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 NÚM.: NEPR-MI-2021-0002

SUBJECT: Resolution and Order for Motion Submitting Amended Scope of Work and Request for Confidentiality and Supporting Memorandum of Law.

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"), through which it ordered the Puerto Rico Electric Power Authority ("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 ordered 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"), and any other federal agency.² The Energy Bureau thereafter, issued a Resolution and Order on August 20, 2021 ("August 20 Order")³, in which it determined that this directive sall be applied to both PREPA and LUMA⁴.

On August 30, 2021, LUMA filed before the Energy Bureau a document titled *Motion Requesting Clarification of a Portion of the Energy Bureau's Resolution and Order Entered on August 20, 2021, and Submitting Update List of Transmission and Distribution Projects and Twenty-Nine Scopes of Work* ("August 30 Motion"). As Exhibit 2 to the August 30 Motion, LUMA submitted twenty-nine (29) Scopes of Work ("SOWs) for Transmission and Distribution ("T&D") projects for review and approval by the Energy Bureau.

On September 22, 2021, the Energy Bureau issued a Resolution and Order ("September 22 Order") approving twenty-one (21) of the projects submitted by LUMA in the August 30 Motion, including the "*Fiber Optic Replacement*" project. Further, the Energy Bureau ordered LUMA to seek the Energy's Bureau approval immediately should the scope of the approved project change.

On March 14, 2025, LUMA filed a document titled *Motion Submitting Amended Scope of Work and Request for Confidentiality and Supporting Memorandum of Law* ("March 14 Motion"), through which LUMA requests the Energy Bureau to replace the previously approved SOW with the one submitted as Exhibits 1 in the March 14 Motion. LUMA further requests the Energy Bureau to maintain under confidentiality portions of the SOWs and submitted a Memorandum of Law supporting the confidentiality request.

⁴ LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as "LUMA").



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-20 18-0001, August 24, 2020 ("IRP Order").

² March 26 Resolution, p. 18-19.

³ August 20 Order, p. 3.

II. Discussion and Conclusion

The SOW submitted by LUMA, titled "*Island-Wide Fiber Optic Repair & Replacement*", contemplates to repair or replace damaged fiber optic cables needed for the future Transport Network system throughout the Island, increase the system's resiliency for future growth, and build additional fiber paths to provide diverse alternate routes in case of disaster or unforeseen telecommunication system failures.

A summary of the amendments is shown in Table 1 below:

SOW Title	March 14 Motion SOW Amendment
Island-Wide Fiber Optic Repair & Replacement	Project scope and cost review. Project scope was expanded to include repair or replacement in kind of additional linear miles of non-transmission fiber optic cables and installation of about 85 linear miles of new non-transmission fiber optic cables. LUMA also includes the repair or rebuilding of structures along the fiber route to support the fiber optic cables, as they were not included in other program plans. LUMA indicates the project scope will be broken down into multiple detailed scopes of work ("DSOWs") along with associated cost estimates.

Table 1: LUMA's proposed	d changes to SOW
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The initial cost estimate as originally approved by the Energy Bureau, and the revised cost estimate presented by LUMA is shown in Table 2:

Table 2: Initial cost estimates vs. updated cost estimates

SOW Title	RO of September 22, 2021 (Cost Estimate, \$M)	LUMA's Dec. 12 Motion (Cost Estimate, \$M)
Island-Wide Fiber Optic Repair &	\$229.50	\$248
Replacement		

After a review of the March 14 Motion, the Energy Bureau **DETERMINES** that the projects are necessary to improve the reliability and resiliency of the T&D system and do not contravene the IRP Order. Therefore, the Energy Bureau **TAKES NOTICE** of LUMA's March 14 Motion and **APPROVES** the amended SOW submitted as Exhibit 1 with an estimated total cost amount of \$248 million. This project is approved based on the information provided by LUMA. Should the scope of the project change, LUMA **SHALL** immediately seeks 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 with the costs obligated for this project within ten (10) days of receipt of this approval; (ii) provide the Energy Bureau the actual contracted cost for the project within ten (10) days from the execution of the contract; and (iii) inform the Energy Bureau once the project is completed.

Act 57-2014 establishes that any person with the obligation to submit information to the Energy Bureau can request privilege or confidential treatment of any information that the party submitting understands deserves such protection. Specifically, Act 57-2014 requires the Energy Bureau to treat as confidential the submitted information provided that "the Energy Bureau, after the appropriate evaluation, believes such information should be protected". 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."

After reviewing LUMA's arguments and relevant law, the Energy Bureau **GRANTS** confidential designation and treatment to portions of Exhibits 1 included with the March 14 Motion because it contains information related to critical infrastructure. LUMA included a redacted version of Exhibit 1.

Be it notified and published.

Édison Avilés Deliz Chairman 🖊

Lillian Mateo Santos

Associate Commissioner

Sylvia B. Ugarte Araujo Associate Commissioner

Ferdinand A. Ramos Soegaard

Associate Commissioner

Antonio Torres Miranda Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on April 20, 2025. Also certify that on April <u>30</u>, 2025, I have proceeded with the filing of this Resolution and Order and was notified by email to <u>arivera@gmlex.net</u>; <u>mvalle@gmlex.net</u>; <u>RegulatoryPREBOrders@lumapr.com</u>; <u>laura.rozas@us.dlapiper.com</u>; <u>margarita.mercado@us.dlapiper.com</u>; <u>vahaira.delarosa@us.dlapiper.com</u>; <u>julian.angladapagan@us.dlapiper.com</u>; <u>alopez@sbgblaw.com</u>; <u>jfr@sbgblaw.com</u>, <u>legal@genera-pr.com</u>.

I sign in San Juan, Puerto Rico, today, April <u>30</u>, 2025.

DE Wanda I Cordero Morales Interim Clerk VIADORA DE SER ERTO