

**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 Two Initial Scopes of Work and a Request for Confidentiality and Supporting Memorandum of Law, dated August 23, 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.<sup>1</sup> 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").<sup>2</sup>

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.<sup>3,4</sup>

On August 23, 2024, LUMA filed a document titled *Motion Submitting Two Initial Scopes of Work and Request for Confidentiality and Supporting Memorandum of Law* ("August 23 Motion"). As Exhibit 1 LUMA includes the Scope of Work ("SOW") for "Venezuela Sectionalizer" and as Exhibit 2 LUMA includes the SOW for "Caparra Sectionalizer 1912 & 1924". As part of its filing, LUMA request confidential designation and treatment to the unredacted non-public version of Exhibits 1 and 2.<sup>5</sup>

**II. Evaluation of the August 23 Motion**

Through the August 23 Motion, LUMA submits two (2) 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<sup>6</sup> 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.<sup>7</sup>

On Exhibit 1 of the August 23 Motion, LUMA includes the SOW for: "Venezuela Sectionalizer". LUMA indicates that the project consists of repair, replacement and addition of the following infrastructure:

<sup>1</sup> 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").

<sup>2</sup> March 26 Resolution, pp. 14-15.

<sup>3</sup> LUMA Energy, LLC, and LUMA Energy ServCo, LLC (collectively, "LUMA")

<sup>4</sup> August 20 Resolution, p. 3.

<sup>5</sup> August 23 Motion, p. 3.

<sup>6</sup> Referred as: "Robert T. Stafford Disaster Relief and Emergency Assistance Act"

<sup>7</sup> August 23 Motion, p. 2.



1. Construction of a new switchyard for 38 kV services and rearrangement for the existing services, lines, transformers, and distribution substations, with interconnections on the new 38 kV buses at site.
2. Engineering Services for the design and reconstruction of distribution *substations 1328 and 1348*.
3. New double bus configuration with seven (7) gas circuit breakers (“GCBs”).
4. Substation site expansion.
5. Generator pad (GEN SET ready).
6. Advance sensors (e.g. phasor measurement units (“PMUs”).
7. Transformers, breakers, and metering and measurement equipment, among others.

*JAB*  
The cost estimate for this project is **\$43,913,080.00** based on a Class 5 cost estimate<sup>8</sup> that includes materials, construction labor and equipment, engineering, management, and contingencies as provided by LUMA.

*AMN*  
On Exhibit 2 of the August 23 Motion, LUMA includes the SOW for: “Caparra Sectionalizer 1912 & 1924”. LUMA indicates that the project consists of the reconstruction of the Caparra Sectionalizers 1912 & 1924 and the works includes:

1. Engineering Services for the design of a new facility that includes the replacement of seven (7) 38 kV breakers with switchgear of double bus design with substation protection, control, battery banks, and other related components.
2. Generator pad (GEN SET ready) and a generator.
3. Transformers, breakers, metering and measurement equipment, protection, automation and control equipment, among others.

*AMN*  
The cost estimate for this project is **\$14,219,462.00** 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 Exhibits 1 and 2 of the August 23 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 Exhibits 1 and 2 of the August 23 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<sup>9</sup>, that therefore is also protected under Act 57-2014<sup>10</sup>.

LUMA requests the Energy Bureau to grant confidential designation and treatment to the referred portion of Exhibits 1 and 2. Table 1 below details the portions of Exhibits 1 and 2 which LUMA requested confidential designation and treatment.



<sup>8</sup> 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%.

<sup>9</sup> 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.

<sup>10</sup> 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 Exhibits 1 and 2**

Document	Name	Pages in which Confidential Information is Found, if applicable	Summary of Legal Basis for Confidentiality Protection, if applicable	Date Filed
Exhibit 1	Venezuela Sectionalizer	Pages 1 and 4	Right to privacy ( <i>see, e.g.,</i> Const. ELA, Art. II, Sections 8 and 10)	August 23, 2024
		Pages 5, 6, 11, and 12	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671-674.	
Exhibit 2	Caparra Sectionalizer 1912 & 1924	Pages 1 and 4	Right to privacy ( <i>see, e.g.,</i> Const. ELA, Art. II, Sections 8 and 10)	August 23, 2024
		Pages 5, 10, and 11	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 **\$58,132,542.00** based on the Class 5 Cost Estimates submitted by LUMA through the August 23 Motion.

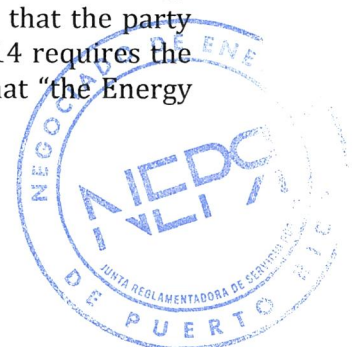
The projects approved in **Attachment A** to this Resolution and Order, shall be presented to FEMA and COR3 to finalize their approval process for the request of federal funds. The Energy Bureau approved these projects based on the information from LUMA. Should the scope of the project change or the 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.<sup>11</sup> Specifically, Act 57-2014 requires the Energy Bureau to treat as confidential the submitted information stated that "the Energy

<sup>11</sup> Section 6.15 of Act 57-2014.



Bureau, after the appropriate evaluation, believes such information should be protected”.<sup>12</sup> 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.”<sup>13</sup>

Upon review of LUMA’s arguments and the applicable law, the Energy Bureau **GRANTS** confidential designation and treatment to the parts of Exhibits 1 and 2, 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 Exhibits 1 and 2 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

Ferdinand A. Ramos Soegaard  
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 have agreed on August 28, 2024. I also certify that on August 28, 2024 a copy of this Resolution and Order was notified by electronic mail to arivera@gmlex.net; mvalle@gmlex.net; laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com, Yahaira.delarosa@us.dlapiper.com; alopez@sbgblaw.com; jfr@sbgblaw.com, legal@genera-pr.com, regulatory@genera-pr.com; and I have moved forward with filing the Resolution and Order issued by the Puerto Rico Energy Bureau.

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

Sonia Seda Gaztambide  
Clerk



<sup>12</sup> *Id.*

<sup>13</sup> *Id.* (Emphasis added).

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

<b>Region</b>	<b>Project Name</b>	<b>Proposed Scope of Work</b>	<b>Presented Estimate</b>
San Juan	Venezuela Sectionalizer	Repairs and reconstruction of the substation facilities, equipment and components.	\$43,913,080.00
Bayamón	Caparra Sectionalizer 1912 & 1924	Repairs and reconstruction of the substation facilities, equipment and components.	\$14,219,462.00
<b>Total</b>			<b>\$58,132,542.00</b>

