

**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: Resolution and Order for Motion
Submitting Three (3) FEMA Approvals of
Project

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 requiring the Puerto Rico Electric Power Authority ("PREPA") to submit to the Energy Bureau specific transmission and distribution projects ("T&D Projects") to be funded with Federal Emergency Management Agency ("FEMA") funds, or any other federal funds, at least thirty (30) calendar days before submitting such projects to the Central Office for Recovery, Reconstruction, and Resiliency ("COR3"), FEMA, or any other federal agency. The Energy Bureau subsequently determined these requirements apply to PREPA and LUMA Energy, LLC and LUMA Energy ServCo, LLC, jointly referred to as "LUMA."

On July 8, 2021, LUMA filed the *Motion Submitting List of Projects and Twenty-Eight Scopes of Work*, which included the Distribution Feeders – San Juan Short Term Group 1 and Distribution Feeders – San Juan Short Term Group 2 SOWs. On August 20, 2021, the Energy Bureau approved the T&D projects submitted through that filing and directed LUMA to submit the corresponding COR3 and/or FEMA approvals, including obligated costs. On August 30, 2021, LUMA submitted an updated list of twenty-nine (29) T&D SOWs, including the Distribution Streetlighting SOW, which the Energy Bureau approved on September 22, 2021, subject to the same requirement to submit the corresponding COR3 and/or FEMA approvals.

Subsequently, LUMA submitted the initial FEMA approvals for the three projects relevant to this proceeding. On September 26, 2025, LUMA submitted FEMA's approval for FAASt [Feeder Rebuild # 1529-15] (Distribution), part of the Distribution Feeders – San Juan Short Term Group 2 SOW; on October 3, 2025, it submitted FEMA's approval for FAASt [Feeder Rebuild # 1303-02] (Distribution), part of the Distribution Feeders – San Juan Short Term Group 1 SOW; and on March 5, 2026, it submitted FEMA's approval for FAASt [Rincón Streetlighting] (Distribution), part of the Distribution Streetlighting SOW.

On August 12, 2026, LUMA filed a document titled *Motion Submitting Three (3) Amended FEMA Approvals of Project, Request for Confidential Treatment, and Supporting Memorandum of Law* ("August 12 Motion").

Through the August 12 Motion, LUMA submitted amended approvals issued by FEMA for the following T&D Projects:

- FAASt [Rincón Streetlighting] (Distribution), Project No. 714641;
- FAASt [Feeder Rebuild # 1529-15] (Distribution), Project No. 801172; and
- FAASt [Feeder Rebuild # 1303-02] (Distribution), Project No. 817956.

The amended FEMA approvals state that the Projects were re-obligated on August 3, 2026.



For the Rincón Streetlighting Project, Version 1 was created to reflect changes to the project cost and scope, including the appropriate allocation of Architecture and Engineering (“A&E”) costs to FAASt Project No. 335168 and Equipment and Materials (“E&M”) costs to FAASt Project No. 673691. The amended FEMA approval reflects a current project amount of \$14,233,653.81, with a federal share of \$12,810,288.43 and a non-federal share of \$1,423,365.38.

For the Feeder Rebuild # 1529-15 and Feeder Rebuild # 1303-02 Projects, Version 1 was created to align the respective scopes and costs between Section 428 Public Assistance and Section 406 Hazard Mitigation. LUMA states that because the amendments contain both positive and negative funding adjustments, the positive amounts will be processed first, and the corresponding negative amounts will be de-obligated through subsequent versions.

LUMA submitted the amended FEMA approvals in compliance with the Energy Bureau’s prior orders requiring LUMA to file copies of FEMA and/or COR3 approvals, including the obligated costs for each project.

II. Request for Confidential Treatment

In the August 12 Motion, LUMA requests confidential treatment for portions of Exhibit 1. LUMA states that the amended FEMA approvals contain Critical Energy Infrastructure Information (“CEII”), including detailed information regarding electric infrastructure, facility locations, coordinates, system configurations, and other infrastructure-specific information.

LUMA filed a redacted public version of Exhibit 1 and requested confidential treatment for the unredacted version pursuant to Section 6.15 of Act 57-2014, the Energy Bureau’s Policy on Management of Confidential Information, and applicable federal authorities related to CEII, including 18 C.F.R. § 388.113 and 6 U.S.C. §§ 671-674.

LUMA identified the following portions of Exhibit 1 as containing confidential information:

- FAASt [Rincón Streetlighting] (Distribution): pages 1, 3, 5, 15, 19, and 22;
- FAASt [Feeder Rebuild # 1529-15] (Distribution): pages 1-5, 14-16, 32, and 35; and
- FAASt [Feeder Rebuild # 1303-02] (Distribution): pages 1-2, 16-17, 21, and 24.

III. Evaluation and Analysis

The August 12 Motion does not request approval of new projects. Rather, LUMA submits amended FEMA approvals for three projects previously approved by the Energy Bureau. The Energy Bureau takes notice that the filing is consistent with its prior directives requiring LUMA to submit evidence of FEMA and/or COR3 approvals and the corresponding obligated costs once available.

As part of its review, the Energy Bureau compared the costs reflected in the amended FEMA approvals with the corresponding amounts reported in the Adjusted Consolidated List submitted with LUMA’s May 14 Motion. The Energy Bureau identified differences in the project-level costs and in the allocation of certain Section 428 and Section 406 cost components, including amounts associated with A&E, E&M, Installation, and Hazard Mitigation.

The Energy Bureau further observes that certain amendments reflect adjustments involving costs previously associated with the Global A&E and E&M PWs. These adjustments must be properly reconciled with the Consolidated Project List to ensure that costs are consistently accounted for and that amounts incorporated into individual projects are also not reflected under the corresponding Global PWs.



The Energy Bureau determines that additional clarification is necessary for the amended costs for the three projects and the resulting impact on available funding capacity under the applicable Section 428 and Section 406 cost categories.

Regarding LUMA's request for confidential treatment, Section 6.15 of Act 57-2014 authorizes the Energy Bureau to protect information submitted before it when, after evaluation, the Energy Bureau determines that the information merits confidential treatment. Upon review of LUMA's request, the Energy Bureau determines that the identified portions of Exhibit 1 qualify as CEII because they contain detailed information regarding specific electric infrastructure, facility locations, coordinates, and system configuration that could compromise the security or resilience of critical electric infrastructure if publicly disclosed.

IV. Conclusion

The Energy Bureau **TAKES NOTICE OF and ACCEPTS** the amended FEMA approvals submitted by LUMA for the [714641] FAASt [Rincón Streetlighting] (Distribution), [801172] FAASt [Feeder Rebuild #1529-15] (Distribution), and [817956] FAASt [Feeder Rebuild #1303-02] (Distribution) Projects, which were approved by the Energy Bureau.

The Energy Bureau **DETERMINES** that the amended FEMA approvals and the associated adjustments to Section 428 and Section 406 funding require additional clarification and reconciliation. The Energy Bureau **ORDERS** LUMA to provide within fifteen (15) days of notification of this Resolution and Order the following information for each project:

[714641] FAASt [Rincón Streetlighting] (Distribution)

1. LUMA SHALL clarify and demonstrate that the \$2,696,843.97 increase in A&E and E&M costs incorporated into the Version 1 project cost does not result in a duplication of funding. In Version 0, these A&E and E&M costs were identified separately from the project obligation and allocated to the respective Global A&E and E&M PWs. In Version 1, the same costs have been incorporated into the project cost¹. LUMA SHALL explain how these costs are being reconciled between the individual project and the Global A&E and E&M PWs and demonstrates that the same costs are not being accounted for or funded under both.

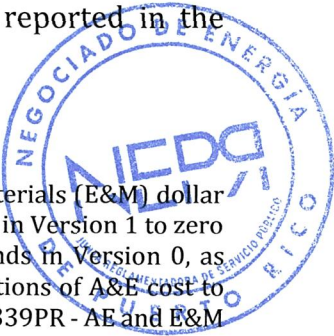
FEMA Project Note 3:

"In the previous version, the Architecture and Engineering (A&E) and Equipment and Materials (E&M) dollar amounts were deducted. Accordingly, a positive value in the same amount has been added in Version 1 to zero out these costs. This adjustment was made to prevent duplication of A&E and E&M funds in Version 0, as requested by the Applicant, to modify the project cost estimate to reflect accurate allocations of A&E cost to FAASt #335168, and E&M cost to FAASt #673691. Refer to document file: SP714641 - DR4339PR - AE and E&M Cost Clarification.pdf."

2. LUMA SHALL also confirm the resulting funding capacity, by applicable cost category, associated with this reconciliation and explains any differences between the amended FEMA-approved costs and the corresponding amounts reported in the Adjusted Consolidated List submitted with LUMA's May 14 Motion.

¹ Refer to FEMA's project report Note 3:

"In the previous version, the Architecture and Engineering (A&E) and Equipment and Materials (E&M) dollar amounts were deducted. Accordingly, a positive value in the same amount has been added in Version 1 to zero out these costs. This adjustment was made to prevent duplication of A&E and E&M funds in Version 0, as requested by the Applicant, to modify the project cost estimate to reflect accurate allocations of A&E cost to FAASt #335168, and E&M cost to FAASt #673691. Refer to document file: SP714641 - DR4339PR - AE and E&M Cost Clarification.pdf."



[801172] FAASSt [Feeder Rebuild #1529-15] (Distribution)

1. Clarify the funding capacity that will become available under each applicable cost category, including A&E, E&M, and FAASSt 136271 (Donor Project), for Sections 428 and 406, given that the project costs submitted to FEMA are lower than the amounts previously reported by LUMA in its May 14 Motion (adjusted consolidated list) to the Energy Bureau.

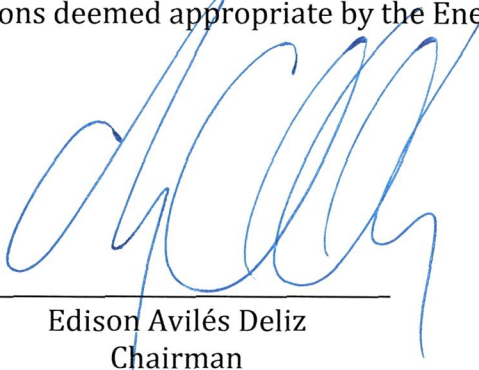
[817956] FAASSt [Feeder Rebuild #1303-02] (Distribution)

1. Clarify the funding capacity that will become available under each applicable cost category, including A&E, E&M, and FAASSt 136271 (Donor Project), for Sections 428 and 406, given that the project costs submitted to FEMA are lower than the amounts previously reported by LUMA in its May 14 Motion (adjusted consolidated list) to the Energy Bureau.
2. LUMA SHALL also clarifies the discrepancy between the \$37,248.64 Hazard Mitigation ("HM") amount validated and the \$36,248.64 reflected as approved in the FEMA Project Report and SHALL confirm the correct HM approved amount.

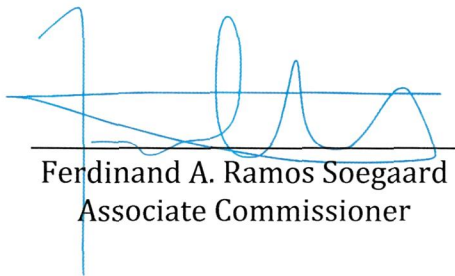
The Energy Bureau **GRANTS** LUMA's request for confidential treatment of pages 1, 3, 5, 15, 19, and 22 of the FAASSt [Rincón Streetlighting] (Distribution) amended approval; pages 1-5, 14-16, 32, and 35 of the FAASSt [Feeder Rebuild # 1529-15] (Distribution) amended approval; and pages 1-2, 16-17, 21, and 24 of the FAASSt [Feeder Rebuild # 1303-02] (Distribution) amended approval, as Critical Energy Infrastructure Information.

The Energy Bureau **WARNS** LUMA that noncompliance with any provision of this Resolution and Order may result in the imposition of fines under Act 57-2014, applicable Energy Bureau regulations, and any other sanctions deemed appropriate by the Energy Bureau.

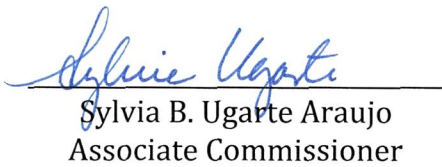
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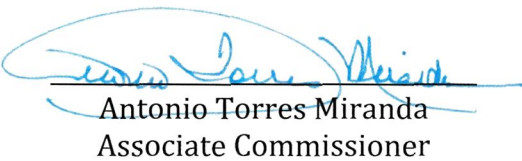
Edison Avilés Deliz
Chairman



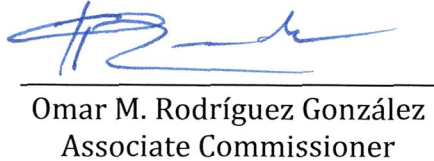
Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner



Omar M. Rodríguez González
Associate Commissioner



CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 24, 2026. I also certify that on August 27, 2026. I proceeded with filing the Resolution and a copy was notified by electronic mail to regulatory@genera-pr.com, legal@genera-pr.com, jfernandez@ecija.com, eramos@ecija.com; jdiaz@ecija.com, sromero@ecija.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; alejandro.figueroara@lumapr.com; Yahaira.delarosa@us.dlapiper.com; Emmanuel.porrogonzalez@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, on August 27, 2026.



Sonia Seda Gaztambide
Clerk

