

**GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

NEPR

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IN RE:

REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S 10-
YEAR INFRASTRUCTURE PLAN-
DECEMBER 2020

CASE NO. NEPR-MI-2021-0002

**SUBJECT: Informative Motion on Change of
FEMA Assistance for Federally-Funded Project**

**INFORMATIVE MOTION ON CHANGE OF FEMA ASSISTANCE FOR
FEDERALLY FUNDED PROJECT**

TO THE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC, and LUMA Energy ServCo, LLC, (jointly referred to as “LUMA”), through the undersigned legal counsel and respectfully submit the following:

1. On March 26, 2021, this Honorable Puerto Rico Energy Bureau (“Energy Bureau”) issued a Resolution and Order in the instant proceeding, ordering, in pertinent part, that the Puerto Rico Electric Power Authority (“PREPA”) submit to the Energy Bureau the specific projects to be funded with Federal Emergency Management Agency (“FEMA”) funds or any other federal funds at least thirty (30) calendar days prior to submitting these projects to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency (“COR3”), FEMA or any other federal agency (“March 26th Order”). It also directed PREPA to continue reporting to the Energy Bureau and FEMA within the next five years, the progress of all ongoing efforts related to the approval of the submitted projects not yet been approved by the Energy Bureau. This Energy Bureau thereafter determined that this directive applied to PREPA and LUMA. *See* Resolution and Order of August 20, 2021.

2. On February 25, 2025, LUMA filed a *Motion Submitting One Scope of Work, Request for Confidentiality and Supporting Memorandum of Law, and Request for Expedited*

Approval (“February 25th Motion”). In the February 25th Motion, LUMA submitted one SOW for a T&D Project for the Energy Bureau’s review and approval prior to submitting it to COR3 and FEMA. The SOW submitted by LUMA included the “System Improvement Plan – Replacement of Eight Transformers, Metalclad Switchgear, and GIS Repair” T&D Project.

3. In the February 25th Motion, LUMA stated that the SOW describes work under the System Improvements Plan required to stabilize the electric grid, particularly emphasizing transformer replacement, among additional works. *See* February 25th Motion, p. 2. This request expands on the initial urgent system stabilization request, which had centered on the Costa Sur, Sabana Llana, and Monacillos substations, previously submitted and approved by the Energy Bureau. *Id.*

4. Further, LUMA informed the Energy Bureau that Hurricane Maria projects follow FEMA’s Accelerated Awards Strategy (“FAASt”) project formulation process, leveraging capped fixed-cost estimate funds obligated in the 2020 FAASt settlement between FEMA, COR3, and PREPA. LUMA expects that work to be performed under Hurricane Maria will be divided into substation-specific sub-FAASt project scopes and submitted to COR3 and FEMA for review and approval. Once the project scope and estimated cost to complete that scope are obligated, funds are released to PREPA for drawdown from the amounts available in the Hurricane Maria FAASt settlement. *See* Exhibit 2 to the February 25th Motion.

5. For contrast, FEMA’s traditional Public Assistance process applies to Hurricane Fiona projects. Under the traditional process, LUMA, COR3, and FEMA must work to confirm that the identified repairs are required as a direct result of Hurricane Fiona rather than pre-existing damage or damage caused by any other event. At the time of its February 25th Motion, LUMA

expected to demonstrate that Hurricane Fiona caused the damage requiring three Hurricane Fiona system stabilization repairs (i.e., two that would occur in the Bayamón substation and a third in the Caguas substation) using testing, reliability data, and other evidence. FEMA has developed a standard operating procedure to adjudicate damages between Hurricanes Maria and Fiona, which should guide this process. *See* Exhibit 2 to the February 25th Motion.

6. On March 24, 2025, the Energy Bureau issued a Resolution and Order that determined that the SOW for the T&D project submitted by LUMA was necessary to improve the system's reliability ("March 24th Order"). Therefore, it approved the project presented in the February 25th Motion, the "System Improvement Plan – Replacement of Eight Transformers, Metalclad Switchgear, and GIS Repair" T&D Project SOW. The Energy Bureau also ordered LUMA to inform the Energy Bureau once the project is completed.

7. LUMA hereby informs the Energy Bureau that the "System Improvement Plan – Replacement of Eight Transformers, Metalclad Switchgear, and GIS Repair" T&D Project SOW continues to include equipment necessary for the repair of damages caused by major disaster declarations DR-4339-PR (Hurricane Maria) and DR-4671-PR (Hurricane Fiona). However, following FEMA's standard adjudication process, FEMA, COR3, PREPA, and LUMA agreed that replacement of the transformers in Bayamón is best attributed to Hurricane Maria and will be funded by FEMA assistance under Hurricane Maria. The cost of these repairs will therefore become part of the FAASf-funded efforts. LUMA continues to work with COR3, FEMA, and PREPA to determine whether FEMA will fund the transformer replacements at Caguas under Hurricane Fiona. LUMA expects similar adjudication processes for many other assets going forward.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned.

RESPECTFULLY SUBMITTED.

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau. We will send an electronic copy of this Motion to counsel for PREPA Alexis Rivera, arivera@gmlex.net, and to Genera PR LLC, through its counsel of record, Jorge Fernández-Reboredo, jfr@sbglaw.com, Jennise M. Álvarez González, jennalvarez@sgblaw.com, and Francisco Santos, francisco-santos@gener-pr.com.

In San Juan, Puerto Rico, on the 21st of May, 2025.



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