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 Four Scopes of Work and a Request for Confidentiality and Supporting Memorandum of Law, dated June 28, 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 28, 2024, LUMA filed a document *titled Motion Submitting Four Scopes of Work and Request for Confidentiality and Supporting Memorandum of Law* ("June 28 Motion"). As Exhibit 1 LUMA includes four Scopes of Work ("SOWs") titled "*Substation Ciales 8701*", "*Unibón 9501 (Fuse to Breaker)*", "*Monterey 9502 & 9503 (Fuse to Breaker)*" and "*Asset Management System Implementation*". 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 28 Motion

Through the June 28 Motion, LUMA submits four (4) SOWs for the Energy Bureau's approval. LUMA indicates that once the SOWs are 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 Act[6] 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 28 Motion, LUMA includes the SOWs for: Substation Ciales 8701", "Unibón 9501 (Fuse to Breaker)", "Monterey 9502 & 9503 (Fuse to Breaker)" and "Asset Management System Implementation".

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

[4] August 20 Resolution, p. 3.

[5] June 28 Motion, p. 3.

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

[7] June 28 Motion, pp. 2-3.

1. *Substation Ciales 8701*

LUMA proposes to increase the reliability and resiliency of the Ciales Substation while restoring system functionality, with the removal of the high side fuses of the transformer and replacing with new Gas Circuit Breakers ("GCBs") rated for 115 kV, and additional protection for existing breakers.[8]

The New Transmission Infrastructure will provide services to: Line 36100 from Dos Bocas HP, Line 36100 from Morovis, and One (1) 115/8.32-4.16 kV transformer, with an 8.4/14 MVA capacity, Delta-Wye.

The Substation will include ("International Electrotechnical Commission") IEC-61850 Station Bus with outdoor protection control cabinets, among other related works.

The cost estimate for this project is **$5,825,951.00** based on a Class 5 cost estimate[9] that includes materials, construction labor and equipment, engineering, management, and contingencies as provided by LUMA.

2. *Unibón 9501 (Fuse to Breaker)*

LUMA indicates this project addresses the need to increase the reliability, resiliency and to restore the system functionality by replacing the high side fuse of the transformer and motor operated disconnect ("MOD") switches with new three (3) breaker ring bus with GCBs rated for 115 kV, and additional protection to existing equipment.[10]

The project also includes a generator pad (GEN SET ready), a generator, an IEC-61580 architecture with indoor protection control panels, a 20' x 12' control building, relay panels and Standard Supervisory Control and Data Acquisition ("SCADA") panels, among other related works.

The cost estimate for this project is **$9,157,533.00** based on a Class 5 cost estimate that includes materials, construction labor and equipment, engineering, management, and contingencies as provided by LUMA.

3. *Monterey 9502 & 9503 (Fuse to Breaker)*

LUMA indicates this project addresses the need to increase the reliability, resiliency and to restore the system functionality with the reconstruction of the entire substation including the replacement of a 115 kV single bus with four (4) GCBs.[11]

The project also will include: (i) a new control house for the new protection and control relays, SCADA, telecommunication equipment, battery banks and other related components, (ii) a generator pad and generator, (iii) rearrangement of bus configuration with new breakers infrastructure and equipment, (iv) new panels for Substation Automation System and Telecom System, (v) an IEC-61850 Station Bus architecture, (vi) among others related works.

The cost estimate for this project is **$39,664,220.00** based on a Class 5 cost estimate that includes materials, construction labor and equipment, engineering, management, and contingencies as provided by LUMA.

4. *Asset Management System Implementation*

LUMA indicates that to provide electric power in a safe, efficient, reliable, and cost-effective manner, it is necessary to implement a comprehensive Asset Management Information System. That there are many programs for rebuilding the Transmission and Distribution ("T&D") system

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[8] June 28 Motion, Exhibit 1, Substation Ciales, p.5.

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

[10] June 28 Motion, Exhibit 1, Unibón 9501, p.5

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[11] June 28 Motion, Exhibit 1, Monterey 9502 & 9503, p.5.

that require modeling and analysis on the T&D lines to verify criteria such as equipment loading, voltage profile, automation device placement and coordination on protective devices.[12]

LUMA is proposing an Asset Management Information System Implementation to support the T&D rebuilding initiatives. LUMA states this system will ensure the technology ecosystem to assure the accuracy and integrity of asset information for network design, connectivity modeling, asset lifecycle maintenance management, and network modeling systems.

The scope of work of this project includes:

a. Provide a repository of all assets including rebuild network.
b. Provide a repository of system information, including system models/system topology.
c. Configure Asset Suite: (i) for tracking electrical network assets including T&D lines, substations, telecom, and streetlights, (ii) to generate and manage work order for corrective and preventive maintenance activities, and (iii) for the preventive maintenance programs by asset type.
d. Develop data validation and load processes to initialize the distribution line, transmission line, substations, telecom, and streetlight assets.
e. Load existing T&D lines, substations, telecom, and streetlight asset information.
f. Develop and implement: (i) the required integration between the Computerized Maintenance Management System ("CMMS") and G/Technology network connectivity data with network modeling tools, and (ii) electrical design tools integrated with CMMS and G/Technology.

The cost estimate for this project is **$9,737,556.00** based on a Class 5 cost estimate that includes materials, construction labor and equipment, engineering, management, and contingencies as provided by LUMA.

The projects are aligned to repair, improve, and sustain 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 28 Motion, the Energy Bureau **DETERMINES** that the projects are necessary to improve the reliability and resiliency of the electrical system.

III. LUMA's Request for Confidential Information Designation and Treatment of portions of Exhibit 1 of the June 28 Motion

In the Request for Confidential Treatment, LUMA alleged that the unredacted version of the SOW in Exhibit 1 has confidential information associated with Trade Secret Information and 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 Information[13], that therefore is also protected under Act 57-2014[14].

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.

[12] June 28 Motion, Exhibit 1, Asset Management System Implementation, p.5.

[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 ("Act 57-2014")

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	Substation Ciales 8701	Pages 1 and 4	Right to privacy (*see, e.g.*, Const. ELA, Art. II, Sections 8 and 10)	June 28, 2024
		Pages 5, 10, and 11	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671-674.	
Exhibit 1	Unibón 9501 (Fuse to Breaker)	Pages 1 and 4	Right to privacy (*see, e.g.*, Const. ELA, Art. II, Sections 8 and 10)	June 28, 2024
		Pages 5, 11, and 12	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671-674.	
Exhibit 1	Monterey 9502 & 9503 (Fuse to Breaker)	Pages 1 and 4	Right to privacy (*see, e.g.*, Const. ELA, Art. II, Sections 8 and 10)	June 28, 2024
		Pages 5, 11, and 12	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671-674.	
Exhibit 1	Asset Management System Implementation	Pages 1 and 4	Right to privacy (*see, e.g.*, Const. ELA, Art. II, Sections 8 and 10)	June 28, 2024

IV. Energy Bureau Determination

The Energy Bureau **APPROVES** the projects in **Attachment A** to this Resolution and Order. This approval represents **$64,385,260.00** based on the Class 5 Cost Estimates submitted by LUMA through the June 28 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 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 1 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 1.

The Energy Bureau **WARNS** LUMA that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines under 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

Antonio Torres Miranda
Associate Commissioner

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

[15] Section 6.15 of Act 57-2014.

[16] *Id.*

[17] *Id.* (Emphasis added).

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on July 24, 2024. Also certify that on July 24, 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, July 24, 2024.

Sonia Seda Gaztambide
Clerk

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

Attachment A
Project Approved by the Energy Bureau

Region	Project Name	Proposed Scope of Work	Presented Estimate
Arecibo	Substation Ciales 8701	Repairs and reconstruction of the substation facilities, equipment and components.	$5,825,951.00
Bayamón	Unibón 9501 (Fuse to Breaker)	Repairs and reconstruction of the substation facilities, equipment and components.	$9,157,533.00
Bayamón	Monterey 9502 & 9503 (Fuse to Breaker)	Repairs and reconstruction of the substation facilities, equipment and components.	$39,664,220.00
Island Wide (T&D Asset)	Asset Management System Implementation	Implementation of a system to support the rebuild initiatives of the T&D system.	$9,737,556.00
Total			**$64,385,260.00**