

**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 Two (2) 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 ("March 26, 2021 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 prior to submitting such projects to the Central Office for Recovery, Reconstruction, and Resiliency ("COR3"), FEMA, or any other federal agency. The March 26, 2021 Resolution and Order also required PREPA to continue reporting to the Energy Bureau and FEMA on the progress of ongoing efforts related to projects submitted for approval but not yet approved by the Energy Bureau. The Energy Bureau subsequently determined that these requirements apply to PREPA and LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as "LUMA").

On August 30, 2021, LUMA filed a *Motion Requesting Clarification of a Portion of the Energy Bureau's Resolution and Order Entered on August 20, 2021, and Submitting Updated List of Transmission and Distribution Projects and Twenty-Nine Scopes of Work* ("August 30 Motion"). Through the August 30 Motion, LUMA submitted twenty-nine (29) scopes of work ("SOWs") for T&D Projects, including the Distribution Pole and Conductor Replacement SOW.

On September 22, 2021, the Energy Bureau issued a Resolution and Order approving, among others, the Distribution Pole and Conductor Replacement SOW. The Energy Bureau also directed LUMA to submit copies of the corresponding COR3 and/or FEMA approvals, including the costs obligated for each project.

The Distribution Pole and Conductor Replacement SOW was subsequently divided into individual regional projects, including the following two (2) T&D Projects relevant to the instant Resolution and Order:

- FAAS [Pole and Conductor Repair – Caguas Group 3 Phase 2] (Distribution), Project No. 735474; and
- FAAS [Pole and Conductor Repair – Mayaguez Group 3 – Phase 2] (Distribution), Project No. 750692.

On September 26, 2025, LUMA submitted FEMA's initial approval for Project No. 735474, FAAS [Pole and Conductor Repair – Caguas Group 3 Phase 2] (Distribution). On October 3, 2025, LUMA submitted FEMA's initial approval for Project No. 750692, FAAS [Pole and Conductor Repair – Mayaguez Group 3 – Phase 2] (Distribution).

On September 1, 2026, LUMA filed before the Energy Bureau a document titled *Motion Submitting Two (2) Amended FEMA Approvals of Project, Statement on New FEMA Guidance,*



Request for Confidential Treatment, and Supporting Memorandum of Law (“September 1 Motion”).

Through the September 1 Motion, LUMA submitted amended FEMA approvals for the two Projects identified above. The amended FEMA approvals state that both Projects were re-obligated on August 24, 2026.

For the Caguas Group 3 Phase 2 Project, Version 1 was created to reflect changes in scope and cost and to align the project scope and cost with the applicable Section 406 Hazard Mitigation proposal. The amended FEMA documentation states that Version 0 will be fully de-obligated to reclassify applicable Section 428 Public Assistance costs from the previous version in connection with the Section 406 Hazard Mitigation costs reflected in Version 1.

For the Mayaguez Group 3 Phase 2 Project, Version 1 was similarly created to reflect changes in scope and cost and to align the project with the applicable Section 406 Hazard Mitigation proposal. The amended FEMA documentation states that Version 0 costs will be fully de-obligated to avoid duplication of costs.

LUMA also states that FEMA has clarified the processing applicable to certain Sub-FAAST transactions when a project includes both positive and negative Section 428 Public Assistance and Section 406 Hazard Mitigation cost modifications. According to LUMA, FEMA’s system cannot process both adjustments in the same version. Therefore, the positive adjustment is processed in the current version and the corresponding negative adjustment is processed through a subsequent version. LUMA states this process applies to Sub-FAAST transactions and is intended to explain temporary differences that may arise between project costs reflected in the Consolidated Project List and amounts reflected in individual FEMA 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 September 1 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.

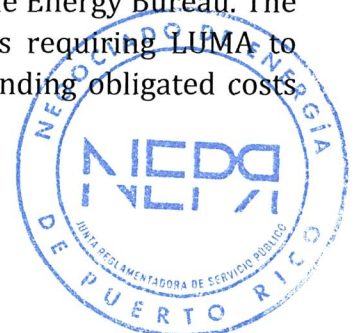
LUMA filed redacted public versions of Exhibit 1 and requested confidential treatment for the corresponding unredacted versions pursuant to Section 6.15 of Act 57-2014, the Energy Bureau’s Policy on Management of Confidential Information, and applicable federal authorities related to CEII, including 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 [Pole and Conductor Repair – Caguas Group 3 Phase 2] (Distribution): pages 1, 2, 6, 15-17, and 23; and
- FAAST [Pole and Conductor Repair – Mayaguez Group 3 – Phase 2] (Distribution): pages 1-2, 6, 14-15, 21, and 25.

III. Evaluation and Analysis

The September 1 Motion does not request approval of new projects. Rather, it submits amended FEMA approvals for two projects previously approved by the Energy Bureau. The filing therefore complies with the Energy Bureau’s prior directives requiring LUMA to submit evidence of FEMA and/or COR3 approvals and the corresponding obligated costs after such approvals are received.



As part of its review, the Energy Bureau identified differences between the component level allocations reflected in the Adjusted Consolidated List and the amended FEMA documentation, which require reconciliation to maintain consistency with the Consolidated Project List.

For Project No. 735474, FAASt [Pole and Conductor Repair – Caguas Group 3 Phase 2] (Distribution), the Energy Bureau had approved the following project costs, as reflected in the Adjusted Consolidated List:

Section 428: \$19,881,071.76

- PW Obligation (construction): \$17,211,915.22
- A&E: \$1,524,520.51
- E&M: \$1,144,636.03

Section 406: \$584,317.53

- PW Obligation (construction): \$71,312.91
- A&E: \$44,805.65
- E&M: \$468,198.97

Total Project Cost: \$20,465,389.29

Upon review of the amended FEMA documentation, the Energy Bureau observes that the Version Summary reconciles only the Section 428 costs and reflects the following revised allocation:

Section 428: From \$19,881,071.76 to \$17,230,407.00

- PW Obligation (construction): From \$17,211,915.22 to \$12,921,047.00
- A&E: From \$1,524,520.51 to \$1,799,743.00
- E&M: From \$1,144,636.03 to \$2,509,617.00

Section 406: Not included in this version

The revised Section 428 amount represents a reduction of **\$2,650,664.76** from the previously approved Section 428 amount. However, because the Version Summary does not include the previously approved \$584,317.53 in Section 406 costs, the difference between the previously approved total project cost of **\$20,465,389.29** and the revised Section 428 amount of **\$17,230,407.00** is **\$3,234,982.29**. LUMA will submit the subsequent project version incorporating the Section 406 costs to reconcile the total project cost and align it with the approved Adjusted Consolidated List.

For Project No. 750692, FAASt [Pole and Conductor Repair – Mayaguez Group 3 – Phase 2] (Distribution), the Energy Bureau had approved the following project costs, as reflected in the Adjusted Consolidated List:

Section 428: \$17,972,490.80

- PW Obligation (Construction): \$15,534,571.38
- A&E: \$1,378,411.70
- E&M: \$1,059,507.72

Section 406: \$539,706.66

- PW Obligation (Construction): \$65,783.22
- A&E: \$41,393.16
- E&M: \$432,530.28

Total Project Cost: \$18,512,197.46



Upon review of the amended FEMA documentation, the Energy Bureau observes that the Version Summary reconciles only the Section 428 costs and reflects the following revised allocation:

Section 428: From \$17,972,490.80 to **\$15,534,571.38**

- PW Obligation (construction): \$15,534,571.38
- A&E: From \$1,378,411.70 to \$0.
- E&M: From \$1,059,507.72 to \$0.

Section 406: Not included in this version

The revised Section 428 amount of \$15,534,571.38 represents a reduction of \$2,437,919.42 from the previously approved Section 428 amount. This reduction corresponds to the \$1,378,411.70 in A&E costs and \$1,059,507.72 in E&M costs previously allocated to the respective Global A&E and E&M PWs. The revised Section 428 amount reflects the individual Project obligation without the A&E and E&M amounts previously accounted for separately under the Global PWs.

The Version Summary does not include the previously approved \$539,706.66 in Section 406 costs. LUMA shall submit the subsequent project version incorporating the Section 406 costs to reconcile the total project cost and align it with the approved Adjusted Consolidated List.

The Energy Bureau **TAKES NOTICE** of LUMA's statement regarding FEMA's processing of positive and negative funding adjustments through separate Sub-FAAST project versions. Nevertheless, the Energy Bureau determines that its acceptance of the amended FEMA approvals does not constitute authorization to increase or otherwise modify the amounts allocated to these Projects under the Consolidated Project List. Any changes resulting from the reclassification, de-obligation, reconciliation, or subsequent versioning of Section 428 and Section 406 costs shall remain subject to the applicable funding allocations, reporting requirements, reconciliation requirements, and cost controls established by the Energy Bureau for the Consolidated Project List.

The Energy Bureau identifies no difference between the aggregate expected Section 428, Section 406 (pending to be submitted in next version), and total project costs reflected in the Adjusted Consolidated List and the corresponding Version 1 cost estimates for these two Projects. However, completion of FEMA's subsequent versioning process is necessary to confirm the final allocation of those costs and determine whether any Section 428 funding capacity is ultimately released or otherwise affected.

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 following Projects, which were approved by the Energy Bureau:

- **[735474] FAAST [Pole and Conductor Repair – Caguas Group 3 Phase 2] (Distribution); and**
- **[750692] FAAST [Pole and Conductor Repair – Mayaguez Group 3 – Phase 2] (Distribution).**

The Energy Bureau **TAKES NOTICE** of LUMA's statement regarding FEMA's processing of positive and negative Section 428 and Section 406 adjustments through separate Sub-FAAST project versions.

The Energy Bureau **DETERMINES** that the aggregate expected Section 428 and total project costs reflected in the Version 1 FEMA cost estimates for the two Projects are lower than the amount approved in the Adjusted Consolidated List. However, certain component-level allocations, internal inconsistencies in the submitted FEMA documentation, and the pending FEMA versioning process require additional clarification and reconciliation.

Accordingly, the Energy Bureau **ORDERS** LUMA, within **fifteen (15) calendar days** from notification of this Resolution and Order, to provide the following:

1. Project No. 735474 – Caguas Group 3 Phase 2. LUMA SHALL:

- a. Reconcile the previously approved Section 406 costs in the subsequent FEMA project amendment to reconcile the total project cost with the Adjusted Consolidated List.
- b. Confirm that the **\$2,650,664.76** reduction in Section 428 costs will be released and become available as additional funding reserve upon completion of the project cost reconciliation.

2. Project No. 750692 – Mayaguez Group 3 Phase 2. LUMA SHALL:

- a. Reconcile the previously approved Section 406 costs in the subsequent FEMA project amendment to reconcile the total project cost with the Adjusted Consolidated List.
- b. Confirm that the **\$2,437,919.42** reduction in Section 428 costs will be released and become available as additional funding reserve upon completion of the project cost reconciliation
- c. Clarify the reference to Project No. 752540 (page 47) in the amended FEMA documentation and confirm that the scope, costs, and mitigation measures included in the amended approval correspond to Project No. 750692.

LUMA **SHALL** submit to the Energy Bureau, within **the same fifteen (15) calendar day** from the notification of this Resolution and Order receipt, copies of any subsequent FEMA versions issued for Project Nos. 735474 and 750692 that process the negative adjustments or other cost modifications described in the September 1 Motion.

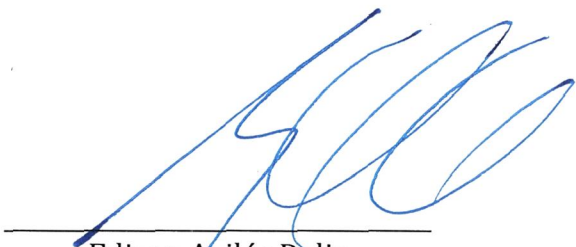
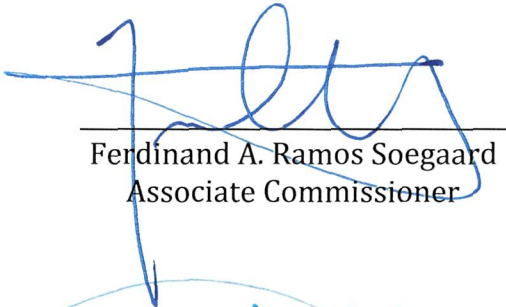
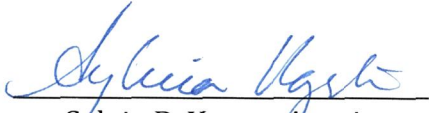
Upon completion of the applicable FEMA versioning process, LUMA **SHALL** confirm the final Section 428 and Section 406 allocation for each Project and identify any resulting increase or decrease in available funding capacity relative to the Adjusted Consolidated List. Any resulting changes to the Consolidated Project List shall be subject to the Energy Bureau's applicable approval, allocation, reconciliation, and reporting requirements.

The Energy Bureau **GRANTS** LUMA's request for confidential treatment of pages 1, 2, 6, 15-17, and 23 of the FAAST [Pole and Conductor Repair – Caguas Group 3 Phase 2] (Distribution) amended approval and pages 1-2, 6, 14-15, 21, and 25 of the FAAST [Pole and Conductor Repair – Mayaguez Group 3 – Phase 2] (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.



Be it notified and published.

	
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 September 18, 2026. I also certify that on September 18, 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; Yahaira.delarosa@us.dlapiper.com; Emmanuel.porrogonzalez@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, on September 18, 2026.




Sonia Seda Gaztambide
Clerk