED]
Yabucoa Energy Park Solar ITC	AT-1-P & AX-1-E	[REDACTED]
Pattern Barceloneta Solar ITC	W-3-P	[REDACTED]
Guayama Solar Energy	AE-1-P	[REDACTED]
Solener San German	AI-1-P	[REDACTED]
Tetris Power	AS-1-P	[REDACTED]
Totals		[REDACTED]

LUMA Observations:

² In the table of Exhibit 1 of the September 22 Motion, the [REDACTED]. The correct amount is the one set forth in this Table 2.

³ In the table of Exhibit 1 of the September 22 Motion, this amount is incorrectly stated as [REDACTED]. The correct amount is the one set forth in this Table 2.

⁴ In the table of Exhibit 1 of the September 22 Motion, this amount is lower. This estimate was revised due to an increase in the project capacity. The correct amount is the one set forth in this Table 2

RESPONSES TO FEBRUARY 05, 2024, REQUESTS

LUMA does not have responsibility for procurement of energy resources or energy storage resources in Puerto Rico. We have not been part of the commercial process of the Requests for Proposals, PPOAs or ESSAs for renewable energy authorized by the Energy Bureau. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

LUMA Interconnection Cost

Response: RFI-LUMA-MI-2020-0012-20240212-PREB-#0003

SUBJECT

TOPIC #3 **Interconnection Studies Cost Estimate**

REQUEST

Energy Bureau also ORDERS LUMA to confirm, or explain otherwise, that the dollar amounts included in the executed interconnection agreements, submitted through the December 7 Motion, for interconnection costs to Tranche 1 providers are the same as those included in Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), and listed in the "Total" column of the "Interconnection Studies Cost Estimate" section of the table, and that they represent only a portion of the total interconnection cost estimate

RESPONSE

With the exceptions of the [REDACTED] LUMA confirms that the amounts indicated in the Large Generator Interconnection Agreements (LGIA) correspond to the Interconnection Studies Cost Estimates reflected in the Interconnection Studies provided by LUMA to developers via PREPA's RFP process.⁵ The costs in the LGIAs are listed in the "Total" column of the "Interconnection Studies Cost Estimate" section of the table in Exhibit 1 of the September 22 Motion, as corrected in Table 2 above. These costs represent only a portion of the total interconnection cost estimate.

In the cases of the [REDACTED] projects, the amounts reflected in the LGIA reflect revised LUMA Interconnection Works values that were re-assessed by LUMA to reflect the new scope of the projects once they moved from [REDACTED]. The sectionalizer shall be transferred to PREPA by the Resource Providers once the projects are completed.

In the case of [REDACTED], the Interconnection Cost was updated per PREPA's request in February of 2023, prior to the Energy Bureau's order to limit the interconnection costs. The new Interconnection Studies were performed to incorporate a capacity increase of 25 MW for a total of 50 MW. The capacity increase required changes in the interconnection reflected in the LGIA executed in November of 2023 for [REDACTED] compared to the initial estimate of [REDACTED] when the project was rated at 25 MW.

⁵ Some LGIA's do not contain an amount but will be supplemented to reflect the Interconnection Studies Cost Estimates.

LUMA Interconnection Cost

Response: RFI-LUMA-MI-2020-0012-20240212-PREB-#0004

SUBJECT

TOPIC #4 **Incremental Interconnection Cost**

REQUEST

The Energy Bureau also **ORDERS** LUMA to explain, within 5 days of the notice of this Resolution and Order, in detail and provide a workpaper for the calculations it used to determine its estimate of a need to collect \$0.007/kWh₁₂ beginning this year to cover incremental interconnection costs. In this explanation LUMA must address how the computation includes the values contained in the table of Exhibit 1 of LUMA September 22 Motion in response to Energy Bureau September 15 Order question number (ii), concerning Interconnection Cost Discrepancies

RESPONSE

The Estimate of \$0.007 / kWh was produced as a calculation utilizing the 2024 Load Forecast estimates as illustrated in the table below. The estimate included uncertainty as to:

1. The final number of projects that would achieve their closing conditions,
2. The final interconnection location for the AES/CFE projects originally planned to interconnect at Aguirre, and
3. The timing of the approval of the Energy Bureau for the collection of the cost discrepancy through the PPCA.

The calculation sought to collect the difference between the amounts contributed by the developers and the required amounts of the EPC Lump Sum as well as the cost estimates of LUMA's scope of supervision and project management.

Table 3. Calculations

Month	MWh Sales	C/kWh	\$ Collections	Cumulative Collections
J-24	1,155,638	██████████	██████████	█ ██████████
F-24	1,056,937	██████████	██████████	█ ██████████
M-24	1,253,261	██████████	██████████	█ ██████████

RESPONSES TO FEBRUARY 05, 2024, REQUESTS

A-24	1,220,293	████████	████████	█	████████
M-24	1,342,019	████████	████████	█	████████
J-24	1,339,011	████████	████████	█	████████
J-24	1,413,567	████████	████████	█	████████
A-24	1,393,731	████████	████████	█	████████
S-24	1,369,814	████████	████████	█	████████
O-24	1,397,580	████████	████████	█	████████
N-24	1,277,344	████████	████████	█	████████
D-24	1,246,495	████████	████████	█	████████
J-25	1,155,638	████████	████████	█	████████
F-25	1,056,937	████████	████████	█	████████
M-25	1,253,261	████████	████████	█	████████
A-25	1,220,293	████████	████████	█	████████
M-25	1,342,019	████████	████████	█	████████
J-25	1,339,011	████████	████████	█	████████
J-25	1,413,567	████████	████████	█	████████
A-25	1,393,731	████████	████████	█	████████
S-25	1,369,814	████████	████████	█	████████
O-25	1,397,580	████████	████████	█	████████
N-25	1,277,344	████████	████████	█	████████
D-25	1,246,495	████████	████████	█	████████

Given the revision in the Lump Sum EPC, the new estimates as of today, and prior to final contracts with the Design and Build Contractor (EPC) seek to collect ██████████ over 15 months. The revised rate for the PPCA is reduced to ██████████.

Table 4. [Title]

Month	MWh Sales	C/kWh	\$ Collections	Cumulative Collections
A-24	1,220,293			
M-24	1,342,019			
J-24	1,339,011			
J-24	1,413,567			
A-24	1,393,731			
S-24	1,369,814			
O-24	1,397,580			
N-24	1,277,344			
D-24	1,246,495			
J-25	1,155,638			
F-25	1,056,937			
M-25	1,253,261			
A-25	1,220,293			
M-25	1,342,019			
J-24	1,339,011			