

**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: Oversight Of Puerto Rico's
Electric System Modernization Efforts and
Energy Grid Rehabilitation and
Reconstruction Cost Share Program
Project Status.

RESOLUTION AND ORDER

I. Introduction

The Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau"), created under Act 57-2014¹ and expanded through Act 17-2019,² is vested with broad authority to regulate Puerto Rico's energy sector and oversee compliance with public policy. It is the Energy Bureau's responsibility to ensure that electricity service in Puerto Rico is reliable, affordable, and developed in alignment with the Integrated Resource Plan ("IRP") and the Modified Action Plan.³

Act 57-2014 clearly establishes the public policy that all consumers have the right to a reliable and stable electric service. Act 17-2019 broadened the Energy Bureau's authority and reaffirmed that "the electric power system should be reliable and accessible, promote industrial, commercial, and community development, improve the quality of life at just and reasonable cost, and promote the economic development of the Island."

On March 26, 2021, the Energy Bureau issued a Resolution and Order ("March 26 Resolution"), directing the Puerto Rico Electric Power Authority ("PREPA") to submit each specific capital investment project for Energy Bureau approval at least thirty (30) calendar days before submitting to the Central Office for Recovery, Reconstruction and Resiliency ("COR3"), the Federal Emergency Management Agency ("FEMA"), or any other federal agency, in order to avoid noncompliance with the Approved IRP and Modified Action Plan⁴. Subsequently, on August 20, 2021, the Energy Bureau issued a Resolution and Order ("August 20 Order")⁵ applying the same directive to both PREPA, and LUMA ENERGY, LLC. and LUMA Energy ServCo, LLC. (jointly referred as "LUMA"), thereby affirming its jurisdiction over both entities with respect to capital projects and federally funded initiatives.

II. Discussion and Conclusion

As part of its continuing oversight responsibilities, and based on multiple discussions with LUMA personnel, the Energy Bureau has been informed that LUMA is reportedly owed approximately five hundred and fifty million dollars (\$550,000,000) in pending

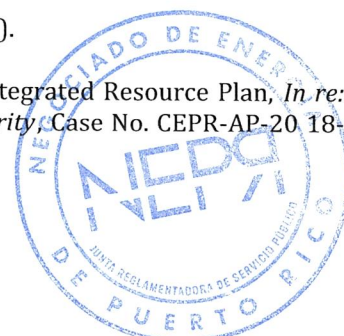
¹ Known as the *Puerto Rico Energy Transformation and Relief Act*, as amended ("Act 57-2014").

² Known as the *Puerto Rico Energy Public Policy Act*, as amended ("Act 17-2019").

³ 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").


⁴ March 26, 2021 Resolution, p. 18-19.


⁵ August 20 Order, p. 3.




reimbursements from FEMA for disaster recovery and reconstruction projects. In order to fully understand the current status and origin of these outstanding amounts, and to assess compliance with the Energy Bureau's prior directives and applicable public policy, the Energy Bureau must obtain detailed data regarding the projects and reimbursement requests involved.

As part of its statutory oversight responsibilities pursuant to Act 57-2014, the Energy Bureau monitors the execution and implementation of public policy related to the electric power system in Puerto Rico. In furtherance of these duties, the Energy Bureau is currently evaluating the progress of recovery and reconstruction efforts being carried out under the **Energy Grid Rehabilitation and Reconstruction Cost Share Program ("ER1 Program")**.

 The ER1 Program is a \$500 million initiative funded by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds and administered by the Puerto Rico Department of Housing ("PRDOH"). Its primary objective is to support the non-federal cost share required under FEMA's Public Assistance ("PA") Program for projects carried out by the PREPA and its operators, LUMA and Genera PR LLC ("Genera"). These projects are part of FEMA's Federal Accelerated Awards Strategy ("FAAST") a streamlined process designed to expedite the obligation of funds for large-scale infrastructure recovery projects through the use of fixed cost estimates under Section 428 of the Stafford Act.

 The Energy Bureau recognizes the critical role of the ER1 Program in enhancing the resiliency, reliability, and affordability of Puerto Rico's electric power infrastructure. To ensure proper alignment with public policy objectives, promote accountability, and facilitate coordination among key stakeholders, the Energy Bureau requires updated and detailed information regarding all submissions made to PRDOH under the ER1 Program by PREPA, LUMA, and Genera.

 The Energy Bureau **ORDERS LUMA** to submit, within **fifteen (15) days from the notification of this Resolution and Order**, a detailed report, in both PDF and Excel formats using the Excel template included as **Attachment A** of this Resolution and Order, that includes the following information for all projects associated with the approximately \$550 million pending reimbursements:

1. Project Identification

- a. FEMA Project Number (not the Project Worksheet number)
- b. FEMA Disaster Code
- c. Total Project Amount
- d. FEMA Project Worksheet Status

2. Disbursement Status

- a. Request Type (e.g., Request for Reimbursement (RFR), Request for Advance (RFA), Request for Capital Advance (RFCA))
- b. Disbursement Date
- c. Amount Requested
- d. Validated Amount
- e. Current RFR Stage
- f. Indicate if any previously disallowed or unvalidated RFR amounts have subsequently been deemed allowable

3. Additional Comments


- a. Identify any systemic issues, procedural delays, or bottlenecks affecting disbursement
- b. Include any remarks that help contextualize the status of outstanding reimbursements or project execution




- c. Provide a schedule for anticipated Requests for Disbursement (RFR, RFA, RFCA) within the next 90 days.

Accordingly, the Energy Bureau **ORDERS** PREPA, LUMA, and Genera to submit updated information regarding their use of ER1 Program funds administered by PRDOH. To facilitate this process, the Energy Bureau PREPA, LUMA, and Genera **SHALL** complete and file, within **fifteen (15) days** from the notification of this Resolution and Order the Excel template included as **Attachment B** of this Resolution and Order.


The requested information includes:

- 
- i. A list of all ER1 project submissions to PRDOH,⁶ including key details such as PW number, submission date, total project cost, federal and state share amounts, and whether the request is tied to a FEMA Request for Capital Advance (RFCA) or Request for Advance (RFA) with corresponding Request for Reimbursement (RFR) documentation. Include copies of the submissions and of correspondence exchanged with PRDOH regarding the same.
 - ii. A breakdown of PRDOH-approved projects, including the amount disbursed and approval dates.
 - iii. Information on completed projects funded under ER1, including total cost and funding sources.
 - iv. A schedule of upcoming ER1 submissions for obligated projects.



In addition to the information above, describe any challenges currently impacting the disbursement of the non-federal cost share or the timely execution of the ER1 Program—particularly those related to Global Project Worksheets, including Architecture & Engineering (A&E) work and Long-Lead Materials & Equipment. Additionally, identify any other delays or issues with PRDOH that may be affecting your ability to advance program implementation.

The Energy Bureau takes seriously its mandate to ensure accountability, transparency, and compliance with public policy and legal obligations across all entities involved in the recovery and reconstruction of Puerto Rico's electric system. This information is critical for evaluating the current state of federally funded recovery projects, identifying obstacles to timely execution, and ensuring alignment with public policy and statutory mandates. The Energy Bureau will use this data to monitor programmatic progress, ensure proper coordination between stakeholders, and promote fiscal transparency in the use of recovery funds.

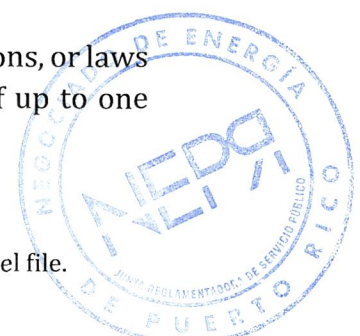


To support these efforts, the Energy Bureau authorizes its staff and consultants to engage in informal technical meetings with representatives and/or consultants of PREPA and LUMA, for the purpose of clarifying the requirements set forth in this Resolution and Order, as well as other matters related to the request. However, it is expressly clarified that Energy Bureau staff and consultants are not authorized to make binding representations or commitments on behalf of the Energy Bureau. The final authority regarding the evaluation and determination of the information submitted rests exclusively with the Commissioners.

Furthermore, the Energy Bureau **WARNS** LUMA that, in accordance with Article 6.36 of Act 57-2014:

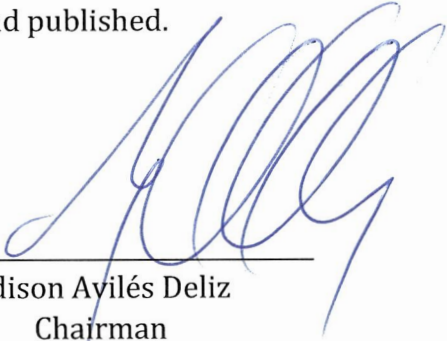
- i. Noncompliance with this Resolution and Order, applicable regulations, or laws may carry the imposition of fines and administrative sanctions of up to one hundred twenty-five thousand dollars (\$25,000) per day; and

⁶ If PREPA has submitted projects from the operators to PRDOH, include those in the Excel file.



- ii. In the event of recurrent violations or continued non-compliance, the penalty shall increase to no less than fifteen thousand dollars (\$15,000) and up to two hundred fifty thousand dollars (\$250,000) per violation, at the discretion of the Energy Bureau.

Be it notified and published.



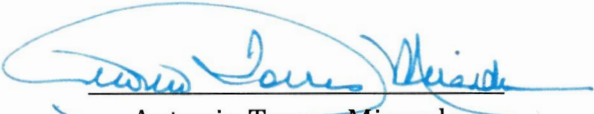
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
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 has so agreed on August 13, 2025. Associate Commissioner Sylvia B. Ugarte Araujo did not intervene. I also certify that in August 14, 2025 I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and a copy was notified by electronic mail to the following: arivera@gmlex.net; mvalle@gmlex.net; mary.zapata@prepa.pr.gov. yahaira.delarosa@us.dlapiper.com

I sign this in San Juan, Puerto Rico, on August 14, 2025.



Sonia Seda Gaztambide
Clerk



ATTACHMENT B

Request for Information for the Energy Grid Rehabilitation and Reconstruction Cost Share Program (ER1) of the Puerto Rico Department of Housing (PRDOH)

How many projects have you submitted to PRDOH under the ERT program to cover the non-federal share to date?

How many projects have you submitted to PRDOH under the ERT program to cover the non-federal share to date?	1	Example
For each project, provide the following details:		

[illegible]

Of the obligated projects, how many are you planning to submit in next 12 months to PRDOH under the ER1 program?

For each project, provide the following details:							
	Expected	Expected			Total Project		

[illegible]