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 on Eleven (11) Amended FEMA Approvals of Project and Thirteen (13) 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 requiring the Puerto Rico Electric Power Authority ("PREPA") to submit proposed transmission and distribution projects ("T&D Projects") 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 report on their approval status. These requirements were subsequently extended to LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA"). On April 22, 2026, the Energy Bureau extended the reporting period for another five (5) years, leaving the remaining directives in effect.

On October 16, 2026, LUMA filed a *Motion Submitting Eleven (11) Amended FEMA Approvals of Projects and Thirteen (13) FEMA Approvals of Projects, Request for Confidential Treatment, and Supporting Memorandum of Law* ("October 16 Motion"). LUMA submitted eleven (11) amended FEMA project approvals as Exhibit 1 and thirteen (13) FEMA project approvals as Exhibit 2. According to LUMA, the respective project versions were re-obligated or initially obligated on October 8, 2026.

The eleven (11) amended FEMA approvals presented in Exhibit 1 concern the following T&D Projects associated with scopes of work previously addressed by the Energy Bureau:

1. **[745856] FAASt [Automation Program Group 14] (TL/Distribution)**
2. **[745859] FAASt [Automation Program Group 18] (TL/Distribution)**
3. **[752808] FAASt [Automation Program Group 19] (Distribution)**
4. **[757689] FAASt [Automation Program Group 24] (TL/Distribution)**
5. **[757692] FAASt [Automation Program Group 26] (TL/Distribution) (HM Cost Alignment)**
6. **[757698] FAASt [Automation Program Group 33] (Distribution) (HM Cost Alignment)**
7. **[757700] FAASt [Automation Program Group 35] (TL/Distribution) (HM Cost Alignment)**
8. **[800286] FAASt [Automation Program Group 36] (TL/Distribution)**
9. **[800361] FAASt [Automation Program Group 37] (Distribution) (HM Cost Alignment)**
10. **[817956] FAASt [Feeder Rebuild # 1303-02] (Distribution)**
11. **[956349] FAASt [San Juan Region 1 Line 36800 (115kV) - Canovanas TC to Palmer TC] (Vegetation) (Cost Only)**

LUMA explains that the amendments address project scope and cost revisions, alignment of Section 428 Public Assistance ("Section 428") and Section 406 Hazard Mitigation ("Section 406") costs, and allocation of Architecture and Engineering ("A&E") and Equipment and Materials ("E&M") amounts to their corresponding Global Project Worksheets ("PWs").

LUMA further describes a FEMA financial-system limitation that may require positive and negative cost adjustments to be processed in separate project versions.

Exhibit 2 contains FEMA approvals for the following thirteen (13) T&D Projects:

1. **[956335] FAASt [San Juan Region 1 - Feeder 2301-02] (Vegetation)**
2. **[1066730] FAASt [Priority Pole Replacement Program (Line 16500 Fajardo TC-Dos Marinas)] (Transmission) (formerly Project No. 811923)**
3. **[1066980] FAASt [Priority Pole Replacement Program (Line 5900 San Juan SP to Crematorio TO)] (Transmission) (formerly Project No. 753786)**
4. **[1068640] FAASt [Region 1 San Juan 38kV - Non-Sensitive] (Vegetation) (formerly Project No. 740406)**
5. **[1068642] FAASt [Region 3 Bayamon 38kV - Non-Sensitive] (Vegetation) (formerly Project No. 740408)**
6. **[1068647] FAASt [Region 2 Arecibo 38kV - Non-Sensitive] (Vegetation) (formerly Project No. 740410)**
7. **[1068665] FAASt [Guayanilla Streetlighting] (Distribution) (HM Cost Alignment) (formerly Project No. 724605)**
8. **[1068669] FAASt [Patillas Streetlighting] (Distribution) (formerly Project No. 724670)**
9. **[1070356] FAASt [38kV Line 3800 - Entire Line] (Vegetation)**
10. **[1070363] FAASt [38kV Line 5400 - Entire Line] (Vegetation)**
11. **[1070364] FAASt [38kV Line 5600 - Entire Line] (Vegetation)**
12. **[1070373] FAASt [38kV Line 1200 - Entire Line] (Vegetation)**
13. **[1070379] FAASt [38kV Line 2200 - Entire Line] (Vegetation)**

The projects in Exhibit 2 include vegetation management, transmission priority pole replacement, and municipal streetlighting work. Several are identified in the filing by new FEMA project numbers corresponding to previously identified projects, as indicated above. The approvals and associated costs remain subject to the appropriate reconciliation and oversight requirements.

II. Request for Confidential Treatment

In the October 16 Motion, LUMA requests confidential treatment for specified portions of Exhibits 1 and 2 as Critical Energy Infrastructure Information ("CEII"). LUMA states that the FEMA approvals contain detailed infrastructure information, including precise locations, coordinates, and technical information regarding electric facilities, the disclosure of which could create security risks.

LUMA invokes Section 6.15 of Act 57-2014[1], the Energy Bureau's Policy on Management of Confidential Information (Case No. CEPR-MI-2016-0009), 18 C.F.R. § 388.113, and 6 U.S.C. §§ 671–674. The request identifies the particular project documents and pages for which protection is sought in the confidentiality table in Section IV.C of the October 16 Motion (pages 22 through 26), rather than confidential treatment of the exhibits in their entirety.

III. Evaluation and Analysis

The October 16 Motion submits FEMA approval documentation for twenty-four (24) projects associated with scopes of work previously reviewed by the Energy Bureau. The submission therefore responds to prior directives requiring LUMA to provide evidence of FEMA and/or COR3 approvals and the corresponding obligated costs after receipt of such approvals.

The eleven (11) amended approvals submitted as Exhibit 1 reflect different stages of FEMA's project versioning and reconciliation process. Several versions concern the realignment of

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

Section 428 and Section 406 costs, while other changes involve scope revisions, administrative accounting corrections, Global A&E and E&M allocations, or environmental reviews. The documentation does not establish that all related federal cost adjustments have been completed or that the amounts reflected in the individual FEMA versions represent final project costs.

As explained by LUMA, FEMA processes certain positive and negative Section 428 and Section 406 adjustments through separate project versions due to limitations in its financial management system. Consequently, some of the amended approvals reflect adjustments associated with prior project versions, while others may require additional FEMA actions to complete the corresponding cost reconciliations.

The thirteen (13) approvals submitted as Exhibit 2 identify the currently approved FEMA project costs and associated federal shares. These figures reflect the CRC Net Project Costs and federal shares appearing in the current FEMA approvals; they do not necessarily represent the final overall project budgets. In particular, several of the vegetation management, transmission priority pole replacement, and streetlighting projects include Section 406 mitigation components and allocations to Global A&E and E&M PWs that may be subject to further reconciliation. Subsequent federal actions or project versions may therefore alter the cost distribution and available funding capacity.

Any resulting differences between the FEMA-approved costs and the corresponding amounts recorded in the Energy Bureau-approved Consolidated Project List must be reconciled at the project level, including the Section 428 and Section 406 components and any allocations to Global A&E or E&M PWs. Furthermore, the submission of FEMA approvals does not, by itself, authorize changes to previously approved project scopes, project status, funding allocations, or the Consolidated Project List. Any modifications requested remain subject to the applicable Energy Bureau review and approval requirements.

Accordingly, as part of its evaluation, the Energy Bureau compared the FEMA-approved project reports against the corresponding amounts reflected in the Energy Bureau-approved Consolidated Project List. The comparison addresses the Section 428 construction, Global A&E, Global E&M, and Section 406 mitigation amounts for the applicable projects, as presented in the following table[2]:

PW #	Reconciliation	428 (Construction)	A&E (428)	E&M (428)	Total 428	Total 406
1070373	Consolidated	$275,711.27	$2,318.47	$0.00	$278,029.74	$3,055,308.32
	FEMA	$95,506.14	$799.34	$0.00	$96,305.48	$1,057,983.08
	Differences	$180,205.13	$1,519.13	$0.00	$181,724.26	$1,997,325.24
1070379	Consolidated	$805,386.91	$6,772.52	$0.00	$812,159.43	$8,924,936.29
	FEMA	$182,696.35	$5,747.54	$0.00	$188,443.89	$2,070,328.78
	Differences	$622,690.56	$1,024.98	$0.00	$623,715.54	$6,854,607.51
1070356	Consolidated	$253,749.10	$2,133.79	$0.00	$255,882.89	$2,811,933.50
	FEMA	$205,888.76	$6,477.16	$0.00	$212,365.92	$2,332,988.32
	Differences	$47,860.34	($4,343.37)	$0.00	$43,516.97	$478,945.18
1070363	Consolidated	$288,199.55	$2,423.48	$0.00	$290,623.03	$3,193,697.91
	FEMA	$191,823.69	$6,034.68	$0.00	$197,858.37	$2,173,612.67
	Differences	$96,375.86	($3,611.20)	$0.00	$92,764.66	$1,020,085.24
1070364	Consolidated	$293,582.43	$2,468.74	$0.00	$296,051.17	$3,253,348.62

[2] Projects not included in the table were excluded because the reconciliation was already aligned with the Consolidated Project List, or because additional FEMA project versioning is required to fully obligate the final project cost.

PW #	Reconciliation	428 (Construction)	A&E (428)	E&M (428)	Total 428	Total 406
	FEMA	$91,067.55	$762.19	$0.00	$91,829.74	$1,008,813.99
	Differences	$202,514.88	$1,706.55	$0.00	$204,221.43	$2,244,534.63
956335	Consolidated	$1,849,955.27	$153,676.43	$0.00	$2,003,631.70	$5,921,756.51
	FEMA	$1,798,813.63	$149,430.31	$0.00	$1,948,243.94	$5,336,866.97
	Differences	$51,141.64	$4,246.12	$0.00	$55,387.76	$584,889.54
956349	Consolidated	$812.052.35	$24,361.57	$0.00	$836,413.92	$2,980,930.45
	FEMA	$470,034.60	$4,363.03	$0.00	$474,397.63	$1,607,206.70
	Differences	$342,017.75	$19,998.54	$0.00	$362,016.29	$1,373,723.75
TOTAL	**Total Differences**	$1,542,806.16	$20,540.75	$0.00	$1,563,346.91	$14,554,111.09

The comparison of FEMA-approved amounts against the Consolidated Project List is intended to identify differences at the individual project level, including increases or potential overruns relative to previously recorded amounts, as well as reductions or underruns resulting from updated FEMA approvals.

These differences must be evaluated not only at the individual project level but also by funding category. To the extent that the reconciliation identifies reductions in previously allocated amounts, those reductions may result in additional funding availability or reserve capacity within the applicable Section 428 construction, Global A&E, Global E&M, and Section 406 mitigation categories. However, any such availability must be confirmed through the applicable FEMA reconciliation and versioning process.

While certain individual projects may reflect funding increases or potential overruns relative to the Consolidated Project List, other projects may reflect corresponding underruns or reductions. The net effect of these adjustments must be determined by considering the amounts available within each funding category and the status of the corresponding FEMA obligations.

LUMA must therefore reconcile the FEMA-approved amounts with the Consolidated Project List at both the project and funding-category levels and identify how any available balances resulting from such reconciliation may be applied, including whether those balances may offset identified project-level funding increases. Any proposed reallocation or modification remains subject to the Energy Bureau's applicable review and approval requirements.

With respect to confidentiality, LUMA identifies specific portions of Exhibits 1 and 2 containing detailed technical and infrastructure-location information for which it requests protection as Critical Energy Infrastructure Information ("CEII"). The request is limited to the portions identified in the confidentiality table included in Section IV.C of the October 16 Motion. The corresponding redacted versions have been submitted for public review, consistent with the Energy Bureau's applicable confidentiality procedures.

IV. Conclusion and Order

For the foregoing reasons, the Energy Bureau **TAKES NOTICE** and **ACCEPTS** the eleven (11) amended FEMA approvals submitted as Exhibit 1 and the thirteen (13) FEMA approvals submitted as Exhibit 2 to the October 16 Motion, corresponding to the twenty-four (24) T&D Projects identified therein.

The Energy Bureau **CLARIFIES** that the acceptance of the submitted FEMA approvals does not constitute approval of any modification to previously approved project scopes, funding allocations, project status, or the Consolidated Project List. Any proposed modifications remain subject to the Energy Bureau's applicable review and approval requirements.

The Energy Bureau **ORDERS** LUMA to submit, within fifteen (15) calendar days of notification of this Resolution and Order, whether the FEMA-approved amounts currently reflected under each applicable funding category Section 428 construction, Global A&E, and Global E&M represent LUMA's revised estimated project costs for purposes of the Consolidated Project List. LUMA shall further identify and explain the resulting differences by funding category, including the $1,563,346.91 in potential additional reserve capacity identified through the Energy Bureau's review under Section 428 construction, Global A&E, and Global E&M. Such identification shall not constitute approval of any modification to the Consolidated Project List and remains subject to confirmation through the final FEMA-approved project versions and subsequent Energy Bureau review.

Furthermore, LUMA **SHALL IDENTIFY** the net effect of these differences by funding category, including any available balances or additional reserve capacity resulting from reductions in project costs, and explain whether such balances may be used to offset project-level funding increases or otherwise be available for allocation, subject to the Energy Bureau's approval.

The Energy Bureau **GRANTS** LUMA's request for confidential treatment of the portions of Exhibits 1 and 2 identified in Section III of this Resolution and Order 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 agreed on November 17, 2026. I also certify that on November 18, 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 November 18, 2026.

Sonia Seda Gaztambide
Clerk

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO