

**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: Status of SOW for 4 x 25 MW BESS
Interconnections at LUMA 38 kV System

RESOLUTION AND ORDER

I. Introduction

On August 25, 2023, LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA") filed a *Motion Submitting One Scope of Work, Request for Confidentiality and Supporting Memorandum of Law*, through which it submitted the Scope of Work ("SOW") for the 4 x 25 MW BESS Interconnections at LUMA 38 kV System project ("BESS Projects").

On August 30, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("August 30 Order") determining that the BESS Projects were necessary to improve the reliability and resiliency of Puerto Rico's electric transmission system and approving the project as described in Attachment 1 thereto. The approved project reflected a Class 5 cost estimate of \$216,579,428.

The August 30 Order further directed LUMA to present the BESS Projects to the Central Office for Recovery, Reconstruction and Resiliency ("COR3") and the Federal Emergency Management Agency ("FEMA") to finalize the federal funding approval process. The Energy Bureau also determined that, should the scope of the project change or federal funding not be approved, LUMA shall immediately seek the Energy Bureau's approval of such changes.

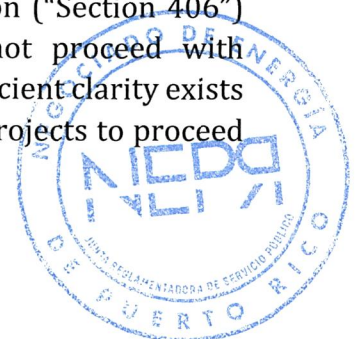
On January 3, 2025, the Energy Bureau ordered LUMA to provide information regarding the status of the FEMA approval process, the actual contracted cost to construct the BESS Projects, and the status of the projects.

On January 14, 2025, following LUMA's response, the Energy Bureau ordered LUMA to provide additional project-specific information regarding the FEMA approval process, including the DSOW presented to FEMA and COR3, applicable requests for information and LUMA's responses thereto, the FAAS number, reimbursement information, and an updated cost estimate. The Energy Bureau also required LUMA to continue providing periodic status reports regarding the BESS Projects.

On September 28, 2026, LUMA filed an *Informative Motion on the Status of SOW: 4 x 25 MW BESS Interconnections at LUMA 38kV System (September 2026)* ("September 28 Motion"), together with its September 2026 Monthly Status Report.

II. Discussion and Conclusion

In its September 28 Motion, LUMA states that the BESS Projects were reactivated in FEMA's Grants Portal on July 15, 2026. LUMA expressly acknowledges, however, that such reactivation does not constitute authorization to proceed with project execution and that the applicability and implementation of FEMA Section 406 Hazard Mitigation ("Section 406") funding remain unresolved. LUMA further represents that it will not proceed with procurement, Detailed Design, or other new execution activities until sufficient clarity exists regarding the Section 406 funding pathway and the ability of the BESS Projects to proceed under that framework.



More than three (3) years have elapsed since the Energy Bureau initially approved the BESS Projects for submission to FEMA and COR3. Nevertheless, the federal funding pathway for the BESS Projects remains unresolved.

AM According to LUMA, it met with FEMA on September 17, 2026, and FEMA identified several matters requiring additional development as part of its continued Section 406 evaluation. Among the matters identified by LUMA are the need to further establish the relationship between the proposed mitigation and documented damages and system vulnerabilities, address potential duplication with existing assets, further explain the mitigation benefits associated with transmission failures, provide additional technical definition of the project, and demonstrate the site-specific mitigation benefits associated with the proposed facilities.

Notwithstanding the time that has elapsed since the Energy Bureau initially approved the BESS Projects for submission to FEMA and COR3, LUMA acknowledges that the revised Section 406 justification necessary for FEMA's continued evaluation has not yet been submitted. As of September 28, 2026, LUMA identified the submission as "Pending" and indicated that it planned to submit the updated Section 406 narrative to FEMA by the end of October 2026.

LUMA further states that it is incorporating FEMA's comments into the revised Section 406 justification. Significantly, LUMA acknowledges that, if the BESS Projects are ultimately determined not to be eligible for Section 406 funding in their entirety, it will evaluate whether the projects can proceed with available resources or whether changes to the proposed approach are necessary, including modifications to project scope or, if warranted, a request not to proceed with the projects.

The foregoing representations raise material questions regarding the federal funding pathway and the continued viability of the BESS Projects in their present form.

This issue is particularly relevant given the magnitude of the projects. LUMA's September 2026 filing identifies updated Class 3 cost estimates of \$55,941,767 for Barceloneta, \$57,640,005 for Manatí, \$52,720,520 for Aguadilla, and \$55,503,065 for Monacillos, for an aggregate estimated project cost of approximately \$221.8 million.

III. Conclusion and Order

The Energy Bureau **ORDERS LUMA to WITHDRAW** this project from the Consolidated list and stop any additional work.

The Energy Bureau **WARNS LUMA** that noncompliance with any provision of this Resolution and Order may result in the imposition of fines under Act 57-2014¹, applicable Energy Bureau regulations, and any other sanctions deemed appropriate by the Energy Bureau.

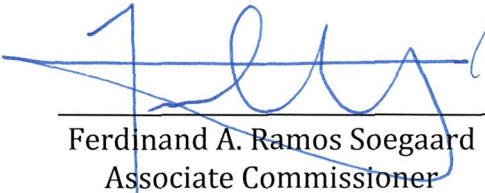
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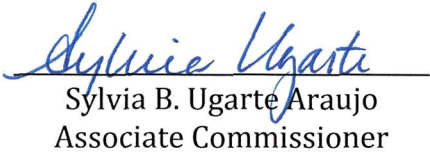
¹ Known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



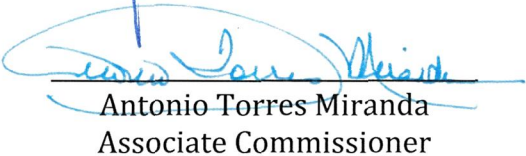
Edison Avilés Deliz
Chairman



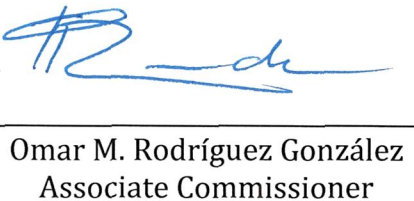
Ferdinand A. Ramos Soegaard
Associate Commissioner



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 agreed on October 15, 2026. I also certify that on October 15, 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, 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, today October 15, 2026.



Sonia Seda Gaztambide
Clerk

