

**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 Motion
Submitting One Scope of Work and a Request
for Confidentiality and Supporting
Memorandum of Law, dated June 21, 2024.

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"), through which it determined that the March 26 Resolution applies equally to LUMA^{3,4}

On June 21, 2024, LUMA filed a document titled *Motion Submitting One Scope of Work and a Request for Confidentiality and Supporting Memorandum of Law* ("June 21 Motion"). As Exhibit 1 LUMA includes an initial Scope of Work ("SOW") titled "*New Transmission Lines for System Resilience*". As part of its filing, LUMA request confidential designation and treatment to the unredacted non-public version of Exhibit 1.⁵

II. Evaluation of the June 21 Motion

Through the June 21 Motion, LUMA submits one (1) SOW for "New Transmission Lines for System Resilience" for the Energy Bureau's approval. LUMA indicates that once the SOW is approved by the Energy Bureau, LUMA will engage with COR3 and federal agencies to seek different federal funding sources, including FEMA's Hazard Mitigation funding under Section 406 of the Stafford Act⁶ and that at the time of submission of the initial SOW to the Energy Bureau, it is unknown whether and in what amounts funding through Section 406 will be available.⁷

On Exhibit 1 of the June 21 Motion, LUMA explains that the proposed ISOW consists of the construction of new transmission lines across Puerto Rico and that detailed transmission planning studies using power flow and engineering analyses, following the North American Electric Reliability Corporation ("NERC") standard, adopted, and applied as industry best

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

⁴ August 20 Resolution, p. 3.

⁵ June 21 Motion, p. 3.

⁶ Referred as: "Robert T. Stafford Disaster Relief and Emergency Assistance Act"

⁷ June 21 Motion, pp. 2-3.



practices, have demonstrated operational violations or unacceptable system operating conditions when the system is subjected to credible outages, including outages experienced during hurricane María. That these violations include equipment loading beyond their ratings and acceptable limits, cascading outages because of these overloads, significant load pockets outages after losing a single piece of equipment, and/or having an unacceptable voltage profile in the system. In parallel to rebuild individual lines, best engineering practices require the deployment of additional transmission lines to increase the redundancy of the system, thereby enhancing the resilience and reliability experienced by Puerto Rico residents, including disruptive events such as hurricanes.⁸

LUMA also indicates that system studies, including those conducted as part of the PR-100 Study⁹ have identified the need for additional transmission and distribution system capabilities to integrate the renewable generation that is expected to be deployed across Puerto Rico and that this transmission lines will increase the ability of the grid to integrate this generation while allowing the transmission and distribution operator to provide acceptable levels of reliability.¹⁰

In this ISOW LUMA has identified some initial lines which need to be prioritized, but additional lines may be included in the program as operational realities change, budgets and/or funding sources are made available.

The project as proposed includes the facilities presented in table 1:

Table 1: LUMA's proposed projects

Name	Number	Voltage (kV)
Juncos TC to Gautier Benítez Sect.	20300	38
Juncos TC to Humacao TC	20500	38
Santa Isabel TC to Tap Hamilton (Santa Isabel Sect.)	20600	38
Canas TC to Buena Vista Sect.	20800	38
Barceloneta TC to Cambalache TC (ASDA Arecibo)	20900	38
21000 Humacao TC to Arroyo Sub. # 4101	21000	38
Hatillo TC to Mora TC	39100	115

The new facilities included in this ISOW are structures (including their foundations), framing and insulators, load break switches (manual and automated), conductors, guy wires, anchoring, grounding assemblies, and any associated components required to construct the transmission lines.

Each individual transmission line project will undergo a feasibility assesment, modeling, and analysis to validate design criteria, including electrical clearance and mechanical loading requirements. The result of this modeling and analysis will be used to further define the scope of work.¹¹

The estimated cost for those projects represents **\$321,790,000.00**, based on a Class 5¹² cost estimate that includes materials, construction labor and equipment, engineering, management, and contingencies as provided by LUMA.

The projects are aligned with the goal of repairing, improving, and sustaining the reliability, capacity, and resiliency of the Puerto Rico electric system. All these reconstruction efforts on the island need to be aligned with local and federal regulations, and actual codes and standards.

Upon review of Exhibit 1 of the June 21 Motion, the Energy Bureau **DETERMINES** that the projects are necessary to improve the reliability and resiliency of the electrical system.

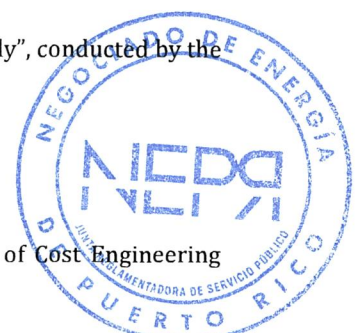
⁸ June 21 Motion, Exhibit 1, pp. 5-6.

⁹ Referred to the "Puerto Rico Grid Resilience and Transition to 100% Renewable Energy Study", conducted by the U.S. Department of Energy's ("DOEs") Grid Deployment Office and six national laboratories.

¹⁰ June 21 Motion, Exhibit 1, p. 6.

¹¹ *Id.*, p.6.

¹² Estimated Cost are based on Class 5 level cost of the Association for the Advancement of Cost Engineering ("ACE") providing between -50% up to +100%.



III. LUMA’s Request for Confidential Information Designation and Treatment of portions of Exhibit 1 of the June 21 Motion

In the Request for Confidential Treatment, LUMA alleged that the unredacted version of the SOW in Exhibit 1 has confidential information associated with Critical Energy Infrastructure Information (“CEII”) as defined in federal regulations and, 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 and should be also protected under the Energy Bureau’s Policy on Management of Confidential Information¹³, that therefore is also protected under Act 57-2014¹⁴. LUMA requests the Energy Bureau to grant confidential designation and treatment to the referred portion of Exhibit 1. Table 2 below details the portions of Exhibit 1 which LUMA requested confidential designation and treatment.

Table 2: 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	New Transmission Lines for System Resilience	Page 1 and 4	Right to privacy (<i>see, e.g.,</i> Const. ELA, Art. II, Sections 8 and 10)	June 21, 2024
		Pages 5	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. This approval represents **\$321,790,000.00** based on the Class 5 Cost Estimates submitted by LUMA through the June 21 Motion.

The projects approved in **Attachment A** to this Resolution and Order, 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 on the information from 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 COR3 and/or FEMA of the projects in **Attachment A**, which shall have the costs obligated for each project, **within ten (10) days of receipt of such 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 order 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 57-2014 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

¹³ See, Resolution, *In re: Política sobre Manejo de Información Confidencial en los Procedimientos ante la Comisión*, Case No. CEPR-MI-2016-0009, issued on September 20, 2016.

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



submitting understands deserves such protection.¹⁵ 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”.¹⁶ 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.”¹⁷

Upon 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 2 above under Article 6.15 of Act 57-2014. The Energy Bureau **TAKES NOTICE** that LUMA already submitted a redacted (*i.e.*, public) version of Exhibit 1 as described in Table 2.

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 57-2014 and applicable Energy Bureau’s regulations and any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.

Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on June 28, 2024. Also certify that on June 28, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to arivera@gmlex.net; mvalle@gmlex.net; laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; julian.angladapagan@us.dlapiper.com; alopez@sbgblaw.com; jfr@sbgblaw.com, legal@genera-pr.com, regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, today, June 28, 2024.

Sonia Seda Gaztambide
Clerk



¹⁵ Section 6.15 of Act 57-2014.

¹⁶ *Id.*

¹⁷ *Id.* (Emphasis added).

**Attachment A
Project Approved by the Energy Bureau**

Region	Project Name	Proposed Scope of Work	Presented Estimate
Island Wide	New Transmission Lines for System Resilience	<ul style="list-style-type: none"> - Juncos TC to Gautier Benítez Sect. - Juncos TC to Humacao TC - Santa Isabel TC to Tap Hamilton (Santa Isabel Sect.) - Canas TC to Buena Vista Sect. - Barceloneta TC to Cambalache TC (ASDA Arecibo) - 21000 Humacao TC to Arroyo Sub. # 4101 - Hatillo TC to Mora TC 	\$321,790,000.00
Total			\$321,790,000.00

