

**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 regarding
LUMA's Motion in Compliance with the
August 27, 2026 Resolution and Order

RESOLUTION AND ORDER

I. Introduction

On August 12, 2026, LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") 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 FEMA approvals for the following three (3) T&D Projects:

- [714641] FAASt [Rincón Streetlighting] (Distribution);
- [801172] FAASt [Feeder Rebuild #1529-15] (Distribution); and
- [817956] FAASt [Feeder Rebuild #1303-02] (Distribution).

LUMA represented that the amended Federal Emergency Management Agency ("FEMA") approvals reflected changes to project scope and costs, including the allocation and reconciliation of Architecture and Engineering ("A&E"), Equipment and Materials ("E&M"), Section 428 Public Assistance, and Section 406 Hazard Mitigation costs. LUMA further explained that FEMA's processing of certain positive and negative adjustments could require subsequent project versions.

In the August 12 Motion, LUMA also requested 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.

On August 27, 2026, the Energy Bureau issued a Resolution and Order ("August 27 Order") through which it took notice of and accepted the amended FEMA approvals submitted with the August 12 Motion. The Energy Bureau nevertheless determined that the associated Section 428 and Section 406 funding adjustments required additional clarification and reconciliation and directed LUMA to provide additional information regarding the three Projects.

On September 11, 2026, LUMA filed a *Motion in Compliance with the August 27, 2026, Resolution and Order* ("September 11 Motion"), together with Exhibit 1 and Attachment A, responding to the requirements established in the August 27 Order. LUMA requests that the Energy Bureau take notice of its responses, accept them, and deem LUMA in compliance with the August 27 Order.



II. LUMA's September 11 Motion

A. Project No. 714641 – Rincón Streetlighting

In the August 27 Order, the Energy Bureau required LUMA to clarify whether the \$2,696,843.97 increase in A&E and E&M costs incorporated into FEMA Version 1 resulted in a duplication of funding and to explain how those costs were being reconciled between the individual child project and the Global A&E and E&M Project Worksheets ("PW").

In response, LUMA states that Version 1 appears to have duplicated certain costs associated with the Global A&E Project Worksheets by reallocating those costs to the child project. LUMA further states that it is coordinating with FEMA to resolve the issue and reconcile the affected cost elements so that FEMA may issue another version of the obligation.

LUMA reports that the expected total project cost remains **\$14,233,653.81**, consisting of **\$13,539,183.23 in Section 428 costs** and **\$694,470.58 in Section 406 costs**. LUMA further identifies an overallocation of Section 428 funding associated with the child project. After considering the treatment of the Global A&E and E&M PWs, LUMA calculates a Section 428 funding gap of **\$1,124,674.42**.

LUMA states that it intends to address that funding gap by applying approximately **\$1,064,762.29 in savings** derived from the obligations for Project Nos. 801172 and 817956 and by using other portfolio reductions currently in progress to address the remaining amount.

B. Project No. 801172 – Feeder Rebuild #1529-15

For Project No. 801172, the August 27 Order required LUMA to identify the funding capacity that would become available under the applicable Section 428 and Section 406 cost categories because the FEMA-obligated costs were lower than the amounts reflected in the Adjusted Consolidated List.

LUMA reports an expected total project cost of **\$3,628,659.49** in the Consolidated Project List, compared with **\$3,115,807.56** in FEMA-obligated costs, resulting in an aggregate difference of **\$512,851.93**.

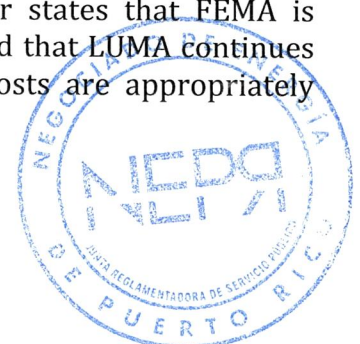
LUMA states that, after accounting for the applicable Global PW treatment, **\$335,448.03** will ultimately be available for allocation back into the Section 428 child-project pipeline. LUMA also explains that higher obligated amounts under certain Global PWs do not reduce this child-project funding capacity because those amounts are deducted and accounted for at the Global PW level.

C. Project No. 817956 – Feeder Rebuild #1303-02

For Project No. 817956, the August 27 Order similarly required LUMA to identify the funding capacity resulting from the difference between the amounts reflected in the Adjusted Consolidated List and the FEMA obligation. The Energy Bureau also required LUMA to clarify a discrepancy between the Hazard Mitigation amount validated by FEMA and the amount reflected as obligated in the FEMA Project Report.

LUMA reports an expected total project cost of **\$3,560,609.39** in the Consolidated Project List, compared with **\$2,802,524.12** currently obligated by FEMA, resulting in an aggregate difference of **\$758,085.27**. LUMA identifies **\$729,314.26** as the amount ultimately available for allocation back into the Section 428 child-project pipeline.

Regarding Hazard Mitigation, LUMA states that it maintains that the correct amount is **\$37,248.64**, although FEMA obligated **\$36,248.64**. LUMA further states that FEMA is preparing Version 2 to address the negative portion of the costs and that LUMA continues coordinating with FEMA to ensure that the Hazard Mitigation costs are appropriately addressed in that subsequent version.



III. Evaluation and Analysis

The August 12 Motion does not request approval of new projects. Rather, LUMA submits amended FEMA approvals for three (3) projects previously approved by the Energy Bureau. Accordingly, 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.

 The Energy Bureau has reviewed the September 11 Motion and the responses submitted by LUMA to the information requirements established in the August 27 Order.

 Regarding Project No. 714641, LUMA has acknowledged the apparent duplication identified in FEMA Version 1 and has explained that the matter remains under reconciliation with FEMA. LUMA also identified the resulting Section 428 funding impact and described the way it proposes to address the resulting funding gap within its federal funding portfolio. However, the information provided by LUMA does not demonstrate how the Section 428 overallocation of \$2,696,843.97 results in the stated funding gap of \$1,124,674.42.

The Consolidated Project List reflects \$1,946,225.97 in Section 428 A&E costs and \$750,618.00 in Section 428 E&M costs, which together total \$2,696,843.97 and correspond to the amount by which the FEMA-obligated Section 428 child-project costs exceed the Section 428 installation allocation reflected in the Consolidated Project List. LUMA does not provide a calculation identifying the specific Global A&E and E&M adjustments used to reduce the \$2,696,843.97 overallocation to the stated \$1,124,674.42 funding gap. Consistent with the reconciliation framework applicable to PREPA, LUMA, and Genera, any funding gap resulting from project cost increases shall be addressed through available funding capacity within the applicable approved portfolio.

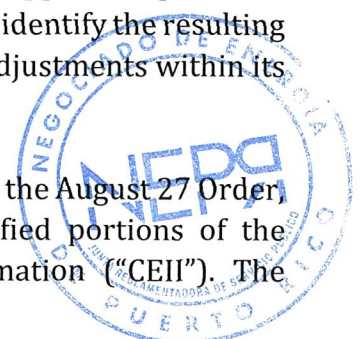
Regarding Project Nos. 801172 and 817956, LUMA provided the requested comparison between the Consolidated Project List amounts and the FEMA-obligated costs and identified the corresponding Section 428 funding capacity resulting from those differences.

 The Energy Bureau therefore determines that LUMA has provided the information required by the August 27 Order and that the September 11 Motion satisfies the applicable compliance requirement at this stage of the FEMA versioning and reconciliation process.

Nevertheless, the Energy Bureau emphasizes that acceptance of the September 11 Motion and a determination of compliance with the August 27 Order do not constitute approval of any future modification to the funding allocation reflected in the Consolidated Project List. Any subsequent FEMA version that modifies Section 428 or Section 406 amounts, reclassifies A&E or E&M costs, de-obligates or re-obligates funds, or otherwise affects project funding capacity remains subject to the Energy Bureau's continuing oversight and applicable reporting and reconciliation requirements.

 The Energy Bureau further determines that LUMA shall continue submitting all subsequent FEMA project approvals, amendments, and versions to maintain an accurate record of the final federal funding allocations and to monitor any resulting changes to the Consolidated Project List. Any increase from the corresponding project cost approved under the Consolidated Project List shall be accommodated within LUMA's approved portfolio. Accordingly, as part of its notification to the Energy Bureau, LUMA shall identify the resulting funding gap and the specific project cost reductions or other funding adjustments within its approved portfolio that will be used to cover such increases.

With respect to confidential treatment, the Energy Bureau notes that, in the August 27 Order, it granted LUMA's request for confidential treatment of the identified portions of the amended FEMA approvals as Critical Energy Infrastructure Information ("CEII"). The



September 11 Motion does not alter the basis for that determination. Accordingly, the confidentiality determination made in the August 27 Order remains in full force and effect and continues to apply to the information covered thereby.

IV. Conclusion

For the reasons stated above, the Energy Bureau **TAKES NOTICE OF and ACCEPTS** LUMA's *Motion in Compliance with the August 27, 2026, Resolution and Order*, filed on September 11, 2026.

The Energy Bureau **DEEMS LUMA IN COMPLIANCE** with the information requirements established in the August 27 Order.

The Energy Bureau **TAKES NOTICE** that additional FEMA versioning and reconciliation remain pending with respect to certain costs associated with Project Nos. 714641, 801172 and 817956.

The Energy Bureau **ORDERS** LUMA to continue submitting to the Energy Bureau copies of any subsequent FEMA approval, amended obligation, project version, de-obligation, re-obligation, cost modification, or other FEMA version issued for the three (3) Projects identified above within ten (10) calendar days of LUMA's receipt thereof. In addition, as part of its notification to the Energy Bureau, LUMA shall identify the resulting funding gap and the specific project cost reductions or other funding adjustments within its approved portfolio that will be used to cover such increases.

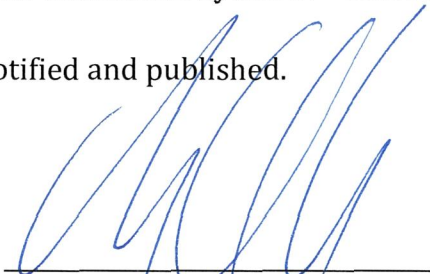
The Energy Bureau **CLARIFIES** that this Resolution and Order does not authorize any increase or other modification to the amounts allocated to these Projects under the Consolidated Project List. Any resulting modification to the Consolidated Project List remains subject to the Energy Bureau's applicable approval, allocation, reconciliation, and reporting requirements.

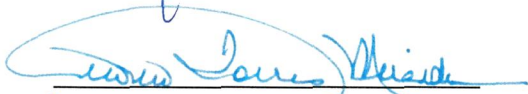
The Energy Bureau **REAFFIRMS** the confidential treatment granted in the August 27 Order with respect to the portions of the amended FEMA approvals previously designated as CEII.

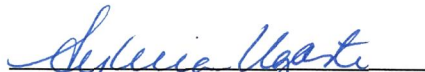
Except as expressly provided herein, all prior directives, reporting obligations, and requirements applicable to these Projects remain in full force and effect.

The Energy Bureau **WARNS LUMA** that noncompliance with this Resolution and Order or any other applicable Energy Bureau directive may result in the imposition of fines or other sanctions authorized by Act 57¹-2014 and applicable Energy Bureau regulations.

Be it notified and published.


Edison Avilés Deliz
Chairman


Antonio Torres Miranda
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner


Omar M. Rodríguez González
Associate Commissioner

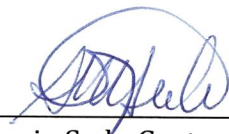
¹ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



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 6, 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 6, 2026.



Sonia Seda Gaztambide
Clerk

