

**GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

NEPR

Received:

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IN RE:

REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S 10-
YEAR INFRASTRUCTURE PLAN-
DECEMBER 2020

CASE NO. NEPR-MI-2021-0002

**SUBJECT: Informative Motion on the Status of
SOW: 4 x 25 MW BESS Interconnections at
LUMA 38kV System (September 2026)**

**INFORMATIVE MOTION ON THE STATUS OF SOW: 4 X 25 MW BESS
INTERCONNECTIONS AT LUMA 38KV SYSTEM (SEPTEMBER 2026)**

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.¹ This Energy Bureau thereafter

¹ On April 22, 2026, the Energy Bureau issued a Resolution and Order (“April 22nd Order”), in which it extended the March 26th Order’s reporting period for an additional five (5) years. *See* April 22nd Order, p.2. The Energy Bureau stated that all the other provisions of the March 26th Order would remain in full force and effect. *Id.*

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 FAASSt 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-Reboredo, jfernandez@ecija.com, José J. Díaz Alonso, jdiaz@ecija.com, Ernesto R. Ramos Maldonado, eramos@ecija.com.

In Guaynabo, Puerto Rico, on the 28th day of September 2026.



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Exhibit 1

*4x25 MW BESS Interconnections at LUMA 38 kV System Project Monthly Status Report
(September 2026)*

4x25 MW BESS Interconnections at LUMA 38 kV System Project Monthly Status Report

September 28, 2026



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1.0 Introduction

In accordance with the Resolution and Order (R&O) dated January 14, 2025, issued by the Puerto Rico Energy Bureau (Energy Bureau) 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 30 Resolution”).

The BESS projects remained inactive from August 2025 until July 15, 2026, when they were reactivated in the FEMA Grants Portal through the coordinated efforts of LUMA, the Puerto Rico Electric Power Authority (PREPA), the Federal Emergency Management Agency (FEMA), and other relevant stakeholders. The reactivation allows LUMA to move the project forward; however, LUMA is continuing to work with FEMA to clarify the applicability and implementation of Section 406 Hazard Mitigation funding before advancing new project execution activities. Accordingly, LUMA will not proceed with procurement, Detailed Design, or other new execution activities until there is sufficient clarity regarding the Section 406 funding pathway and the project’s ability to proceed under that framework. LUMA is providing an updated project schedule and anticipated milestones in Section 2.4 of this report; these milestones remain contingent upon resolution of the Section 406 funding considerations.

2.0 Monthly Status Update

2.1 Detailed Scope of Work

LUMA continues advancing the Battery Energy Storage System (BESS) initiative in close coordination with the Energy Bureau, the Central Office for Recovery, Reconstruction and Resilience (COR3), PREPA, and FEMA. This month's work remained focused on strengthening the technical and administrative foundations required for FEMA's Section 406 Hazard Mitigation (HM) review process. LUMA maintains active communication with FEMA to ensure information alignment, clarify outstanding items, and support smooth progress toward final review and approval.

To guide the next phases of development and submission, LUMA has outlined the following critical steps:

1. Finalization of Narrative Documentation for COR3 and FEMA

Status: **In Progress**

LUMA met with FEMA on **September 17, 2026**, where FEMA outlined several priority areas needed for continued Section 406 HM evaluation.

Key points requiring incorporation into the updated BESS justification include:

- Refocusing the narrative on documented damages and system vulnerabilities that the project directly mitigates.
- Clarifying non-duplication with existing assets such as black-start generation.

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- Explaining mitigation during transmission failures, including how minimum local load support preserves control and communications.
- Providing a clearer technical definition of the project and how it fits Puerto Rico's grid topology.
- Detailing site-specific mitigation value for Aguadilla, Manatí, Barceloneta, and San Juan.
- Highlighting how BESS preserves visibility and control at substations during extreme events.
- Preparing a reformulated internal proposal before any additional external presentations.

LUMA is integrating these items into the revised Section 406 justification and will reconvene internally before submitting updated materials to FEMA.

2. Submission of FEMA Section 406 Justification

Status: **Pending**

Once internal reviews are completed and stakeholder input has been integrated, LUMA will submit the finalized Section 406 justification package to FEMA. The package will include all required technical, regulatory, and programmatic components to support FEMA's evaluation. LUMA plans to submit the updated Section 406 HM narrative to FEMA for review by the end of October. If the project is determined not to be eligible for Section 406 in its entirety, LUMA will evaluate the project's implementation to determine whether execution is consistent with available resources, or whether changes to the planned approach are necessary. Such changes may include modifications to the project scope or, if warranted, a request not to proceed with the project.

2.2 Procurement

Following the reactivation of the BESS projects, LUMA is evaluating next steps and continuing to assess the applicability and implementation of Section 406 HM funding for the project. No new procurement activities will proceed until there is sufficient clarity regarding the Section 406 funding pathway and the project's ability to proceed under that framework.

2.3 Design Status

The Preliminary Design has been completed. LUMA is not proceeding with Detailed Design at this time. Advancement of the design will remain contingent upon resolution of the Section 406 HM allocation. Once the pathway is confirmed the selected vendor will manage the Detailed Design through a competitive procurement process. Design assumptions have been updated to reflect the latest guidance from PREPA, COR3, and FEMA, ensuring the selected vendor can develop a compliant, technically robust Detailed Design.

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2.4 Project Schedule

Following FEMA's reactivation of the BESS projects, LUMA is providing the updated schedule below to reflect anticipated milestones and dependencies. These dates are planning milestones and are contingent upon the ongoing Section 406 discussions with FEMA, including resolution of the Section 406 HM funding pathway and FEMA's approval of the applicable HM narrative. LUMA will not advance new project execution activities until there is sufficient certainty regarding the project's ability to proceed under Section 406. If the project cannot be executed under Section 406 as currently contemplated, LUMA will evaluate the appropriate path forward, including whether modifications to the project scope or implementation approach are necessary, or whether the project should proceed based on available resources.

- Resubmit DSOW to FEMA: December 2026
- FEMA DSOW Review: December 2027
- Procurement Start: January 2028 (After Obligation Approval)
- Construction Start: June 2029
- Commissioning: December 2030

3.0 Project Status

3.1 Project Reactivation

FEMA reactivated the BESS projects on July 15, 2026. The reactivation allows LUMA to continue evaluating the project; however, it does not constitute authorization to proceed with project execution. LUMA continues to work with FEMA to clarify the applicability and implementation of Section 406 HM funding for the project. Until the Section 406 funding pathway is resolved, LUMA will not advance new project execution activities.

3.2 Selected Sites

Currently no Non-Federally Funded Capital allocation is available for land acquisition. Accordingly, LUMA will seek reimbursement for future land acquisition costs through FEMA, with expenditure occurring as the projects are obligated.

Table 1. Land Acquisition Milestones and Estimated Timeline

Milestone	Estimated Duration	Projected Completion
FEMA Tier 1 Inclusion & Grants Portal Activation	Several weeks	Completed (July 15, 2026)
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

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Milestone	Estimated Duration	Projected Completion
Closing & Title Transfer	1 Month	+12 Months

3.3 Reimbursement Status

The table below shows reimbursements received before the project's status changed.

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 Manatí] (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

3.4 Requests for Information

LUMA presented the document, including the Section 406 HM justification, to PREPA and COR3 for review by November 2025, before submitting it to FEMA. LUMA expects to submit the response to FEMA's request for information (RFI) in 2026 after completing the alignment mentioned in Section 2.1 of this document.

3.5 FAASt Number

As indicated in Section 3.2 above, LUMA has identified four areas where it intends to site the projects. On July 15, 2026, the four BESS projects received new FEMA FAASt numbers as part of the reactivation process:

Table 3. FAASt Number

Project Title	FEMA FAASt #
FAASt [4 x 25 MW BESS Interconnections Barceloneta] (Substation)	1070280
FAASt [4 x 25 MW BESS Interconnections Manatí] (Substation)	1070284
FAASt [4 x 25 MW BESS Interconnections Aguadilla TC] (Substation)	1070282
FAASt [4 x 25 MW BESS Interconnections Monacillos TC] (Substation)	1070283

3.6 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.

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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