

**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 for Approval to Submit
Continuous Monitoring System Project To
FEMA.

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 agency², and to continue reporting to the Energy Bureau and FEMA, within the next five (5) years, the progress of all ongoing efforts related to the final approval of the submitted projects not yet approved by the Energy Bureau.

On June 27, 2025, LUMA Energy, LLC ("LUMA"), as agent of the PREPA, filed a *Motion for Approval to Submit Fiona Permanent Work Area Plan: Mayagüez G Project to FEMA* ("June 27 Motion"). Through the June 27 Motion, LUMA seeks the Energy Bureau's authorization to submit to FEMA the Area Plan for the Mayagüez Region related to the Distribution and Substation Projects.

II. Evaluation and Analysis

In its June 27 Motion, LUMA explains that the Mayagüez Area G Plan is the first comprehensive Area Plan formulated under FEMA's traditional Section 406 Public Assistance program following Hurricane Fiona (DR-4671-PR). Unlike projects funded under Section 428 of the Stafford Act, through the FEMA Accelerated Award Strategy ("FAASt") fixed-cost model, Section 406 projects reimburse actual incurred costs for eligible permanent work³. This requires detailed documentation, validation of damages, adherence to environmental and historic preservation requirements, and demonstration of compliance with federal, state, and local regulations. To meet these requirements and ensure transparency in project formulation, LUMA has developed an Area Planning approach, dividing the island into seventy-one (71) planning areas within six regions. Each Area Plan consolidates Final Damage Summaries, identifies interdependent feeder and substation repairs, and incorporates hazard mitigation strategies designed to enhance resiliency and reliability.

The Mayagüez Area G Plan covers distribution feeders and substations in western Puerto Rico. It includes a Final Damage Summary Report consolidating emergency repairs executed during the incident, inspection data from FEMA and LUMA engineers, and an internal adjudication analysis to identify and eliminate any duplication of damage already addressed

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-2018-0001, August 24, 2020 ("IRP Order").

² March 26 Resolution, p. 18-19.

³ June 27, 2025, Motion.



under FEMA's Section 428 program for Hurricane Maria. This systematic cross-referencing analysis ensures compliance with FEMA's duplication of benefits requirements.

The scope of the Plan for Mayagüez Region involves a broad range of permanent repair activities, including the replacement of poles, structures, conductors, transformers, capacitor banks, underground cables, and associated equipment to restore the system to its pre-disaster condition. In addition to these restorative measures, the Plan incorporates FEMA Section 406 Hazard Mitigation Proposals intended to reduce future risk. Specifically, the Plan intends to install new 38kV/13.2kV unit substation transformers and feeders at the Boquerón Substation, to provide redundancy (N-1 capacity) to the Combate Substation and prevent potential overload conditions within the system. In addition, the Plan provides reconductoring of approximately 10,000 feet of undersized distribution lines; voltage regulation and phase balancing improvements; installation of new and relocated capacitor banks; and extension of 0.8 to 2.0 miles of feeders to improve contingency ties between substations. These measures are expected to reduce outages, enhance operational flexibility, and strengthen resiliency across the Mayagüez Region⁴.

The Energy Bureau notes that the proposed repairs, addressing damage to distribution and substation assets caused by Hurricane Fiona, are intended to restore the system to its pre-disaster condition. These repairs do not alter the objectives or the intent of the IRP and remain consistent with the Bureau's long-term planning framework.

III. Conclusion

After a review of Exhibit 2 of the June 27 Motion, the Energy Bureau **DETERMINES** that the *Fiona Permanent Work Area Plan: Mayagüez G* is necessary to comply with applicable federal requirements, including FEMA's Section 406 Public Assistance program, relevant environmental and historic preservation mandates, and Puerto Rico's regulatory framework. The Plan is designed to minimize the potential impact on already obligated projects, avoid duplication of benefits, and ensure that all reconstruction and mitigation efforts remain consistent with the objectives and mandates of the Approved IRP and Modified Action Plan.

The Energy Bureau **APPROVES** the projects in **Attachment A** to this Resolution and Order. This approval represents an estimated amount of **\$43,812,209**, for design and construction, based on the Class 5 cost estimates submitted by LUMA through the June 27 Motion. LUMA **SHALL** file the approved Scope of Work of the projects in Attachment A to FEMA and COR3 to finalize their obligation and approval process.

The Energy Bureau **REMINDS** LUMA Energy, as the operators of the Transmission and Distribution System, on behalf of PREPA, 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 individual site, **within ten (10) days of receipt of this approval**; (ii) inform the Energy Bureau on the actual contracted cost to construct each individual site of the projects in **Attachment A, within ten (10) days from the execution of the contract**; and (iii) inform the Energy Bureau once each project is 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.

The Energy Bureau **WARNS** LUMA Energy 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 sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.

⁴ June 27, 2025 Motion, Exhibit 2

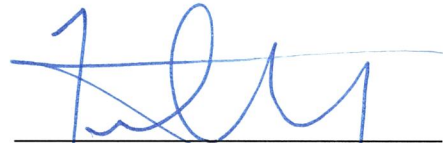




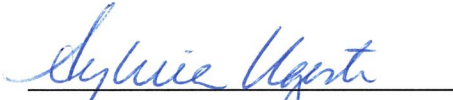
Edison Avilés Deliz
Chairman



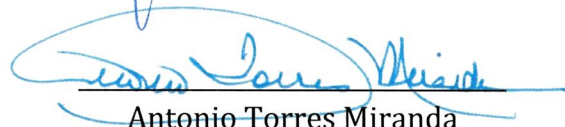
Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner

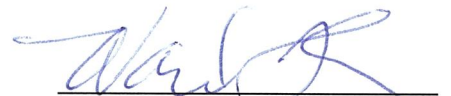


Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on September 16, 2025. I also certify that on September 16, 2025, a copy of this Resolution and Order was notified by electronic mail to
RegulatoryPREBorders@lumapr.com; margarita.mercado@us.dlapiper.com;
laura.rozas@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com;
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pr.com;arivera@gmlex.net; mvalle@gmlex.net; lionel.santa@prepa.pr.gov;
hrivera@jrsp.pr.gov;javrua@sesapr.org; mrios@arroyorioslaw.com;
jordgraham@tesla.com;forest@cleanenergy.org; customerservice@sunnova.com;
pjcleanenergy@gmail.com;agraitfe@agraitlawpr.com, info@sesapr.org; cfl@mcvpr.com;
mqs@mcvpr.com; and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today September 16, 2025.



Wanda I. Cordero Morales
Interim Clerk

Attachment A
Projects Approved by the Energy Bureau

SOW	Category	LUMA Project Name	Substation	Quantity of Feeder/Lines	Voltage	Class 5 Cost Estimate (\$M)	Comments
1	Distribution	Fiona Permanent Work Area Plan: Mayaguez G		6406-04	13.2kV	\$43.8	Approved as Requested
2				6406-02	13.2kV		
3				6603-01	13.2kV		
4				6704-02	13.2kV		
5				6704-03	13.2kV		
6				6401-01	4.16kV		
7				6401-02	4.16kV		
8				6401-03	4.16kV		
9				6401-04	4.16kV		
10				6404-01	4.16kV		
11				6404-02	4.16kV		
12				6404-03	4.16kV		
13				6404-04	4.16kV		
14				6501-01	4.16kV		
15				6501-02	4.16kV		
16				6501-03	4.16kV		
17				6501-04	4.16kV		
18	Substation		San German TC 6401		38kV		
19			San German 6404		38kV		
20			San German 6406		115kV		
21			Sabana Grande 6501		38kV		
22			Combate 6704		38kV		

