

GOVERNMENT OF PUERTO RICO
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

NEPR

Received:

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CASE NO. NEPR-MI-2021-0002

SUBJECT: Informative Motion on the Status of
SOW: 4 x 25 MW BESS Interconnections at
LUMA 38kV System (December 2025)

**INFORMATIVE MOTION ON THE STATUS OF SOW: 4 X 25 MW BESS
INTERCONNECTIONS AT LUMA 38KV SYSTEM (DECEMBER 2025)**

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:

I. Relevant Procedural Background

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 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 August 25, 2023, LUMA filed a *Motion Submitting One Scope of Work, Request for Confidentiality, and Supporting Memorandum of Law* (“August 25th Motion”). Therein, LUMA submitted the scope of work (“SOW”) for the “4 x 25 MW BESS Interconnections at LUMA 38kV System” transmission and distribution project (“4 x 25 MW BESS T&D Project”), for the Energy Bureau’s review and approval before submitting it to COR3 and FEMA.

3. On August 30, 2023, the Energy Bureau entered a Resolution and Order (“August 30th Order”) in which it approved the 4 x 25 MW BESS Project SOW, determining that this project was necessary to improve the system’s reliability.

4. Then, on January 3, 2025, the Energy Bureau entered a Resolution and Order (“January 3rd Order”) in which it ordered LUMA “to inform, on or before January 9, 2025, the status of the approval process, the actual contracted cost to construct, and the status of the [4 x 25 MW BESS Project].” *See January 3rd Order, p.2.*

5. On January 9, 2025, LUMA filed its *Informative Motion on the Status of SOW: 4 x 25 MW BESS Interconnections at LUMA 38kV System* to comply with the January 3rd Order.

6. On January 14, 2025, the Energy Bureau issued a Resolution and Order whereby it ordered LUMA to file a status report of the 4 x 25 MW BESS Project until its June 2025 completion date (“January 14th Order”). *See January 14th Order, p. 2.* The Energy Bureau directed that the status report include:

- 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 [Detailed SOW (“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.

See Id.

7. In compliance with the January 14th Order, LUMA hereby submits its monthly status report as *Exhibit 1* to this Motion.

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 PREPA via Alexis Rivera, alexis.rivera@prepa.pr.gov, and through its counsel of record, Natalia Zayas Godoy, nzayas@gmlex.net, Richard Cruz Franqui, rcruzfranqui@gmlex.net, and Mirelis Valle Cancel, mvalle@gmlex.net, to Genera PR LLC, through its counsel of record, Jorge Fernández-Reboreda, jfr@sbgbaw.com, José J. Díaz Alonso, jdiaz@sbgbaw.com, and Francisco Santos, francisco-santos@genera-pr.com.

In San Juan, Puerto Rico, on the 29th day of December 2025.



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Exhibit 1

*4x25 MW BESS Interconnections at LUMA 38 kV System Project Monthly Status Report
(December 2025)*

4x25 MW BESS Interconnections at LUMA 38 kV System Project

Monthly Status Report

December 29, 2025

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4x25 MW BESS Interconnections at LUMA 38 kV System Project

Monthly Status Report

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1.0 Introduction

In accordance with the Resolution and Order dated January 14, 2025, issued by the Puerto Rico Energy Bureau (PREB) in Case No.: NEPR-MI-2021-0002 *In Re: Review of the Puerto Rico Power Authority's 10-Year Infrastructure Plan – December 2020*, LUMA is required to provide a monthly report regarding the 4x25 MW BESS Interconnections at the LUMA 38 kV project. This report focuses on the key activities and progress achieved by LUMA in the past 30 days for the Battery Energy Storage Systems (BESS or collectively as the “Project”) approved by the Energy Bureau in its Resolution dated August 30, 2023 (“August 30th Resolution”).

2.0 Monthly Status Update

2.1 Detailed Scope of Work

LUMA has completed the review of the narrative for the proposed BESS initiative and presented it to all key stakeholders to advance the Section 406 Hazard Mitigation (406HM) proposal.

To ensure alignment among all key stakeholders and to support the advancement of the Section 406HM proposal, LUMA has established the following timeline for the next phases of review and submission:

1. Initial Review and Presentation to the Puerto Rico Electric Power Authority (PREPA)

Status: Completed – October 2025

LUMA finalized the BESS narrative and formally presented it to PREPA for initial review and feedback

2. Ongoing Final Review by PREPA and The Central Office for Recovery, Reconstruction and Resilience (COR3)

Status: In Progress

- On December 2, 2025, the Associate Director of PREPA’s Project Management Office (PMO) acknowledged receipt of the BESS proposal.
- PREPA conveyed feedback received from the Federal Emergency Management Agency (FEMA), indicating that the proposed BESS units do not currently meet the eligibility criteria for Section 406 Public Assistance Hazard Mitigation funding. The Agency found that:
 - The BESS “Hazard Mitigation Proposal” does not inherently demonstrate redundancy, as it involves a stand-alone system at a specific point of connection (POC) designed to respond to voltage and frequency fluctuations based on load demand along the 38 kV transmission lines.
 - The project appears to be primarily structured for operational grid optimization (responding to transmission line failures, voltage fluctuations, and system overload risks during peak conditions) rather than ensuring electrical system redundancy during natural disaster events.

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- In response, LUMA's Director of Grants Management formally requested a multi-agency meeting on December 4, 2025, proposing a joint session with FEMA, the Public-Private Partnership Authority (P3A), PREPA, COR3, and HM representatives to present a comprehensive justification for the BESS initiative and to clarify FEMA's eligibility concerns.
- On December 4, 2025, FEMA's Acting Infrastructure Section Chief recommended that LUMA and PREPA conduct an internal coordination meeting prior to engaging FEMA. PREPA declined the joint meeting and requested that LUMA first conduct an internal strategic review to assess how the BESS initiative aligns with existing and planned generation projects.
- LUMA has scheduled an internal working session for January 2026 to revise the BESS narrative and strengthen the justification by detailing its correlation with generation projects and resilience objectives

3. Integration of Stakeholder Feedback and Final Internal Review

Status: Pending

Pending LUMA will incorporate feedback from PREPA and COR3 into the final version of the BESS Hazard Mitigation narrative. The updated document will undergo internal review to ensure alignment with regulatory requirements and stakeholder expectations.

4. Submission of FEMA 406 Hazard Mitigation Justification

Status: Pending

Following the completion of internal and stakeholder reviews, LUMA will submit the finalized BESS Hazard Mitigation Justification to FEMA for formal evaluation.

LUMA remains committed to maintaining close coordination with the PREB, COR3, PREPA, and FEMA to ensure that the BESS projects are prioritized and effectively incorporated into the Consolidated Project List.

2.2 Procurement

Since the BESS projects have been placed as "Process Discontinued", the procurement process is on hold until the projects are included in the Consolidated Project FAASt List and activated in the Grants Portal. LUMA's Grants Management team updated the 406 Hazard Mitigation narrative to ensure PREPA, COR3 and FEMA are aligned, allowing the BESS projects to be placed in the priority list and continue procurement efforts.

2.3 Design Status

The Preliminary Design has been completed. The selected vendor will manage the Detailed Design through a competitive procurement process.

2.4 Project Schedule

The project schedule was impacted due to the project being placed as "Process Discontinued" in the FEMA Grants Portal. When the projects get activated in the Grants Portal, LUMA will provide an updated schedule. The project schedule depends on LUMA being able to put projects on the priority list.

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- Procurement - To be determined (TBD)
- Construction Start: TBD
- Commissioning: TBD

3.0 Project Status

3.1 Selected Sites

PREB previously approved \$4 million to support land acquisition activities for the BESS projects. However, due to the current “Process Discontinued” status of these projects in the FEMA Grants Portal, Due Diligence activities are temporarily on hold.

Specifically, the Phase 1 Environmental Site Assessment (ESA) — a critical step in the land acquisition process, — cannot proceed until the BESS projects are reinstated on FEMA’s Tier 1 list and reactivated in the Grants Portal.

Next steps and estimated timeline (Pending FEMA reactivation).

Table 1. Land Acquisition Milestones and Estimated Timeline

Milestone	Estimated Duration	Projected Completion
FEMA Tier 1 Inclusion & Grants Portal Activation	-	TBD (Pending FEMA)
Phase 1 ESA Initiation	2 Months	+2 Months from Activation
Land Appraisal & Due Diligence	1-2 Months	+3-4 Months
Negotiation & Legal Review	6-7 Months	+10-11 Months
Closing & Title Transfer	1 Month	+12 Months

3.2 Reimbursement Status

The reimbursement process is on hold; no reimbursement is available since the project has been placed in the FEMA Grants Portal as “Process Discontinued”. Below are the reimbursements received prior to that.

Table 2. Reimbursement Received

Project Title	Reimbursement Received
FAASt [4 x 25 MW BESS Interconnections on LUMA System] (Substation)	\$132,861.59
FAASt [4 x 25 MW BESS Interconnections Manati] (Substation)	\$8,027.34
FAASt [4 x 25 MW BESS Interconnections Aguadilla TC] (Substation)	\$161,797.74
FAASt [4 x 25 MW BESS Interconnections Monacillos TC] (Substation)	\$47,355.27

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3.3 Requests for Information

LUMA presented the document to PREPA and COR3 for review by November 2025, before submitting it to FEMA. The response to FEMA's soft request for information (RFI) is expected to be submitted in early 2026 after the alignment mentioned in Section 2.1 of this document is completed.

3.4 FAASt Number

As indicated in Section 3.1 above, LUMA has identified four areas where it intends to site the projects. The FEMA FAASt numbers for the four BESS projects are:

Table 3. FAASt Number

Project Title	FEMA FAASt #
FAASt [4 x 25 MW BESS Interconnections Barceloneta] (Substation)	738671 (Inactive)
FAASt [4 x 25 MW BESS Interconnections Manatí] (Substation)	752972 (Inactive)
FAASt [4 x 25 MW BESS Interconnections Aguadilla TC] (Substation)	750502 (Inactive)
FAASt [4 x 25 MW BESS Interconnections Monacillos TC] (Substation)	750503 (Inactive)

3.5 Updated Project Cost

The following table contains an updated cost estimate based on the Barceloneta, Manatí, Aguadilla and San Juan Detailed Scopes of Work (DSOWs) submitted to FEMA.

Table 4. Class 3 Cost Estimate

Project Title	Class 3 Cost Estimate (\$)
FAASt [4 x 25 MW BESS Interconnections Barceloneta] (Substation)	\$55,941,767
FAASt [4 x 25 MW BESS Interconnections Manatí] (Substation)	\$57,640,005
FAASt [4 x 25 MW BESS Interconnections Aguadilla TC] (Substation)	\$52,720,520
FAASt [4 x 25 MW BESS Interconnections Monacillos TC] (Substation)	\$55,503,065