

**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 One (1) FEMA Project Approval.

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 and Order") requiring the Puerto Rico Electric Power Authority ("PREPA") to submit proposed transmission and distribution projects ("T&D Projects") to the Energy Bureau for review before submission to the Central Office for Recovery, Reconstruction, and Resiliency ("COR3"), the Federal Emergency Management Agency ("FEMA"), or any other federal agency, and to continue reporting on the status of such projects. The Energy Bureau subsequently determined these requirements also apply to LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA"). On April 22, 2026, the Energy Bureau extended the applicable reporting period for an additional five (5) years, while maintaining the remaining provisions of the March 26, 2021 Resolution and Order in full force and effect.

On September 14, 2026, LUMA filed before the Energy Bureau a document titled *Motion Submitting Amended FEMA Approval of Project and Request for Confidential Treatment* ("September 14 Motion"). Through the September 14 Motion, LUMA submitted an amended FEMA approval for Project No. 752540 ("Project"), which states that the Project was amended on September 4, 2026. LUMA states that Version 1 was created to capture changes in scope and cost and to align the Project with the applicable mitigation proposal, and that Version 0 costs will be de-obligated.

The Distribution Pole and Conductor Replacement Scope of Work ("SOW") was subsequently divided into individual regional projects, including **Project No. 752540, FAASt [Pole and Conductor Repair – Mayagüez Group 4 – Phase 2] (Distribution)**. On October 3, 2025, LUMA submitted FEMA's initial approval for the Project, which FEMA had approved on September 25, 2025.

Consistent with the foregoing Resolutions and Orders, LUMA must submit to the Energy Bureau the FEMA obligations, project amendments, versioning actions, reconciliations, and other funding adjustments affecting projects included in the Consolidated Project List and Modified Attachment A. Such information allows the Energy Bureau to reconcile the FEMA-obligated or amended project costs against the corresponding Energy Bureau-approved cost baselines, identify any project-level overrun or underrun, determine the resulting effect on the approved aggregate portfolio amount, and evaluate whether any confirmed funding capacity may support the activation or reactivation of projects included in the inactive project portfolio.



II. Request for Confidential Treatment

In the September 14 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 57¹-2014, 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.

Specifically, LUMA identifies **pages 1, 2, 14-16, 20, and 24** of Exhibit 1 as containing CEII.

III. Evaluation and Analysis

The September 14 Motion does not request approval of a new project. Rather, LUMA submits an amended FEMA approval for Project No. 752540, a project previously approved by the Energy Bureau as part of the Distribution Pole and Conductor Replacement SOW. The filing responds to the Energy Bureau's prior directives requiring LUMA to submit evidence of FEMA and/or COR3 approval and the corresponding obligated costs after such approval is received.

am The amended FEMA documentation reflects that Version 0 of the Project had a Section 428 amount of **\$7,111,613.91** after deductions associated with the Global A&E and E&M FAASt projects. Version 1 increases the Section 428 project amount to **\$8,685,452.68**. FEMA's Version Summary explains that Version 1 incorporates a revised Work to Be Completed amount of \$10,083,421.80, less \$773,151.60 associated with the Global A&E FAASt Project and \$624,817.52 associated with the Global E&M FAASt Project.

TR The amended FEMA documentation further identifies a proposed Section 406 Hazard Mitigation cost of **\$305,539.44**, consisting of \$244,800.38 in E&M costs, \$23,427.40 in A&E costs, and \$37,311.66 in construction costs

The amended project documentation reflects the following expected cost allocation:

Section 428: \$10,083,421.80

- Project No. 752540: \$8,685,452.68
- A&E: \$773,151.60
- E&M: \$624,817.52

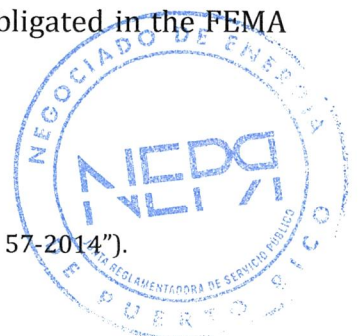
Section 406: \$305,539.44

- Construction: \$37,311.66
- A&E: \$23,427.40
- E&M: \$244,800.38

Total Expected Project Cost: \$10,388,961.24

am The Energy Bureau compared the cost allocation reflected in the amended FEMA documentation with the corresponding costs previously included in the Consolidated Project List. Based on this review, the amended project costs substantially reconcile with the amounts previously projected by LUMA and incorporated into the Consolidated Project List. The remaining difference relates to the \$37,311.66 in proposed Section 406 construction costs associated with Hazard Mitigation, which are not reflected as obligated in the FEMA Project Report submitted with the September 14 Motion.

¹ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



The Energy Bureau notes, however, that FEMA's current Version 1 fixed-cost award reflects the Section 428 project amount of **\$8,685,452.68**. FEMA's documentation states that, because the project involves both positive and negative Section 428 and Section 406 modifications, the adjustments cannot be processed in a single version and that the negative portion will be processed in a later version. The current FEMA approval does not yet reflect the final reconciliation of all Section 428 and Section 406 components associated with the Project.

Therefore, the Energy Bureau's acceptance of the amended FEMA approval does not constitute authorization to increase or otherwise modify the amount allocated to the Project under the Consolidated Project List. Any changes resulting from the reclassification, de-obligation, reconciliation, or subsequent versioning of Section 428 and Section 406 costs remain subject to the applicable funding allocations, reporting requirements, reconciliation requirements, and cost controls established by the Energy Bureau for the Consolidated Project List.

Completion of FEMA's subsequent versioning process is necessary to confirm the final allocation of Section 428 and Section 406 costs, including the disposition of the \$37,311.66 in proposed Section 406 Hazard Mitigation construction costs not reflected as obligated in the FEMA Project Report, and to determine whether the final reconciliation results in any additional funding capacity within the approved Consolidated Project List.

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. LUMA also submitted a public redacted version as required by the Energy Bureau's confidentiality policy.

IV. Conclusion

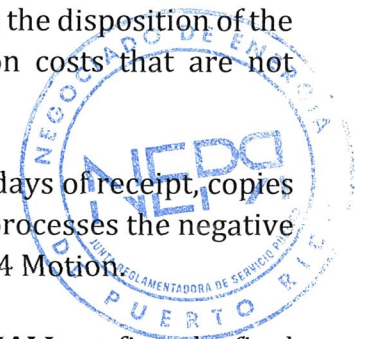
The Energy Bureau **TAKES NOTICE OF and ACCEPTS** the amended FEMA approval submitted by LUMA for:

[752540] FAASt [Pole and Conductor Repair - Mayagüez Group 4 - Phase 2] (Distribution).

The Energy Bureau **DETERMINES** that the amended FEMA documentation reflects a Version 1 Section 428 project amount of **\$8,685,452.68** and identifies additional amounts attributable to the Global A&E and E&M FAASt projects and the proposed Section 406 Hazard Mitigation component. However, the amended project costs substantially reconcile with the amounts reflected in the Consolidated Project List. FEMA's subsequent versioning process is necessary to confirm the final allocation of Section 406 costs, including the disposition of the \$37,311.66 in proposed Section 406 Hazard Mitigation construction costs that are not reflected as obligated in the FEMA Project Report.

LUMA **SHALL** submit to the Energy Bureau, within ten (10) calendar days of receipt, copies of any subsequent FEMA versions issued for Project No. 752540 that processes the negative adjustments or other cost modifications described in the September 14 Motion.

Upon completion of the applicable FEMA versioning process, LUMA **SHALL** confirm the final Section 406 allocation for Project No. 752540 and identify any resulting funding capacity relative to the Adjusted Consolidated List. Any resulting changes to the Consolidated Project

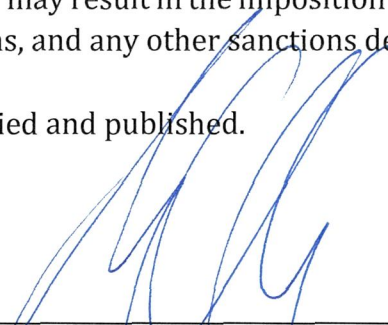


List shall be subject to the Energy Bureau's applicable approval, allocation, reconciliation, and reporting requirements.

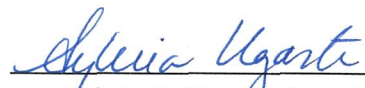
The Energy Bureau **GRANTS** LUMA's request for confidential treatment of **pages 1, 2, 14-16, 20, and 24** of the amended FEMA approval submitted as Exhibit 1 to the September 14 Motion as Critical Energy Infrastructure Information. LUMA identified those specific pages and the applicable CEII basis in its filing.

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.

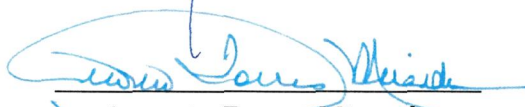
Be it notified and published.



Edison Avilés Deliz
Chairman



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 agreed on October 5, 2026. Associate Commissioner Ferdinand A. Ramos Soegaard did not intervene. I also certify that on October 4, 2026, I have proceeded with the filing of this Resolution and Order and was notified by email to regulatory@genera-pr.com, legal@genera-pr.com, jfernandez@ecija.com, eramoss@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, today October 4, 2026.



Sonia Seda Gaztambide
Clerk

