
United States
Department of Energy

Office of Electricity
Docket No. PP-502

Caribbean Transmission Development Co., LLC



Presidential Permit
No. PP-502

February 4, 2026

Presidential Permit

Caribbean Transmission Development Co., LLC Presidential Permit No. PP-502

I. BACKGROUND

As directed by the Executive Office of the President, the United States Department of Energy (DOE) has the responsibility for implementing Executive Order (E.O.) 10485, as amended by E.O. 12038, which requires the issuance of a Presidential permit for the construction, operation, maintenance, or connection of electric transmission facilities at the United States international border. DOE may issue such a permit if it determines that issuance of the permit is consistent with the public interest and after obtaining favorable recommendations from the Department of State and the Department of War.

On September 14, 2023, the Caribbean Transmission Development Co., LLC (Applicant or CTDC) applied for a Presidential permit to authorize the construction, operation, maintenance, and connection of facilities at the international border between Puerto Rico and the Dominican Republic for its proposed project, Project Hostos.¹ DOE accepted the application on December 22, 2023 (Application or App.) and assigned it docket number PP-502.

The Applicant states that its proposed Project Hostos would include a subsea transmission cable system consisting of “two crosslinked polyethylene (XLPE) HVDC [high-voltage direct current] cable runs, each rated at a voltage of +/-320 kV [kilovolt]” that will be “separately laid, spanning approximately 91 miles (147 kilometers), depending on which route alternative is selected.” App. at 6. The prospective project landfall (transition from nearshore to onshore) is proposed at the municipality of Mayagüez, Puerto Rico. Id. at 9. From the landfall location, the onshore cable route in Puerto Rico would consist of two segments. Id. at 6. The “from landfall to converter station” segment would consist of “two XLPE HVDC cable runs, each rated at a voltage of +/-320 kV,” and the “from converter station to point of interconnection” segment would consist of “two parallel three-phase XLPE HVDC cable runs, each rated at 230 kV[.]” Id. at 7. CTDC’s Project Hostos does not incorporate any overhead transmission lines in Puerto Rico and all transmission lines would be underground or subsea cables. Id. at 6. The Applicant represents that “once the cable is about 20 meters in depth, the subsea transmission cable system would be installed selectively in soft bottom sediments using a burial device and avoid hard bottom or sensitive benthic communities, if possible. To the extent that conditions permit, CTDC would install cable primarily using a jet plow/burial device, which uses high pressure water jets to create a trench. However, the burial strategy would be determined by the selected HVDC cable Original Equipment

¹ On September 26, November 20, and November 27, 2023, CTDC also filed revisions to its Application in response to DOE feedback on its September filing. The references to the Application in this Order reflect the latest revisions submitted by CTDC.

Manufacturer (OEM) and installer.” Id. at 16. The Applicant further represents that “the terrestrial cable would be installed using HDD [horizontal directional drilling] to minimize impacts to potential corals and seagrass habitat.” Id. at 18.

DOE published a Notice of Application in the Federal Register on March 14, 2024 (89 FR 18624) with a 30-day comment period. DOE received, and later granted, one request to intervene by the Caribbean Basin Power Authority (CBPA). DOE received an additional four comments on the Notice. The comments are summarized and addressed in subsection II.C below.

II. DISCUSSION

E.O. 10485, as amended, recognizes the President’s broad discretion in granting Presidential permits and delegates certain responsibilities to the Secretary of Energy, requiring only that the Department find that issuing a permit would be “consistent with the public interest.” In making this determination, DOE generally evaluates a proposed project’s impact on reliability of the U.S. electric grid and weighs any other factors that DOE may consider relevant to the public interest.² When a separate reliability analysis is conducted by an Independent System Operator (ISO)/Regional Transmission Organization (RTO), DOE’s practice has been to review the ISO/RTO’s analysis and determine the project’s impact on reliability.

A. Reliability Analysis

In order to analyze CTDC’s Presidential permit application, DOE reviewed the following: (1) LUMA Energy (LUMA) Interconnection study to determine the effects of connecting CTDC’s Project Hostos to Puerto Rico’s electricity system³ and (2) LUMA’s supplementary study to assess the impact of a sudden loss of the 500 MW injection from the CTDC project on the U.S. electric grid.⁴

LUMA’s interconnection study identified new thermal violations that would occur under contingency conditions as a result of the interconnection of Project Hostos and identified existing thermal violations that would worsen with the interconnection of the Project. LUMA’s voltage analysis identified substations where voltages would fall below the 0.92 per unit (p.u.) threshold due to the interconnection of the Project. However, LUMA did not identify any significant impacts that would require mitigations under normal operating conditions and provides sufficient mitigation measures in various scenarios to the aforementioned system impacts under contingency conditions.

LUMA’s supplementary study identified network upgrades required to address the violations and enable the Project to meet the thermal and voltage planning

² Applications for Presidential permits are not subject to the National Environmental Policy Act (NEPA) 42 U.S.C. 4321 *et seq.* See DOE NEPA Procedures, Section 2.1 (July 2025).

³ LUMA Energy, HVDC Cables Hostos Project, 500MW Injection to Mayaguez 230 kV Transmission Center, November 2024

⁴ LUMA Energy, Hostos High Voltage Direct Current Reserve Capacity Addendum, June 2025.

requirements. These upgrades include the addition of a new 115kV line, reconductoring seven existing transmission lines to higher ratings, and installing two new switched shunt capacitors. LUMA's supplementary study also found that Puerto Rico's electric reserves can respond rapidly to maintain stability in the event of the sudden loss of supply from Project Hostos. The supplementary reserve capacity study did not identify any additional thermal overloads, voltage violations, or reserve capacity needs.

After reviewing the two LUMA studies, DOE has determined that CTDC's Project Hostos would not have a negative impact on the operational reliability of the U.S. electric grid if operated consistent with LUMA's policies and standards and other regulatory and statutory requirements for Puerto Rico's grid, including implementing the necessary network upgrades identified by LUMA and complying with any Minimum Technical Requirements that LUMA may develop for the Project.

B. Concurrences

On November 20, 2025, DOE received a letter from the Department of War (DOW) stating it had no objection to DOE issuing the Presidential permit to CTDC. On November 26, 2025, DOE received a favorable recommendation from the Department of State (DOS) to issue the Presidential permit.

C. Public Comments

As noted above, DOE received one request to intervene and four comments following the March 2024 Notice of application in the *Federal Register*.

Justicia Energética para Puerto Rico, Inc. (JEPR), the Puerto Rico Industrial Manufacturer Association (PRMA), and the Puerto Rico Builders Association (PRBA) commented to express support for CTDC's proposed Project Hostos.

The CBPA submitted a Motion to Protest, Intervene, and to Comment on the Presidential Permit Application PP-502 filed by CTDC. CBPA argues that CTDC's Application and its proposed project would jeopardize the territorial integrity and national security of the United States. Furthermore, CBPA contends the project presents unaddressed national security risks, does not support U.S. foreign policy goals with the Dominican Republic, may alter FERC jurisdictional authorities in Puerto Rico, does not adequately address operational, physical, and cybersecurity consistent with North American Electric Reliability Corporation (NERC) standards, and does not address national security concerns to facilitate compliance with Executive Order 14083. CBPA also contends that CTDC's application makes misstatements, fails to consider alternative solutions, and lacks critical data, particularly regarding foreign ownership and potential influence, as relevant under the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). CBPA's comment highlights its own "Project Freedom," a proposed undersea power cable from the mainland U.S. to Puerto Rico. CBPA urges that its project should be considered as an alternative that would address energy security and economic vitality for Puerto Rico while complying with U.S. standards.

The Coalition for a Reliable and Secure Puerto Rico Grid (the Coalition) expressed opposition to the proposed Project Hostos and argues that it would place Puerto Rico in a vulnerable position by making it dependent on a foreign country for grid restarts after blackouts. The Coalition states that the project would fail to protect Puerto Rico's grid because CTDC would not comply with NERC standards, including those for reliability, open access, and security, including operational, physical, and cybersecurity standards. The Coalition argues that the applicant should provide an explanation as to how it would comply with NERC standards before DOE considers or authorizes international interconnection. Lastly, the Coalition requests that the processing of the Presidential permit be delayed until CTDC obtains the necessary FERC disclaimer of jurisdiction.

In its authority as delegated by the President, DOE, along with the DOW and the DOS, evaluated the public comments and the issues raised therein and conclude that CTDC project would not have a negative impact on the national security of the United States or present potential national security risks to the operational reliability of the U.S. electric grid.

III. FINDINGS AND DECISION

Based on its review of CTDC's Application, LUMA's reliability analysis, and considering all relevant factors, DOE determined that Project Hostos would not have a negative impact on the reliability of the U.S. electric grid if operated consistently with LUMA's policies and standards, terms and conditions of the Presidential permit, and other regulatory and statutory requirements.

Based on DOE's reliability determination and recommendations of the Department of State and Department of War, and the public comment process, DOE determines that the issuance of a Presidential permit to CTDC is consistent with the public interest.

IV. DATA COLLECTION AND REPORTING

The responsibility for the data collection and reporting under Presidential Permits authorization electric transmission facilities at the United States international border and orders authorizing electricity exports to a foreign country currently rests with the U.S. Energy Information Administration (EIA) within DOE. The Applicant is instructed to follow EIA instructions in completing this data exchange. Questions regarding the data collection and reporting requirements can be directed to EIA by email at EIA4USA@eia.gov or by phone at 1-855-342-4872.

V. OPEN ACCESS POLICY

DOE expects owners and operators of border facilities to provide access across the border in accordance with the principles of comparable open access and non-

discrimination contained in the FPA and articulated in FERC Order No. 888, *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities*, as amended.⁵ The actual rates, terms and conditions of transmission service should be consistent with the non-discrimination principles of the FPA.

The holder of this Presidential permit is required to conduct operations in accordance with the applicable principles of the FPA and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, which include the comparable open access provisions of FERC Order No. 888, as amended. Cross-border electric trade ought to be subject to the same principles of comparable open access and non-discrimination that apply to transmission in interstate commerce. *See Enron Power Mktg., Inc. v. El Paso Elec. Co.*, 77 FERC ¶ 61,013 (1996), *reh'g denied*, 83 FERC ¶ 61,213 (1998)). Thus, DOE expects owners of border facilities to comply with the same principles of comparable open access and non-discrimination that apply to the domestic, interstate transmission of electricity.

VI. ORDER

Pursuant to the provisions of E.O. 10485, as amended by E.O. 12038, permission is granted to CTDC to operate and maintain electric transmission facilities between Puerto Rico and Dominican Republic, as further described in Article 2 below, upon the following conditions:

Article 1. The facilities herein described shall be subject to all conditions, provisions, and requirements of this Permit. This Permit may be modified or revoked by the President of the United States without notice, or by DOE after public notice, and may be amended by DOE after proper application thereto.

Article 2. The facilities covered by and subject to this Permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities:

Two 320-kV high voltage direct current underwater cables crossing the United States-claimed exclusive economic zone (EEZ) boundary at latitude 18.4127°N, longitude 68.0783°W.

The Project Hostos facilities are more specifically shown and described in CTDC's Application.

⁵ 61 Fed. Reg. 21,540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996), *order on reh'g*, Order No. 888-A, 62 Fed. Reg. 12,274 (Mar. 14, 1997), FERC Stats. & Regs. ¶ 31,048 (1997), *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000) (*TAPS v. FERC*), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

Article 3. The facilities described in Article 2 above, shall be designed and operated in accordance with all policies and standards of LUMA, or their successors, as appropriate, on such terms as expressed therein and as such criteria, standards, and guides may be amended from time to time. The facilities shall also be operated consistent with other regulatory and statutory requirements, such as the findings of LUMA's Interconnection study and supplemental study, and the maximum non-simultaneous rate of transmission over the permitted facilities shall not exceed 500 MWs. The upgrades identified by LUMA in the supplemental study as necessary for interconnection and operation of the facilities must also be completed prior to energizing the facility.

Additionally, DOE expects owners of border facilities to comply with the same principles of comparable open access and non-discrimination that apply to the domestic, interstate transmission of electricity and thus, the holder of this Presidential permit is required to conduct operations in accordance with the applicable principles of the FPA and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, which include the comparable open access provisions of FERC Order No. 888, as amended.

Furthermore, any exports of electric energy across the facilities described in Article 2 shall require an electricity export authorization pursuant to section 202(e) of the Federal Power Act.

Article 4. No change shall be made in the facilities covered by this Permit or in the authorized operation or connection of these facilities unless such change has been approved by DOE.

Article 5. CTDC shall at all times maintain the facilities covered by this Permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6. The operation and maintenance of the facilities covered by this Permit shall be subject to the inspection and approval of a designated representative of DOE, who shall be an authorized representative of the United States for such purposes. CTDC shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through and across any lands occupied by these facilities in the performance of their duties.

Article 7. CTDC shall investigate any complaints from nearby receptors of radio or television interference identifiably caused by the operation of the facilities covered by this Permit. CTDC shall take appropriate action as necessary to mitigate such situations. CTDC shall maintain written records of all complaints received and of the corrective actions taken.

Article 8. The United States shall not be responsible or liable for damages of any kind which may arise from or be incident to the exercise of the privileges granted herein. CTDC shall hold the United States harmless from any and all such claims.

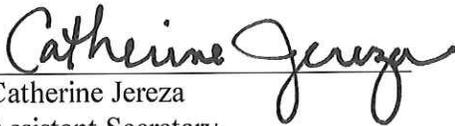
Article 9. CTDC shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between the United States and the Dominican Republic over the facilities authorized herein. CTDC shall make and preserve full and complete records with respect to the electric energy transactions between the Dominican Republic to Puerto Rico. CTDC shall collect and submit the data to EIA as required by and in accordance with the procedures of Form EIA-111, "Quarterly Electricity Imports and Exports Report" and all successor forms.

Article 10. Neither this Permit nor the facilities covered by this Permit, or any part thereof, shall be transferable or assignable, unless specifically authorized by DOE.

Article 11. Upon the termination, revocation or surrender of this Permit, the permitted facilities which are owned, operated, maintained, and connected by CTDC and described in Article 2 of this Permit, shall be removed and the seabed restored to its original condition within such time as DOE may specify and at the expense of CTDC. If CTDC fails to remove such facilities and/or any portion thereof authorized by this Permit, DOE may direct that such actions be taken for the removal of the facilities or the restoration of the seabed associated with the facilities at the expense of CTDC. CTDC shall have no claim for damages by reason of such possession, removal or repair. However, if certain facilities authorized herein are useful for other utility operations within the bounds of the United States, DOE may not require that those facilities be removed, and the seabed restored to its original condition upon termination of the international interconnection.

Article 12. CTDC has a continuing obligation to give DOE written notification as soon as practicable of any prospective or actual changes of a substantive nature in the circumstances upon which this Presidential Permit was based, including but not limited to changes in authorized entity contact information.

Issued in Washington, D.C. on February 4, 2026 .


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U.S. Department of Energy