

**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: Status of SOW for: "4 x 25 MW
BESS Interconnections at LUMA 38kV
System".

RESOLUTION AND ORDER

On August 25, 2023, LUMA filed a document titled *Motion Submitting One Scope of Work, Request for Confidentiality and Supporting Memorandum of Law* ("August 25 Motion"), in which LUMA submits the scope of work ("SOW") for the following project: "4x25 MW (4hr) BESS interconnections on LUMA System."¹ Such project is described in Exhibit 1 of the August 25 Motion.

Through the August 25 Motion, LUMA submitted SOW for: "4 x 25 MW BESS Interconnections at LUMA 38kV System" as Exhibit I.

The total estimated costs for the project represent \$216,579,428.00 which includes \$21,127,952.00 for Architectural & Engineering Design and \$195,451,476.00 for Procurement and Construction. All costs are based on a Class 5 estimate that includes materials, construction, labor, and equipment, engineering, permitting, management, and contingencies.²

On August 30, 2023, the Energy Bureau determined that the project is necessary to improve the reliability and resiliency of the Puerto Rico electric transmission system, by interconnecting the Energy Storage Systems ("ESS") to four locations across Puerto Rico ("August 30 Resolution"). Through the August 30 Resolution, the Energy Bureau approved the project as described in Attachment 1 of the Resolution which represents **\$216,579,428.00** based on the Class 5 Cost Estimates submitted by LUMA.

Through the August 30 Resolution, the Energy Bureau stated that LUMA shall present to FEMA and COR3 the project to finalize their approval process for the request of federal funds.

On January 3, 2025, the Energy Bureau issued a Resolution and Order ("January 3 Order") ordering LUMA to inform by January 9, 2025, the status of the approval process, the actual contracted cost to construct, and the status of the project.

On January 9, 2025, LUMA filed a document titled *Informative Motion on the Status of SOW: 4x25MW BESS Interconnections at LUMA 38kV System* ("January 9 Motion"), in which LUMA provided, as Exhibit 1, its response to the January 3 Order.

LUMA's responded to the January 3 Order, through Exhibit 1 of the January 9 Motion, by first explaining FEMA's compliance process includes several stages to reach to reach federally funded project objectives. LUMA indicates the initial SOW ("ISOW") with functional specifications and forecasted cost estimates is sent to the Energy Bureau for approval. Then LUMA submits to COR3 and FEMA to initiate the approval process and, if approved, FEMA assigns a FEMA Accelerated Awards Strategy number ("FAASt").³ LUMA then prepares a Detailed Scope of Work ("DSOW") which is presented to COR3 and FEMA for evaluation and triggers a request for information ("ROI") process between the parties. Once the ROI process is completed the project moves to FEMA's approval process toward obligation. Once FEMA

¹ August 25 Motion, p. 2, ¶ 3.

² Exhibit 1, pp. 6-7.

³ January 9 Motion, Exhibit 1, p. 1.



approves the project, LUMA notifies the Energy Bureau of such approval within 10 days of the FEMA notification.⁴

Through the January 3 Motion, LUMA indicates that the above process stage has been completed except for the FEMA approval of the project which allows the obligation of the funds. LUMA has completed the preliminary design for the installation of the project but is still determining the best system locations to site the BESS. LUMA indicates that it has performed technical studies for twenty (20) potential locations and once these sites are determined then the project approval process will advance.⁵

LUMA's ISOW presented as Exhibit 1 of the August 25 Motion stated that the project would increase reliability, resiliency, restore system functionality, and mitigate safety hazards, through the 38 kV transmission grid. LUMA stated that constructing the project was estimated to be completed by June 2025.⁶

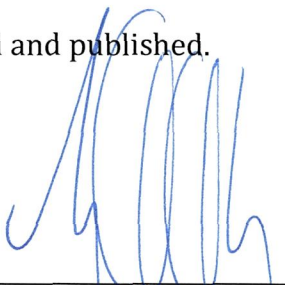
Since this project greatly improves the electric grid system and resource adequacy of the system, it is of the utmost importance to the people of Puerto Rico to integrate this project quickly. The Energy Bureau **ORDERS** LUMA to provide, no later than **January 28, 2025**, the schedule to reach the **June 2025 completion** date of the project. LUMA shall also include the following:

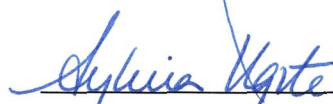
- i) The locations of the twenty (20) sites studied;
- ii) The final four selected sites;
- iii) The cost to complete the studies of the twenty sites.
- iv) Indicate the funds utilized to pay for these studies and the amount spent to date.
- v) The reimbursement status of these funds, or if they were advanced by FEMA
- vi) The DSOW presented to FEMA and COR3;
- vii) The ROI and LUMA responses to such ROI requested by FEMA and COR3;
- viii) The FAASt number for the project; and
- ix) An updated cost estimate based on the DSOW.

The Energy Bureau **ORDERS** LUMA to file, every month **from January 28, 2025**, a status report of the project until it reaches its June 2025 completion date.

The Energy Bureau **WARNS** LUMA that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines under Act 57-2014⁷ and applicable Energy Bureau's regulations and any other appropriate administrative sanctions, as considered appropriate by the Energy Bureau.

Be it notified and published.



Edison Avilés Deliz
Chairman

Sylvia B. Ugarte Araujo
Associate Commissioner

Lillian Mateo Santos
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

⁴ January 9 Motion, Exhibit 1, p. 1.

⁵ January 9 Motion, Exhibit 1, p. 1.

⁶ August 25 Motion, Exhibit 1, pp. 4-5.

⁷ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-20214").




CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on January 14, 2025. Associate Commissioner Ferdinand A. Ramos Soegaard did not intervene. I also certify that on January 14, 2025, a copy of this Resolution and Order was notified by electronic mail to arivera@gmlex.net; mvalle@gmlex.net; RegulatoryPREBOrders@lumapr.com; 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; and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, on January 14, 2025.





Sonia Seda Gaztambide
Clerk