GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU

IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Motion to Submit Presentation of the PREPA Generation and HoldCo FY23 Budget

MOTION TO SUBMIT PRESENTATION OF THE PREPA GENERATION AND HOLDCO FY23 BUDGET

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority (PREPA), through its counsel of record, and respectfully submits and prays as follows:

1. After several procedural events, on August 25, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a *Resolution and Order* ("August 25 Order") amending the procedural calendar followed in the case of caption and scheduling a virtual technical conference that would be held on September 13, 2022 ("September 13 Technical Conference") and during which PREPA and LUMA Energy, LLC ("LUMA") were to discuss the proposed FY2023 Annual Budgets.

2. PREPA and LUMA appeared at the virtual September 13 Technical Conference. During the Energy Bureau's opening statement, it was stated that the parties would not be allowed to make presentations or opening remarks. This was the first time that PREPA was put on notice of the decision. The Energy Bureau questioned LUMA about the proposed FY23 Annual Budgets and there was not enough time left to go over the Generation and HoldCo budgets, which are PREPA's responsibility. After several procedural events, per the *Resolution and Order* entered on September

20, 2022, the continuation of the September 23 Technical Conference will take place on October 18, 2022 ("October 18 Technical Conference").

3. As it is customary for the virtual technical conferences to which PREPA appears before the Energy Bureau, PREPA had already put together a presentation for the September 13 Technical Conference in which it discussed the FY2023 Annual Budgets. The presentation was intended as a guide to lead the discussion of the budgets and the rationale behind the allocations that PREPA made. However, if the Energy Bureau maintains its determination not to allow the projection of presentations during the FY23 Annual Budget technical conferences, PREPA understands that its presentation is a tool that will aid the Energy Bureau's evaluation of the Generation and HoldCo FY23 Budgets, even if it not used during the technical conferences. The presentation titled *PREB Technical Conference FOMB Certified FY2023 Budget October 18, 2022* is attached as Annex A to this motion.

WHEREFORE, it is respectfully requested that the Energy Bureau take notice and accepts the presentation titled *PREB Technical Conference FOMB Certified FY2023 Budget October 18, 2022* presented as Annex A to this motion.

RESPECTFULLY SUBMITTED.

In San Juan Puerto Rico, this 17th day of October 2022.

s/ Katiuska Bolaños-Lugo
Katiuska Bolaños-Lugo
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CERTIFICATE OF SERVICE

It is hereby certified that I have filed the foregoing with the Clerk of the Energy Bureau using the electronic filing system and also that I have served a copy to Margarita Mercado Echegaray, margarita.mercado@us.dlapiper.com.

In San Juan Puerto Rico, this 17th day of October 2022.

s/ Katiuska Bolaños-Lugo
Katiuska Bolaños-Lugo

Annex A

Puerto Rico
Electric Power
Authority

Puerto Rico Electric Power Authority (PREPA)

PREB Technical Conference
FOMB Certified FY2023 Budget
October 18, 2022

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Future events and actual results may differ materially from any estimates, projections, or statements contained herein. Nothing in this document should be considered as an express or implied commitment to do or take, or to refrain from taking, any action by PREPA, the Government, or any government instrumentality in the Government or an admission of any fact or future event. Nothing in this document shall be considered a solicitation, recommendation or advice to any person to participate, pursue or support a particular course of action or transaction, to purchase or sell any security, or to make any investment decision. By receiving this document, the recipient shall be deemed to have acknowledged and agreed to the terms of these limitations. This document may contain capitalized terms that are not defined herein or may contain terms that are discussed in other documents or that are commonly understood. You should make no assumptions about the meaning of capitalized terms that are not defined, and you should refer questions to PREPA should clarification be required.

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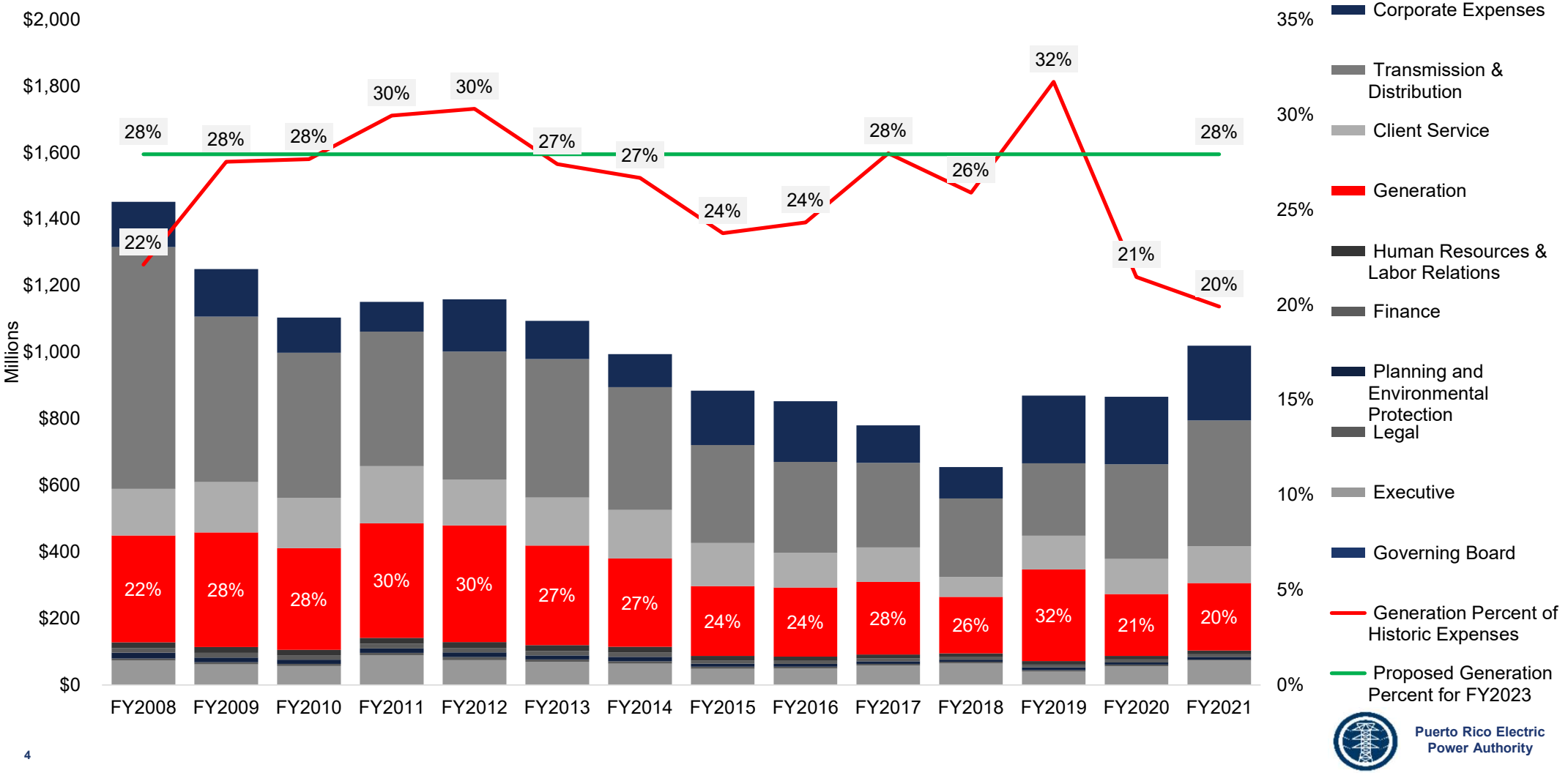
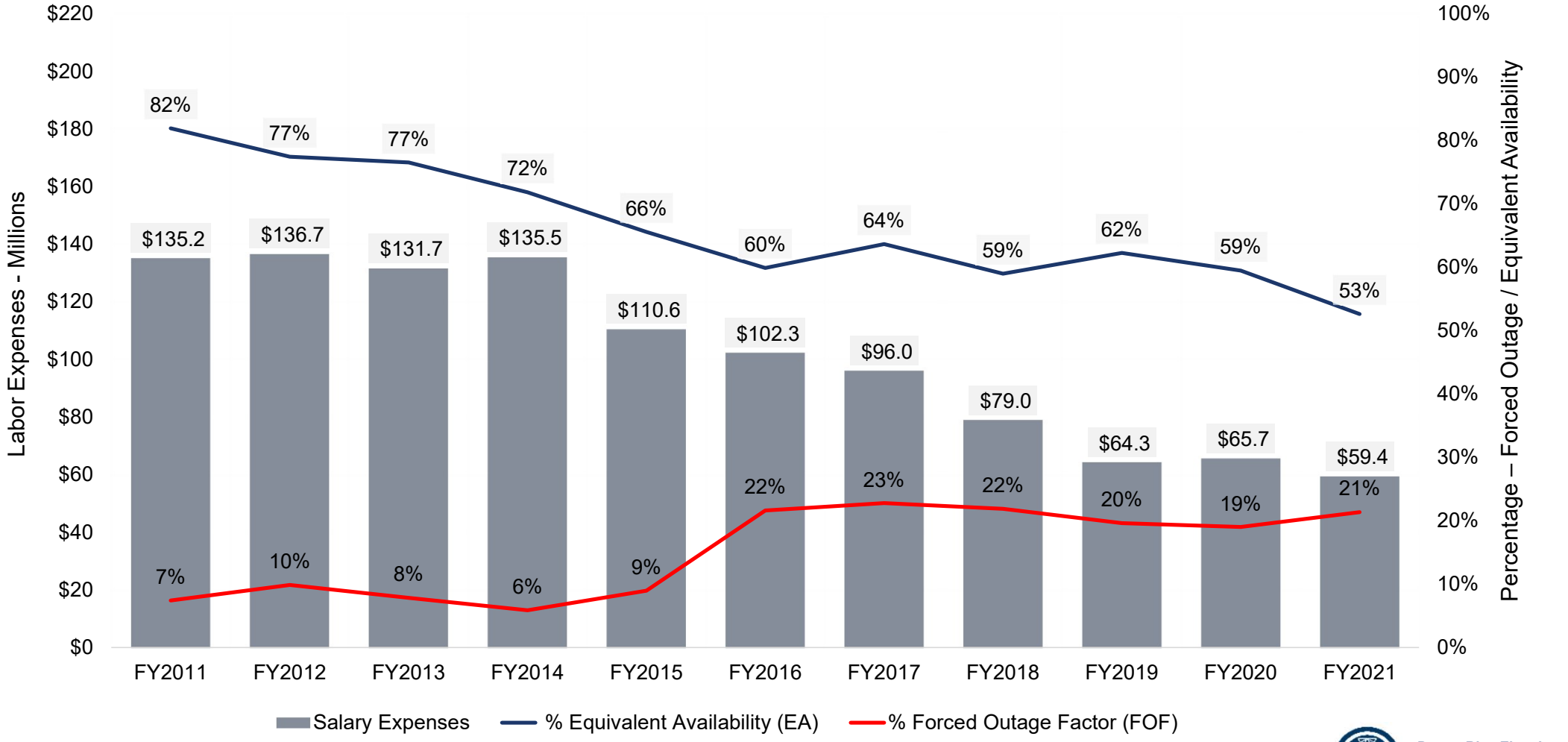
FOMB Certified FY2023 Generation Budget

Generation Expenditures as % of Total Spend



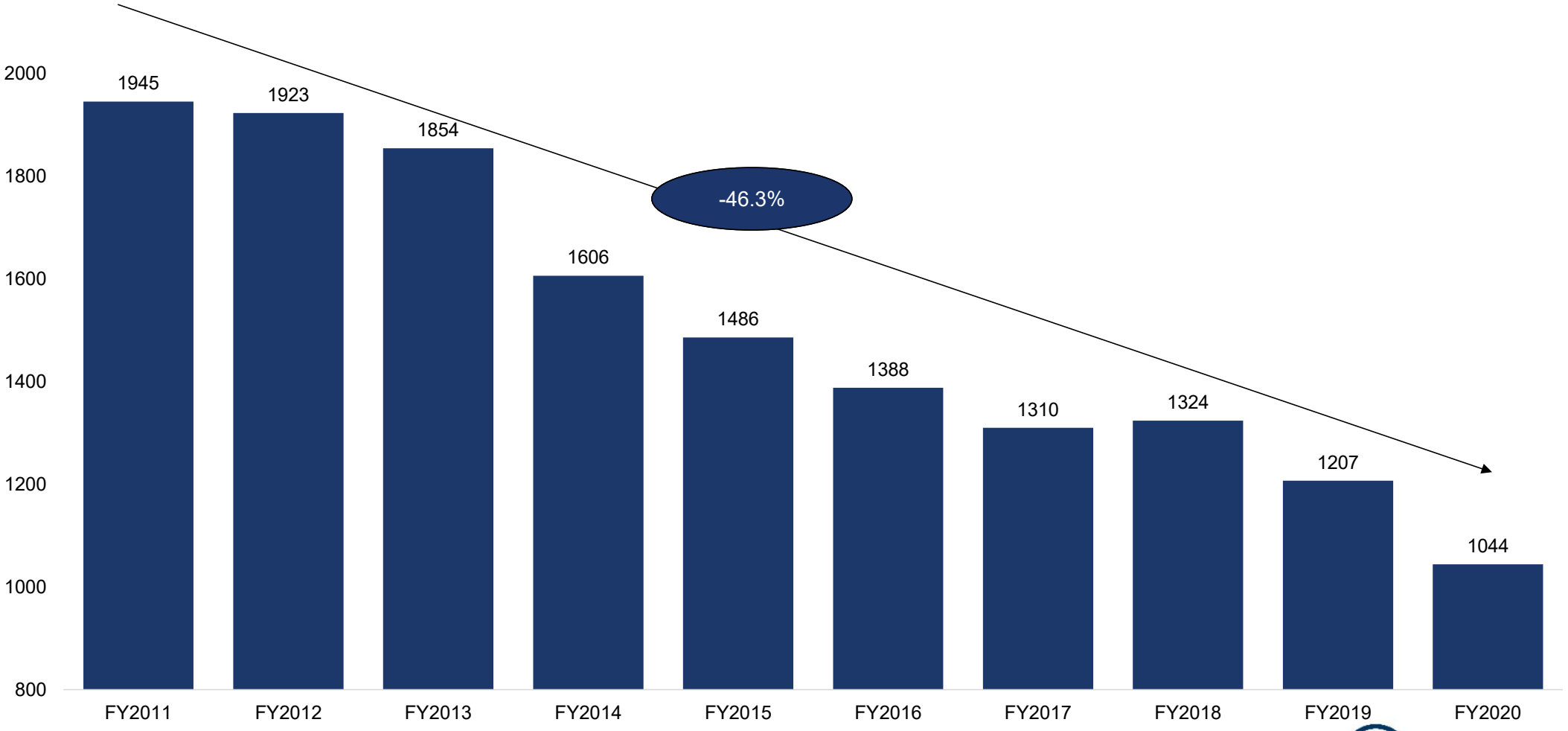
Puerto Rico Electric Power Authority

Generation Labor Expenses versus Plant Performance



Puerto Rico Electric Power Authority

Generation Directorate Annual Headcount

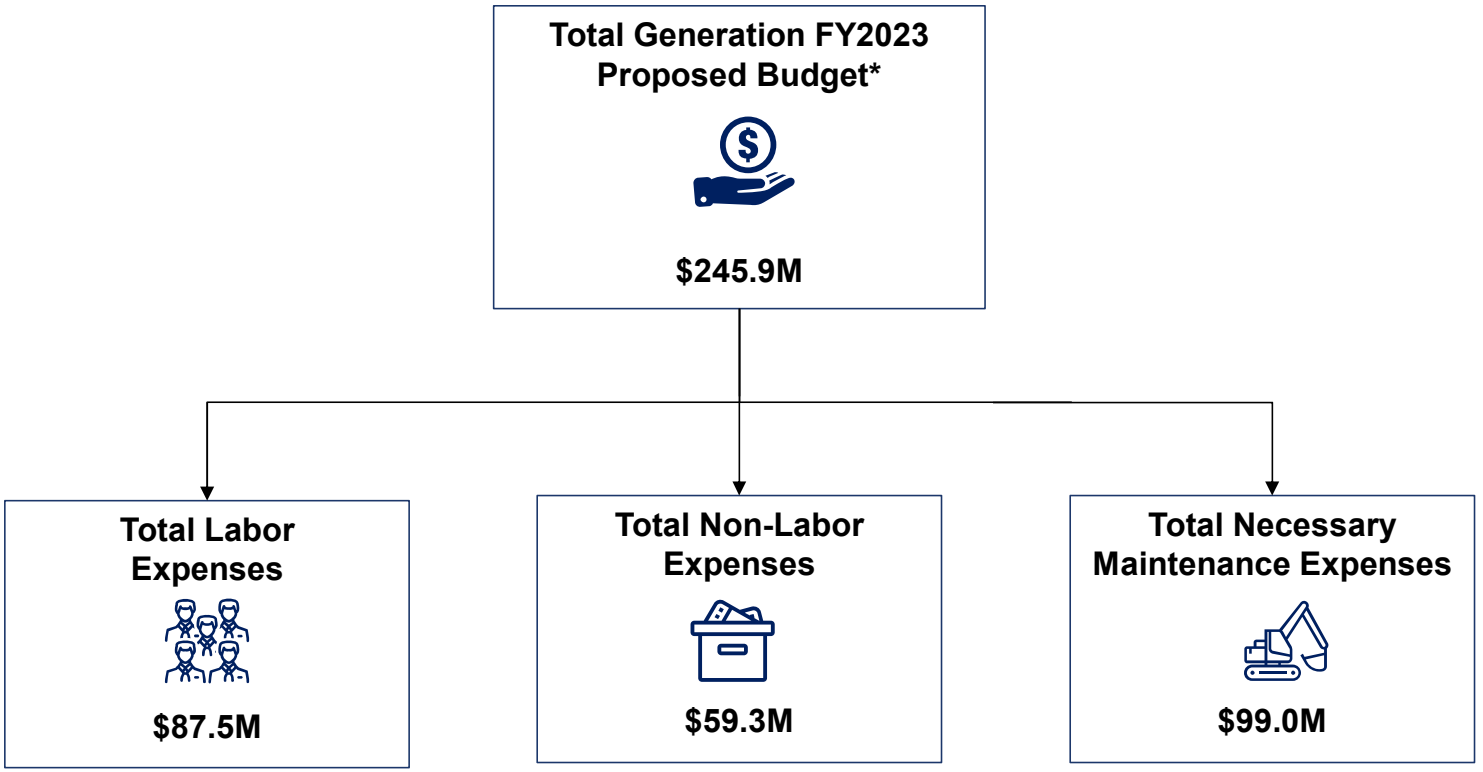


Note that resignations and retirements have increased considerably since 2019.

Puerto Rico Electric Power Authority

FOMB Certified FY2023 Generation Budget Overview

FY2023 Budget Expenditures for Generation have three major components:
1) Labor Expenses, 2) Non-Labor Expenses, and 3) Necessary Maintenance Expenses



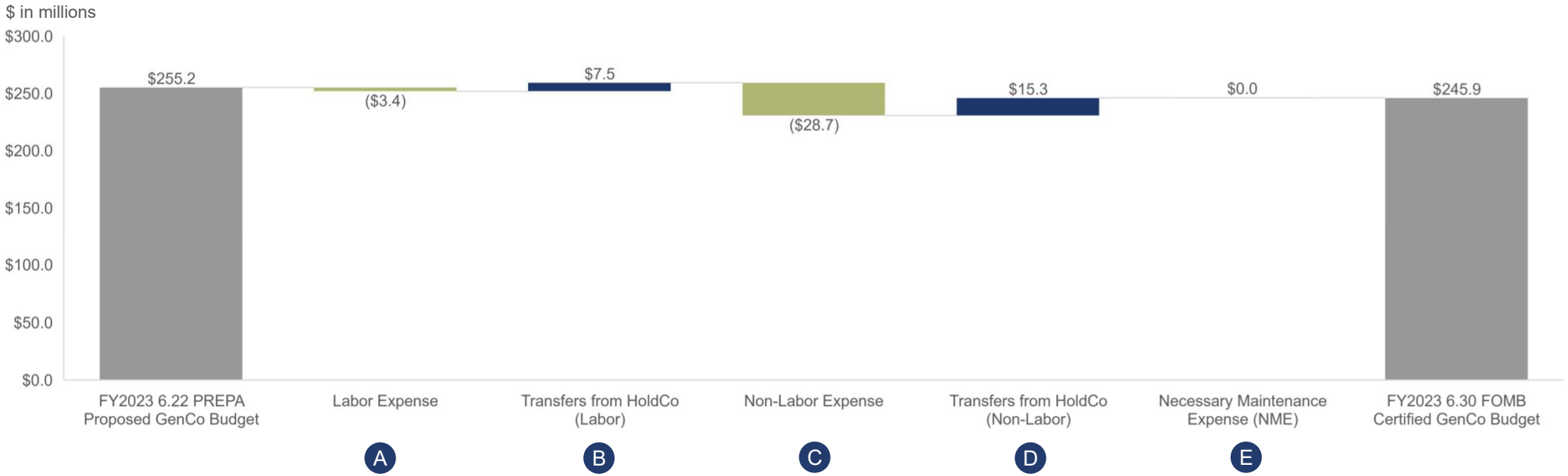
* Before considering fuel costs for PREPA plants and before considering Shared Services costs intended to cover administrative support and other functions (currently performed by LUMA and historically performed by non-Generation PREPA directorates) for the benefit of the Generation directorate

Puerto Rico Electric Power Authority

FY2023 Generation Budget Development Overview

- PREPA utilizes a budgeting tool called Budget Online in which, as part of a bottoms-up process, users at the plant level enter budget requests to address expected needs in FY2023.
- The Generation Directorate's Budgeting Department scrutinizes budget requests by reviewing historical operational data, considering expected FY2023 performance, and discussing each request with respective plant managers.
- Once the preliminary review and due diligence is complete, the Generation Directorate's Budgeting Department develops budgeting reports by Responsibility and Division.
- These budgeting reports allow PREPA's Finance Directorate to review and analyze budget requests, taking into account expected revenues for the upcoming fiscal year.
- After an interactive process between the Generation and Finance Directorate, a recommended budget is presented to Executive Management for review, comment and finalization.
- The budget was presented and discussed with the FOMB, P3A, and LUMA, and revised and resubmitted by PREPA based on comments and feedback received.
- The final budget proposed and submitted by PREPA was then revised and adjusted by FOMB

PREPA Proposed vs. FOMB Certified Generation Budget Bridge



- **A** Represents FOMB rejection of $1.8MM in proposed salary increases and reduction of proposed overtime pay and benefits of roughly $1.6 million.
- **B** Represents FOMB transfer from HoldCo budget to GenCo budget of 85% of PREPA requested amounts for Finance, HR and Admin Directorates.
- **C** Represents top-down adjustments by FOMB to reduce GenCo budget to levels consistent with historical average actual expenditures.
- **D** Represents transfers from HoldCo of Legal Services ($7.4MM) and Regulation and Environmental Inspection ($8.0MM) line-items.
- **E** No change.

Note: Excludes Generation expenses related to Shared Services costs provided by LUMA and Fuel and Purchased Power expenses.

PREPA Proposed vs. FOMB Certified Generation Budget Detail

($-thousands)	6.22 FY23 PREPA Proposed Budget	6.30 FY23 FOMB Certified Budget	PREPA-FOMB $-Variance	PREPA-FOMB %-Variance
Genco:				
GenCo Labor Operating				
Salaries & Wages	$ 42,680	$ 45,511	$ 2,831	7%
Pension & Benefits	26,204	28,904	2,700	10%
Overtime Pay	13,061	11,733	(1,328)	-10%
Overtime Benefits	1,567	1,395	(172)	-11%
Total, Labor Operating Expenses	**$ 83,512**	**$ 87,543**	**$ 4,031**	**5%**
GenCo Non-Labor / Other Operating				
Materials & Supplies	$ 23,123	$ 19,795	$ (3,329)	-14%
Transportation, Per Diem & Mileage	1,527	1,527	-	0%
Security	11,527	9,043	(2,484)	-22%
Utilities & Rents	5,573	3,623	(1,951)	-35%
Professional & Technical Outsourced Services	6,333	2,392	(3,941)	-62%
Other Miscellaneous Expenses	24,542	7,565	(16,977)	-69%
Sub-Total, Non-Labor Operating Expenses	**$ 72,626**	**$ 43,944**	**$ (28,682)**	**-39%**
Legal Services	$ -	$ 7,405	$ 7,405	N/A
Regulation and Environmental Inspection	-	7,945	7,945	N/A
Total, Non-Labor / Other Operating	**$ 72,626**	**$ 59,294**	**$ (13,332)**	**-18%**
Maintenance Projects Expense (NME)	99,039	99,039	-	0%
Total Genco Operating & Maintenance[1]	**$ 255,177**	**$ 245,876**	**$ (9,301)**	**-4%**
Memo: Total GenCo O&M excluding FOMB Transfers				
HoldCo Transfers	-	(22,819)	(22,819)	N/A
Total GenCo O&M excluding FOMB Transfers	***$ 255,177***	***$ 223,057***	***$ (32,120)***	***-14%***

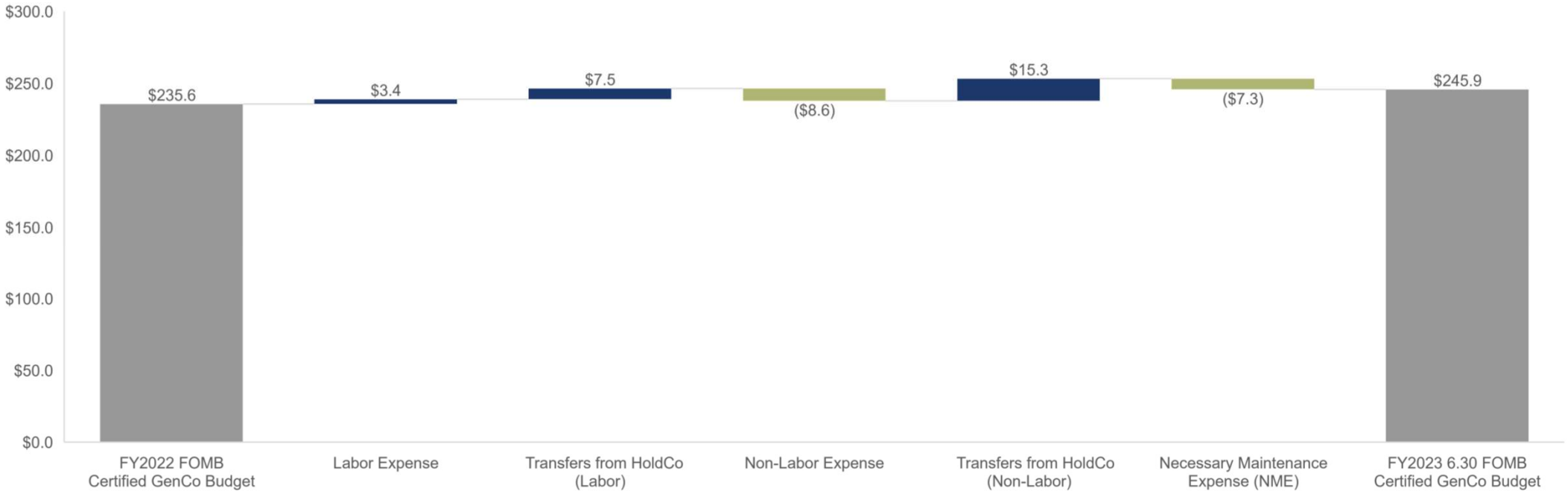
Notes:
1. Excludes Generation expenses related to Shared Services costs provided by LUMA and Fuel and Purchased Power expenses.

Management Notes

- **GenCo Labor Operating Budgeted Expenses:**
  - The primary drivers of Labor Operating expenses include (i) transfers from HoldCo of 85% of PREPA requested amounts for Finance, HR and Admin Directorates and (ii) FOMB rejection of $1.8MM in proposed salary increases and reduction of proposed overtime pay and benefits, resulting in an overall net increase of 5%
- **GenCo Non-Labor / Other Operating Budgeted Expenses:**
  - The primary drivers of the Non-Labor Operating expenses are top-down adjustments by the FOMB in an effort to bring expenses in line with historical averages, resulting in a net decrease of 39%
- **GenCo Non-Labor / Other Operating Budgeted Expenses – Transferred from HoldCo:**
  - The primary drivers of the Non-Labor Operating expenses transferred from HoldCo include the transfer of the Legal Services ($7.4MM) and Regulation and Environmental Inspection ($8.0MM), resulting in a net increase.

Generation Budget Bridge Summary – FY2022 versus FY2023

$ in millions



The FOMB approved GenCo budget for FY2023 represents a $10.3MM increases from FY2022, however, embedded in that amount is $22.8MM of cost transfers from HoldCo (Finance, HR and Admin Directorate labor costs, Legal Services costs, and Regulation and Environmental Inspection costs). Exclusive of these transfers the FOMB approved GenCo budget for FY2023 represents a $12.6MM decrease from FY2022.

Note: Excludes Generation expenses related to Shared Services costs provided by LUMA and Fuel and Purchased Power expenses.

Generation Budget Bridge Detail – FY2022 versus FY2023

($-thousands)	7.1 FY22 FOMB Certified Budget	6.30 FY23 FOMB Certified Budget	FY23-FY22 $-Variance	FY23-FY22 %-Variance
Genco:				
GenCo Labor Operating				
Salaries & Wages	$ 33,180	$ 45,511	$ 12,332	37%
Pension & Benefits	31,856	28,904	(2,952)	-9%
Overtime Pay	10,490	11,733	1,243	12%
Overtime Benefits	1,185	1,395	210	18%
Total, Labor Operating Expenses	**$ 76,711**	**$ 87,543**	**$ 10,832**	**14%**
GenCo Non-Labor / Other Operating				
Materials & Supplies	$ 18,000	$ 19,795	$ 1,795	10%
Transportation, Per Diem & Mileage	1,500	1,527	27	2%
Security	10,444	9,043	(1,402)	-13%
Utilities & Rents	5,568	3,623	(1,946)	-35%
Professional & Technical Outsourced Services	5,000	2,392	(2,608)	-52%
Other Miscellaneous Expenses	12,000	7,565	(4,435)	-37%
Sub-Total, Non-Labor Operating Expenses	**$ 52,513**	**$ 43,944**	**$ (8,568)**	**-16%**
Legal Services	$ -	$ 7,405	$ 7,405	N/A
Regulation and Environmental Inspection	-	7,945	7,945	N/A
Total, Non-Labor / Other Operating	**$ 52,513**	**$ 59,294**	**$ 6,781**	**13%**
Maintenance Projects Expense (NME)	106,389	99,039	(7,350)	-7%
Total Genco Operating & Maintenance[1]	**$ 235,612**	**$ 245,876**	**$ 10,264**	**4%**
Memo: Total GenCo O&M excluding FOMB Transfers				
HoldCo Transfers	-	(22,819)	(22,819)	N/A
Total GenCo O&M excluding FOMB Transfers	***$ 235,612***	***$ 223,057***	***$ (12,555)***	***-5%***

Notes:
1. Excludes Generation expenses related to Shared Services costs provided by LUMA and Fuel and Purchased Power expenses.

Management Notes

- **GenCo Labor Operating Budgeted Expenses:**
  - The primary driver of the Labor Operating expenses include transfers from HoldCo of 85% of PREPA requested amounts for Finance, HR and Admin Directorates, resulting in a net increase of 14%
- **GenCo Non-Labor / Other Operating Budgeted Expenses:**
  - The primary driver of the Non-Labor Operating expenses include top-down adjustments by FOMB in effort to bring expenses in line with historical averages, resulting in a net decrease of 16%
- **GenCo Non-Labor / Other Operating Budgeted Expenses – Transferred from HoldCo:**
  - The primary drivers of the Non-Labor Operating expenses transferred from HoldCo included the addition of the Legal Services ($7.4MM) and Regulation and Environmental Inspection ($8.0MM) categories, resulting in a net increase

Generation Labor Expense (FOMB Certified Budget)

($'s in thousands)	Headcount	Salaries & Wages	Pension & Benefits	Overtime Pay	Overtime Benefits	Total
Generation Admin & General	125	$4,608	$2,968	$805	$96	$8,477
Aguirre Combined Cycle	79	3,346	2,161	814	97	6,418
Cambalache	38	1,581	1,016	444	53	3,094
Hydroelectric	23	827	531	112	13	1,483
Peakers	96	3,491	2,240	886	106	6,723
Mayaguez	16	662	427	149	18	1,256
Aguirre Steam	152	6,016	3,849	2,600	310	12,774
San Juan Cc & Steam	152	5,960	3,791	1,817	217	11,785
Costa Sur Steam	194	7,393	4,736	2,243	267	14,639
Palo Seco Steam	160	6,473	4,138	1,597	190	12,399
Other Labor Operating Expenses	17	653	348	26	3	1,030
Sub-Total	**1052**	**$41,010**	**$26,204**	**$11,493**	**$1,370**	**$80,078**
Transfers from HoldCo[1]	97	4,501	2,700	239	25	7,465
Total	**1149[2]**	**$45,511[3]**	**$28,904**	**$11,733**	**$1,395**	**$87,543**

Management Notes

1. Transfers from HoldCo to GenCo were made by the FOMB on top-down basis. On August 30, 2022, PREPA sent a letter to the FOMB requesting that the transfers be reconsidered. As of the date of this presentation, PREPA has not received a response.
2. PREPA is currently facing an ongoing shortage of key operational personnel and a high proportion of key personnel eligible for retirement – PREPA's leadership is acutely focused on ensuring the utility can retain and hire the necessary employees to responsibly operate the legacy generation units.
3. The final FOMB certified budget for FY2023 did not include salary increases that PREPA proposed to retain key employees and included reductions to overtime, but it does not include the full roster of operational employees requested.

The labor force shortfall has (i) forced PREPA's few specialized employees to regularly work 16-24 hour shifts to operate generating units and (ii) pushed PREPA to limit the available generating capacity of certain units.

Generation Non-Labor Expense (FOMB Certified Budget)

($'s in thousands)	Security	Legal Services[1]	Regulation and Environmental[1]	Materials	Transportation / Diets and Mileage	Division Expenses[2]	Total
Generation Admin & General	$9,043	-	-	$920	$213	$5,075	$15,251
Aguirre Combined Cycle	-	-	-	526	96	87	709
Cambalache	-	-	-	694	76	493	1,264
Hydroelectric	-	-	-	300	54	52	406
Peakers	-	-	-	1,745	231	246	2,222
Mayaguez	-	-	-	590	52	251	893
Aguirre Steam	-	-	-	2,562	217	614	3,393
San Juan Cc & Steam	-	-	-	6,368	102	2,412	8,882
Costa Sur Steam	-	-	-	3,340	351	2,354	6,046
Palo Seco Steam	-	-	-	2,749	133	1,996	4,878
Sub-Total	**$9,043**	**$0**	**$0**	**$19,795**	**$1,527**	**$13,580**	**$43,944**
Transfers from HoldCo	-	7,405	7,945	-	-	-	15,350
Total	**$9,043**	**$7,405**	**$7,945**	**$19,795**	**$1,527**	**$13,580**	**$59,294**

Management Notes

- Category includes the purchase of non-capitalizable services, equipment and tools and materials that are essential and critical to carry out technical activities, including maintenance and repairs.
- These expenses are essential to ensure safe and reliable operation and maintenance of the generating units that make up the legacy generation fleet, and to meet the energy dispatch and load reserve requirements required during hours of regular and peak demand, as well as the hurricane season.
- PREPA management believes that the FOMB's reductions totaling $13.3MM (18%) to PREPA's proposed budgets expenses in this category leave PREPA with very limited and potentially insufficient funding to prevent generation loss situations and to comply with the planned maintenance and repair program for generation assets.
- The reduction in the Materials & Supplies and Other Miscellaneous Expenses categories may reduce PREPA's ability to comply with the Certified Fiscal Plan, which requires implementation of an effective maintenance program, including preventative and proactive programs.

Notes:
1. Reflects costs reallocated by the FOMB from HoldCo to GenCo.
2. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.

HoldCo Expenses Reallocation to Generation (FOMB Transfers)

HoldCo Expense Transfer *($'s in thousands)*

Summary of Expenses Transferred from HoldCo to GenCo

	FY2023 ($)
Labor	**$7,469**
Non-Labor	**$15,350**
Legal Services	7,405
Regulation and Environmental Inspection	7,945
Total HoldCo Expense Transfer	**$22,819**

- Labor Operating Expenses: 85% of PREPA-proposed amount for HoldCo Finance, HR and Admin Directorates; includes salaries & wages, pension & benefits, overtime pay and overtime benefits.
- Non-Labor Operating Expenses: Re-classified to GenCo.

Generation Administrative & General

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$8,373**	**$15,943**	***$7,570***	***90.4%***
Non-Labor	**$18,818**	**$30,601**	***$11,782***	***62.6%***
Materials (Parts & Equip.)	646	920	*274*	*42.3%*
Transportation / Mileage	213	213	*1*	*0.3%*
Division Expenses[1]	7,515	5,075	*(2,440)*	*-32.5%*
Total A&G Budget Expense	**$27,191**	**$46,544**	***$19,352***	***71.2%***

- **Division Expenses** includes
  - Specialized professional and technical services contracts for the maintenance and repair of the control systems of power plants.
  - Equipment vibration monitoring and data collection professional services contract for all the main power plants.
  - Engineering and technical services contracts for condition assessment and preventative maintenance.
  - Training Center Expenses – including a catalog of courses has 112 trainings and 9 Technical Degrees
    - Accredited by the Puerto Rico Board of Education and our courses are validated as continuing education by the College of Engineers and Surveyors of Puerto Rico, the College of Electrical Experts of Puerto Rico and the College of Chemists of Puerto Rico.
    - Compliance training with: Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA), United States Coast Guard (USCG), Department of Homeland Security (DHS), Environmental Quality Board (DRNA-JCA), National Electrical Code (NEC), American Society of Mechanical Engineers (ASME), among others.

Notes:
1. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.

Generation Necessary Maintenance Expense

Breakdown by Division

($ in thousands)

Division	FY2023 Budget	Project Count	Power Plant	FY2023 Budget	Project Count
San Juan Complex	$32,725	12	San Juan Combined Cycle Power Plant	$19,550	6
			San Juan Complex	$12,375	5
			San Juan Steam Plant	$800	1
Hydrogas and Cambalache Power Plants	$18,275	19	Cambalache	$3,200	3
			Culebra Power Station	$20	1
			Frame 5000 Gas Turbine Units	$400	1
			General	$50	1
			Hydroelectric Units	$3,500	3
			Hydrogas Gas Turbine Peakers	$3,400	2
			Jobos Power Station	$300	1
			Mayaguez	$7,050	3
			Palo Seco Power Station	$275	2
			Vieques Power Station	$80	2
Generation	$22,540	14	All Power Plants	$22,540	14
Aguirre Complex	$12,150	8	Aguirre Combined Cycle	$1,800	2
			Aguirre Power Plant	$10,350	6
Costa Sur	$4,740	5	Costa Sur Steam Plant	$4,740	5
IT	$6,000	3	IT	$6,000	3
Facilities	$2,609	3	Facilities	$2,609	3
Total	**$99,039**	**21**	**Total**	**$99,039**	**64**

Management Notes

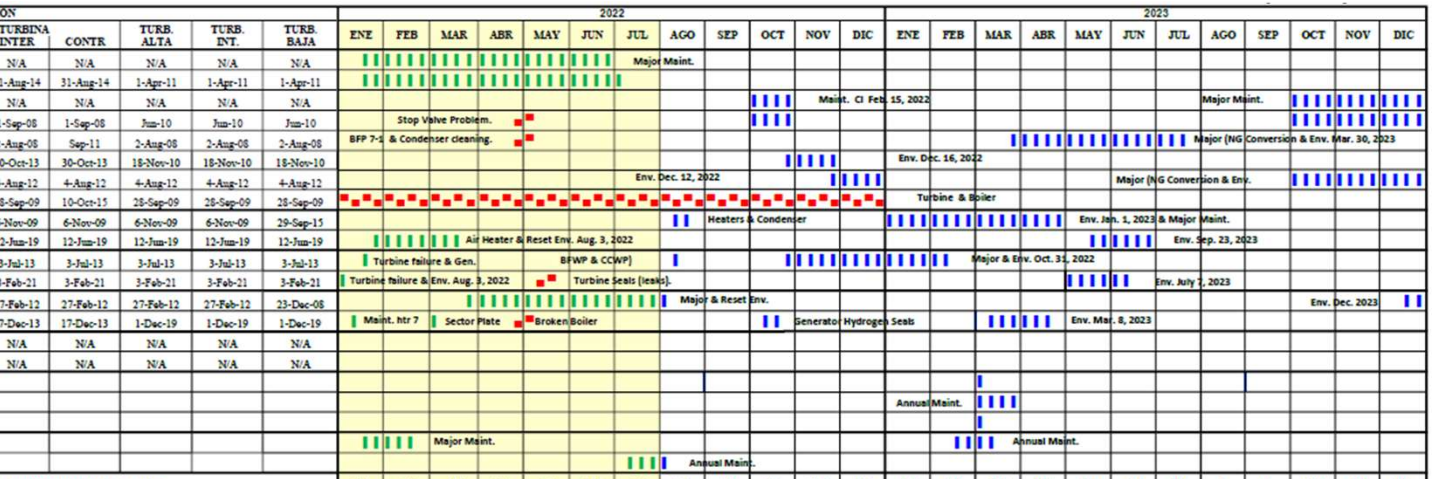
- The proposed FY2023 Generation NME Budget is composed primarily of repair related costs for critical generation plant infrastructure. The projects included in PREPA's final proposal were prioritized and selected with the strategic objective of preventing further performance degradation and improving reliability and available capacity while a private operator is selected and onboarded, and new generation capacity is contracted, built and integrated into the electric grid.
- The proposed FY2023 Generation NME Budget was prepared by means of a needs-based approach to come within the revenue allocation proposed by PREPA.[1] Plant managers and technical teams were involved throughout the budget proposal development to ensure a robust screening and selection process with the following overarching objectives:
  - Complete PREPA's ongoing legacy generating units' repair schedule, including hydrogas, steam, gas and combustion turbines, that started in FY2022 and are expected to conclude in FY2023.
  - Support the resilience of the electric power system by facilitating power restoration to customers after major events or disturbances, especially critical loads like health and safety installations.
  - Increase the reliability of the generation units and, thus, improving the reliability and safety of the electrical system, maintaining the quality of life of the customers.

Notes:

1. The Proposed FY2023 NME Budget is not sufficient to address all expected needs and priorities that are deemed necessary. As explained in PREPA's generation budget letter to LUMA on April 1, 2022, "PREPA will be looking for other ways to fund important and strategic maintenance and reconstruction works germane to the legacy plants".

GenCo Maintenance Schedule

UNID.	CAP MV	FECHA DE LA ULTIMA CONSERVACIÓN											
		CALDERA/CT			LIM. PROX. AMB.	GEN	VALVULAS DE TURBINA				TURB. ALTA	TURB. INT.	TURB. BAJA
		MANT.	INSP. *	L.Q.			PRINC	RECAL	INTER	CONTR			
SJ CT 5	160	31-Aug-14	5-Feb-15	N/A	N/A	1-Jun-14	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SJ Vap 5	60	N/A	N/A	N/A	N/A	31-Aug-14	31-Aug-14	31-Aug-14	31-Aug-14	31-Aug-14	1-Apr-11	1-Apr-11	1-Apr-11
SJ CT 6	160	7-Sep-13	5-Feb-15	N/A	N/A	1-Feb-16	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SJ Vap 6	60	N/A	N/A	N/A	N/A	7-Jun-13	1-Sep-08	1-Sep-08	1-Sep-08	1-Sep-08	Jun-10	Jun-10	Jun-10
SJ 7	100	02-Aug-08	05-Feb-15	01-Mar-13	30-Mar-23	2-Aug-08	2-Aug-08	2-Aug-08	2-Aug-08	Sep-11	2-Aug-08	2-Aug-08	2-Aug-08
SJ 8	100	18-Nov-10	05-Feb-15	01-Aug-10	16-Dec-22	18-Nov-10	30-Oct-13	30-Oct-13	30-Oct-13	30-Oct-13	18-Nov-10	18-Nov-10	18-Nov-10
SJ 9	100	15-Nov-19	15-Nov-19	01-Jul-11	12-Dec-22	4-Aug-12	4-Aug-12	4-Aug-12	4-Aug-12	4-Aug-12	4-Aug-12	4-Aug-12	4-Aug-12
SJ 10	100	28-Sep-09	05-Feb-15	28-Sep-09	09-Apr-17	28-Sep-09	10-Oct-15	28-Sep-09	28-Sep-09	10-Oct-15	28-Sep-09	28-Sep-09	28-Sep-09
PS 3	216	6-Nov-09	23-Oct-14	6-Mar-09	1-Jan-23	6-Nov-09	29-Sep-15	29-Sep-15	6-Nov-09	6-Nov-09	6-Nov-09	6-Nov-09	29-Sep-15
PS 4	216	13-May-09	23-Oct-14	1-Nov-08	3-Aug-22	12-Jun-19	12-Jun-19	12-Jun-19	12-Jun-19	12-Jun-19	12-Jun-19	12-Jun-19	12-Jun-19
CS 5	410	3-Jul-13	25-Sep-14	3-Jul-13	3-Feb-22	3-Jul-13	3-Jul-13	3-Jul-13	3-Jul-13	3-Jul-13	3-Jul-13	3-Jul-13	3-Jul-13
CS 6	410	Sep-12	25-Sep-14	1-Oct-09	3-Aug-22	3-Feb-21	3-Feb-21	3-Feb-21	3-Feb-21	3-Feb-21	3-Feb-21	3-Feb-21	3-Feb-21
AG 1	450	27-Feb-12	10-Feb-15	Feb-12	1-Oct-22	27-Feb-12	27-Feb-12	27-Feb-12	27-Feb-12	27-Feb-12	27-Feb-12	27-Feb-12	23-Dec-08
AG 2	450	1-Mar-10	10-Feb-15	13-May-12	8-Mar-23	22-May-06	17-Dec-13	17-Dec-13	17-Dec-13	17-Dec-13	1-Dec-19	1-Dec-19	1-Dec-19
CC Vap I	96	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CC Vap II	96	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eco CT 1	165												
Eco CT 2	165												
Eco Vap	200												
AES 1	227												
AES 2	227												



CONS. PROGRM, UNIDADES DE VAPOR		188	449	615	690	690	686	468	468	468	468	710	610	626	626	766	766	726	726	100	0	0	380	380	830
MANT. Y SALIDAS FORZ. UNIDADES DE VAP.		380	305	414	722	515	215	244	260	335	240	262	274	272	272	255	255	260	260	335	347	347	301	301	247
LIMITACIONES, UNIDADES DE VAPOR		415	454	326	308	164	323	495	495	28	20	22	23	23	23	21	21	22	22	28	29	29	25	25	21
DISPONIBILIDAD DE U. DE VAPOR		1909	1684	1537	1173	1523	1667	1685	1668	2061	2163	1898	1985	1971	2081	1850	1850	1884	1884	2429	2516	2516	2185	2185	1794
% DE DISP. DE UNIDADES DE VAPOR		66	58	53	41	53	58	58	58	71	75	66	69	68	69	64	64	65	65	84	87	87	76	76	62
CONS. PROGR. AL CICLO COMBINADO		146	172	196	196	196	197	229	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246
MANT. DIAR., FORZ. Y LIMIT. C.C.		261	223	176	242	166	107	135	35	35	35	35	35	87	87	87	87	87	87	87	87	87	87	87	87
DISPONIBILIDAD CICLO COMBINADO		185	197	220	154	230	288	227	311	311	311	311	311	260	260	260	260	260	260	260	260	260	260	260	260
MANTENIMIENTO A TURBINAS DE GAS		24	0	0	0	0	0	0	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139
MANT. DIAR., FORZ. Y LIMIT. TURB. GAS		341	300	306	350	351	325	318	61	61	61	61	61	118	118	118	118	118	118	118	118	118	118	118	118
DISPONIBILIDAD TURBINAS DE GAS		246	310	304	260	259	285	292	410	410	410	410	410	353	353	353	353	353	353	353	353	353	353	353	353
MANTENIMIENTO - CAMBALACHE		0	0	0	48	124	64	0	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
MANT.DIAR., FORZ. Y LIMIT. TURB. CAMB		0	0	0	0	0	8	9	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41
DISPONIBILIDAD CAMBALACHE		165	165	165	117	41	94	156	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42
MANTENIMIENTO HIDROELECTRICAS		30	25	25	5	30	5	30	25	25	25	25	25	75	75	75	75	75	75	25	25	25	25	25	25
MANT. DIAR., FORZ. Y LIMIT. HIDRO		42	44	40	62	37	62	43	19	19	19	19	19	6	6	6	6	6	6	19	19	19	19	19	19
DISPONIBILIDAD HIDROELECTRICAS		28	31	35	33	33	33	27	56	56	56	56	56	19	19	19	19	19	19	56	56	56	56	56	56
DISPONIBILIDAD AEE	(MW)	2532	2387	2261	1736	2086	2366	2386	2487	2880	2982	2717	2804	2644	2754	2523	2523	2557	2557	3140	3227	3227	2896	2896	2504
	(%)	58%	55%	52%	40%	48%	54%	55%	57%	66%	69%	63%	65%	61%	62%	58%	58%	59%	59%	72%	74%	74%	67%	67%	58%
MANTENIMIENTO - ECOELÉCTRICA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	398	0	0	0	0	0	0	398	0	0
MANT.DIAR., FORZ. Y LIMIT. TURB. ECOELEC.		73	41	0	2	5	0	0	0	0	16	16	16	16	16	4	16	16	16	16	16	16	4	16	16
DISPONIBILIDAD ECOELÉCTRICA		457	489	530	528	525	530	530	530	530	514	514	514	514	514	128	514	514	514	514	514	514	128	514	514
MANTENIMIENTO - AES		0	0	0	0	0	0	0	227	0	0	0	0	0	227	227	0	0	227	227	0	0	0	0	0
MANT.DIAR., FORZ. Y LIMIT. TURB. AES		126	231	54	57	3	16	191	11	23	23	23	23	23	11	11	23	23	11	11	23	23	23	23	23
DISPONIBILIDAD AES		328	223	400	397	451	438	263	216	431	431	431	431	431	216	216	431	431	216	216	431	431	431	431	431
DISPONIBILIDAD TOTAL	(MW)	3317	3099	3191	2661	3062	3335	3179	3233	3841	3928	3663	3750	3590	3484	2866	3468	3503	3287	3869	4172	4172	3455	3841	3450
PICO ESTIMADO	(MW)	2331	2349	2449	2626	2761	2718	2917	2960	2929	2793	2642	2604	2389	2408	2510	2692	2830	2786	2871	3034	3002	2863	2708	2669
PICO REAL	(MW)	2412	2373	2429	2466	2794	2922	2785	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RESERVA TOTAL DEL SISTEMAS	(MW)	905	726	762	195	268	413	394	1022	1349	1155	1180	834	1295	1277	670	877	777	763	1106	1238	1349	769	1180	834
% DE DISPONIBILIDAD TOTAL		62.22	58.13	59.87	49.92	57.44	62.55	59.64	60.64	72.05	73.68	68.71	70.34	67.34	64.04	53.77	65.06	65.71	61.66	72.58	78.26	78.26	64.82	72.06	64.72

* R: REPORTE DE INSPECCION MANT: MANTENIMIENTO INSP: INSPECCION NR: NO HA ESTADO EN SERVICIO DESDE AMBIENTAL
C: CERTIFICACION LQ: LAVADO QUIMICO LIM. PROX. AMB.: FECHA LIMITE PROXIMA SALIDA AMBIENTAL

LEYENDA	
PROGRESO ACTUAL	
CONSERV. PROGRAMADA	
SALIDA FORZADA	
USO LIMITADO	

NOTA:

Las cifras RESALTADAS son reales, no son estimadas.

Datos Anual

Sistema Eléctrico	Integrado	AEE	Eco	AES
Proyectado Sistema Eléctrico (MW):	3,754	2,833	504	418
Proyectado Sistema Eléctrico (%):	70.6%	65%	95%	92%
Sistema Eléctrico - Actual Año Natural (MW):*	3,167	2,261	501	405
Sistema Eléctrico - Actual Año Natural (%):*	58%	51%	95%	89%

Notas: 1. Datos Anuales de Disponibilidad hasta 31-Diciembre-2021.

Fecha de Revisión: 8-Aug-22

Para garantizar la confiabilidad, en caso de salidas forzadas el programa pudiera sufrir cambios.

San Juan Complex

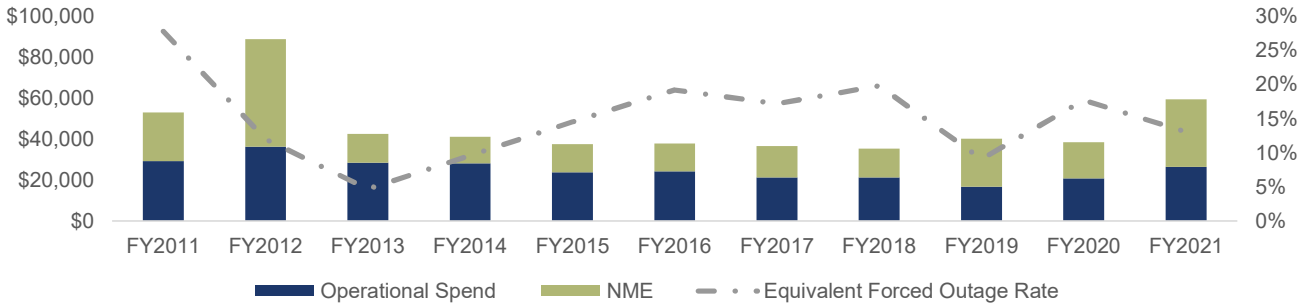
Overview – Units 5 & 6

Facility Overview	Location	San Juan, San Juan Region
	Water	San Juan Bay and Puerto Rico Aqueduct and Sewer Authority (local municipal supply)
	Plant Capacity	Nameplate: 220 MW (Unit 5) / 220 MW (Unit 6) Available + short-term outage: 220 MW (Unit 5) / 220 MW (Unit 6)
	COD	2008
	Technology	Dual Fuel CCGT
	Fuel Type (Supplier)	Liquified Natural Gas (New Fortress Energy) & Diesel / Low-sulfur Fuel Oil No. 2 (Novum)
	Control System	Emerson Ovation
Operational Metrics	Equivalent Availability[1]	64.4%
	Minimum Load	120 MW (Unit 5) / 120 MW (Unit 6)
	Heat Rate[2]	Full Load: 7,625 Btu/kWh / 7,853 Btu/kWh Min Load: 8,461 Btu/kWh / 8,856 Btu/kWh
	Ramp Rates	15 MW per minute up / 15 MW per minute down
	Start-Up Times	30 minutes for the gas turbines (hot, warm and cold)
Major Equipment	Combustion Turbine	Westinghouse/Siemens 501FC
	Steam Turbine	Ansaldo Energia
	HRSG	Ansaldo Energia
	Environmental	Steam injection

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$11,874**	**$11,785**	***($89)***	***-0.8%***
Non-Labor	**$13,007**	**$8,882**	***($4,125)***	***-31.7%***
Materials (Parts & Equip.)	5,908	6,368	*460*	*7.8%*
Transportation / Mileage	102	102	-	*0.0%*
Division Expenses[3]	6,997	2,412	*(4,586)*	*-65.5%*
NME	**$44,240**	**$32,725**	***($11,515)***	***-26.0%***
Plant Budget	**$69,121**	**$53,392**	***($15,729)***	***-22.8%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- The majority of FY2023 Generation NME Budget is for projects at the San Juan Combined Cycle Power Plant, units 5 and 6, which are PREPA's most modern and environmentally compliant base load units with the capability to burn diesel or natural gas. Both units are forecasted to supply roughly 28.7% for the island with efficient, environmentally compliant, and reliable energy in FY2023.

Notes:
1. Represents average from 2010 to 2021.
2. Heat rates reflect assumption based on historic operating experience.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.

Puerto Rico Electric Power Authority

San Juan Complex *(continued)*

Overview – Units 7 - 10

Facility Overview	Location	San Juan, San Juan Region
	Water	San Juan Bay and Puerto Rico Aqueduct and Sewer Authority (local municipal supply)
	Plant Capacity	Nameplate: 100 MW (Unit 7) / 100 MW (Unit 8) / 100 MW (Unit 9) / 100 MW (Unit 10) Available + short-term outage: 100 MW (Unit 7) / 100 MW (Unit 8) / 100 MW (Unit 9) / 0 MW (Unit 10)
	COD	1964 (Units 7 & 8) / 1965 (Unit 9) / 1965 (Unit 10)
	Technology	Steam Turbine
	Fuel Type (Supplier)	No. 6 Fuel Oil / Puma Energy
	Control System	Emerson Ovation
Operational Metrics	Equivalent Availability[1]	64.4%
	Minimum Load	50 MW (Unit 7) / 50 MW (Unit 8) / 50 MW (Unit 9) / 50 MW (Unit 10)
	Heat Rate[2]	Full Load: 10,497 Btu/kWh / 10,445 Btu/kWh Min Load: 10,498 Btu/kWh / 10,498 Btu/kWh
	Ramp Rates	3 MW per minute up / 3 MW per minute down
	Start-Up Times	Hot: 3 hours; Warm: 6 hours; Cold: 8 hours
Major Equipment	Steam Turbine	General Electric
	Boiler	B&W (Units 7 & 8) / Combustion Engineering (Units 9 & 10)

Notes:
1. Represents average from 2010 to 2021.
2. Heat rates reflect assumption based on historic operating experience.
3. NME expenditures for FY2023 include, but are not limited to the projects listed.

Notes

- These units are fueled with natural gas, which offers a reduction of 90% in SO2 emissions rates compared with diesel fuel oil within an area classified by the U.S. Environmental Protection Agency (EPA) as a non-attainment area.
- The largest project in the FY2023 Generation NME Budget is the $10 million annual expenditure for the Natural Gas Manufacturing Surcharge paid to New Fortress Energy in equal amounts on a monthly basis.
  - The surcharge is a contractually required amount and is stated as being for the “reasonable and necessary current expense of making Natural Gas available” to PREPA.
- Additional FY2023 NME[3]: Unit 5 & 6 - Payment for Operational Fire hours; Unit 6 - Major Overhaul (Steam Turbine Replacement and CT Repairs)
- Facility is comprised of four units, each of which are 100 MW
- During the third quarter of FY2022, the EPA accepted PREPA’s request to declare that Units 7 and 8 are no longer limited use units and, thus, they can be operated as baseload units.
- Units 9 and 10 have hydrochloric acid and hydrogen fluoride MATS limits. Compliance is demonstrated by fuel moisture content <1%; units are expected to be retired or mothballed in the near-term
- Limited use units, 7 and 8 are subject to a heat input limit of 8% averaged over a 24-month block
- Budgeted NME items in FY2023 include, but are not limited to:
  - Removal of existing steel raw water storage tank, as well as the design and build of a new 173,000 gallons steel raw water storage tanks and improvements to the existing tank's concrete base, and
  - Replacement of the debris filter control system of the condensers to extend the life of the equipment and improve efficiency.

Palo Seco

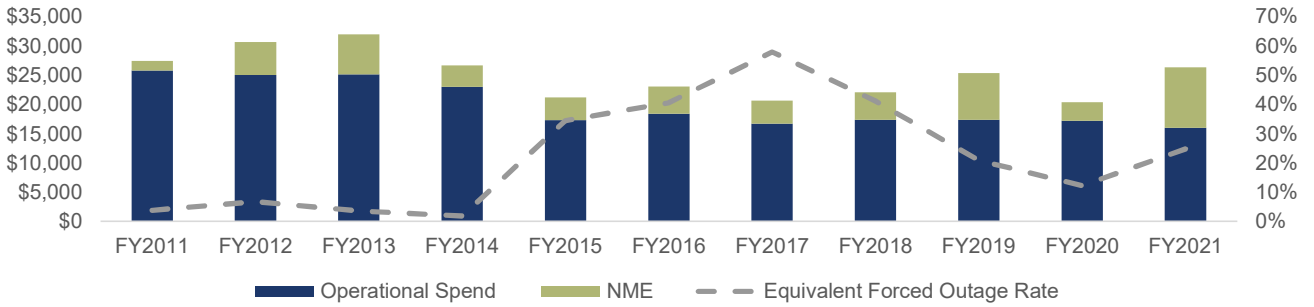
Overview – Units 3 & 4

Facility Overview	Location	Cataño, Bayamon Region
	Water Source	San Juan Bay and Puerto Rico Aqueduct and Sewer Authority (local municipal supply)
	Plant Capacity	Nameplate: 216 MW (Unit 3) / 216 MW (Unit 4) Available + short-term outage: 216 MW (Unit 3) / 216 MW (Unit 4)
	COD	1967 (Unit 3) / 1968 (Unit 4)
	Technology	Steam Turbine
	Fuel Type (Supplier)	No. 6 Fuel Oil (Puma Energy)
	Control System	N/A
Operational Metrics	Equivalent Availability[1]	32.3%
	Net Capacity Factor[1]	25.5%
	Minimum Load	80 MW (Unit 3) / 80 MW (Unit 4)
	Heat Rate[2]	Full Load: 9,725 Btu/kWh Min Load: 10,347 Btu/kWh
	Ramp Rates	3 MW per minute up / 3 MW per minute down
	Start-Up Times	Hot: 3 hours; Warm: 6 hours; Cold: 8 hours
Major Equipment	Steam Turbine	Westinghouse
	Boiler	Combustion Engineering

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$11,610**	**$12,399**	***$789***	***6.8%***
Non-Labor	**$2,835**	**$4,878**	***$2,043***	***72.1%***
Materials (Parts & Equip.)	2,388	2,749	*361*	*15.1%*
Transportation / Mileage	133	133	-	*0.0%*
Division Expenses[3]	314	1,996	*1,682*	*536.2%*
NME	**$9,895**	**$275**	***($9,620)***	***-97.2%***
Plant Budget	**$24,340**	**$17,552**	***($6,788)***	***-27.9%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- FY2023 Forecasted Energy Production: ~11.3% of total load
- FY2023 NME[4]: Water Retention Tank Num. 3; Upgrade to Mark Vie
- Palo Seco Units 3 and 4 are the larger, bunker fuel-fired generating units located at the Palo Seco Steam Station

Notes:
1. Per Sargent & Lundy 2021 Independent Engineering Reports (Equivalent Availability reflects average from 2015 – 2021 / Net Capacity reflects average from 2015-2022),
2. Reflects original design full load heat rate, not current capability of units.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.
4. NME expenditures for FY2023 include, but are not limited to the projects listed.

Palo Seco *(continued)*

Overview – Units 1 & 2

Facility Overview	Location	Cataño, Bayamon Region
	Water Source	San Juan Bay and Puerto Rico Aqueduct and Sewer Authority (local municipal supply)
	Plant Capacity	Nameplate: 85 MW (Unit 1) / 85 MW (Unit 2) Available + short-term outage: 85 MW (Unit 1) / 0 MW (Unit 2)
	COD	1959
	Technology	Steam Turbine
	Fuel Type (Supplier)	No. 6 Fuel Oil (Puma Energy)
	Control System	N/A
Operational Metrics	Equivalent Availability[1]	43.6%
	Net Capacity Factor[1]	12.6%
	Minimum Load	40 MW (Unit 1) / 40 MW (Unit 2)
	Heat Rate[2]	10,200 Btu/kWh
	Ramp Rates	Not applicable
	Start-Up Times	Hot: 3 hours; Warm: 6 hours; Cold: 8 hours
Major Equipment	Steam Turbine	General Electric
	Boiler	Combustion Engineering

Notes

- Palo Seco Units 1 and 2 are the oldest at this complex and are no. 6 fuel oil-fired generating units
- These units are limited use due to environmental regulations (EPA MATS)
- FY2023 NME[3]: New Water Condensate 1-2 Tank; Palo Seco 2-1 Major Inspection

Notes:
1. Reflects average value by unit for 2015 – 2021 (equivalent availability) and 2015-2022 (net capacity factor).
2. Reflects original design full load heat rate, not current capability of units.
3. NME expenditures for FY2023 include, but are not limited to the projects listed.

Aguirre Steam

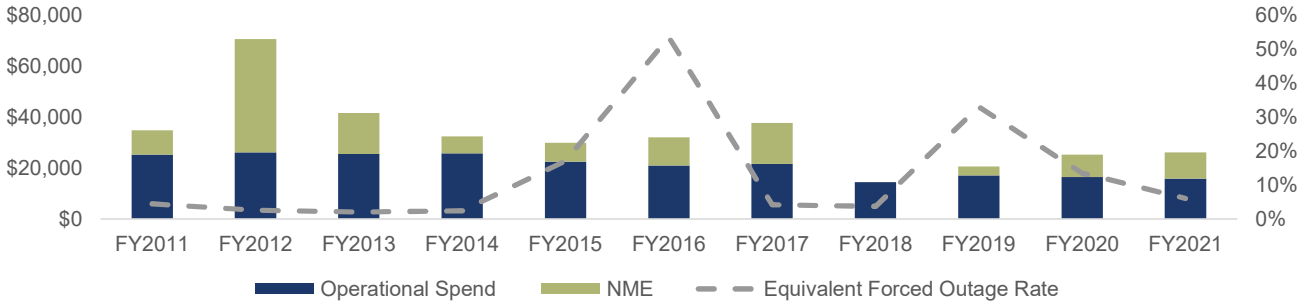
Overview

Facility Overview	Location	Salinas, Ponce Region
	Water Source	Jobos Bay and five local wells
	Plant Capacity	Nameplate: 450 MW (Unit 1) / 450 MW (Unit 2) Available + short-term outage: 450 MW (Unit 1) / 450 MW (Unit 2)
	COD	1971
	Technology	Steam Turbine
	Fuel Type (Supplier)	No. 6 Fuel Oil (Puma Energy)
	Control System	ABB S90 Turbotrol (Unit 1) / Alstom BlueLine (Unit 2) Separate control room from Aguirre CC
Operational Metrics	Equivalent Availability[1]	61.6%
	Net Capacity Factor[1]	37.8%
	Minimum Load	200 MW (Unit 1) / 200 MW (Unit 2)
	Heat Rate[2]	Full Load: 9,600 Btu/kWh / 9,700 Btu/kWh Min Load: 9,940 Btu/kWh / 10,158 Btu/kWh
	Ramp Rates	5 MW per minute up / 5 MW per minute down
	Start-Up Times	Hot: 4 hours; Warm: 8 hours; Cold: 16 hours
Major Equipment	Steam Turbine	ABB
	Boiler	Combustion Engineering

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$10,678**	**$12,774**	***$2,096***	***19.6%***
Non-Labor	**$2,605**	**$3,393**	***$788***	***30.2%***
Materials (Parts & Equip.)	958	2,562	*1,605*	*167.6%*
Transportation / Mileage	217	217	-	*0.0%*
Division Expenses[3]	1,430	614	*(817)*	*-57.1%*
NME	**$19,200**	**$10,350**	***($8,850)***	***-46.1%***
Plant Budget	**$32,483**	**$26,517**	***($5,966)***	***-18.4%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- FY2023 Forecasted Energy Production: ~30.4% of total load
- FY2023 NME[4]: Boiler Improvement U-2; Two Motor Replacement for Motor Driven Boiler Feed Pumps
- Facility is anticipated to remain operational in the near term for system reliability / standby purposes

Notes:
1. Per Sargent & Lundy 2021 Independent Engineering Reports (Equivalent Availability reflects average from 2015 – 2021 / Net Capacity reflects average from 2015-2022),
2. Heat rates reflect assumption based on historic operating experience.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.
4. NME expenditures for FY2023 include, but are not limited to the projects listed.

Aguirre Combined Cycle

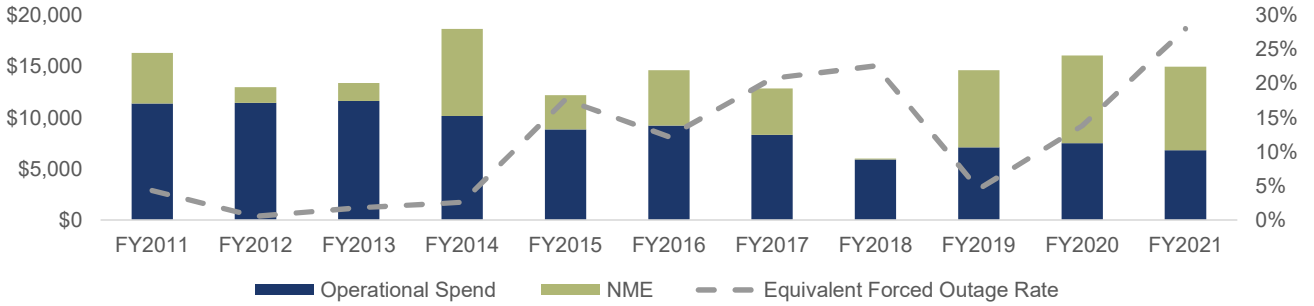
Overview

Facility Overview	Location	Salinas, Ponce Region
	Water Source	Jobos Bay and five local wells
	Plant Capacity	Nameplate: 296 MW (Unit 1) / 296 MW (Unit 2) Available + short-term outage: 296 MW (Unit 1) / 150 MW (Unit 2)
	COD	1975-76 (Unit 1) / 1975-76 (Unit 2)
	Technology	CCGT
	Fuel Type (Supplier)	Diesel / Low-sulfur Fuel Oil No. 2 (Novum)
	Control System	GE Mark V; Separate control room from Aguirre Steam
Operational Metrics	Equivalent Availability[1]	59.6%
	Net Capacity Factor[1]	13.6%
	Minimum Load	5 MW (Unit 1) / 5 MW (Unit 2) (gas turbines)
	Heat Rate[2]	Full Load: 11,140 Btu/kWh Min Load: 11,442 Btu/kWh
	Ramp Rates	5 MW per minute up / 5 MW per minute down
	Start-Up Times	15 minutes for each gas turbine
Major Equipment	Combustion Turbine	Original: General Electric 7B Current: General Electric 7EA (partial upgrade)
	Steam Turbine	General Electric
	HRSG	Originally General Electric, Redone by Senior Engineering (1994 and 1995)

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$6,632**	**$6,418**	***($214)***	***-3.2%***
Non-Labor	**$989**	**$709**	***($280)***	***-28.3%***
Materials (Parts & Equip.)	605	526	*(79)*	*-13.0%*
Transportation / Mileage	70	96	*26*	*37.7%*
Division Expenses[3]	314	87	*(228)*	*-72.4%*
NME	**$3,100**	**$1,800**	***($1,300)***	***-41.9%***
Plant Budget	**$10,721**	**$8,927**	***($1,794)***	***-16.7%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- FY2023 Forecasted Energy Production: ~1.2% of total load
- FY2023 NME: New Water Condensate Tank (including removal of existing tank)
- Facility utilizes obsolete technology and is only used for grid support / standby generation capacity

Notes:
1. Per Sargent & Lundy 2021 Independent Engineering Reports (Equivalent Availability reflects average from 2015 – 2021 / Net Capacity reflects average from 2015-2022),
2. Heat rates reflect assumption based on historic operating experience.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.

Costa Sur

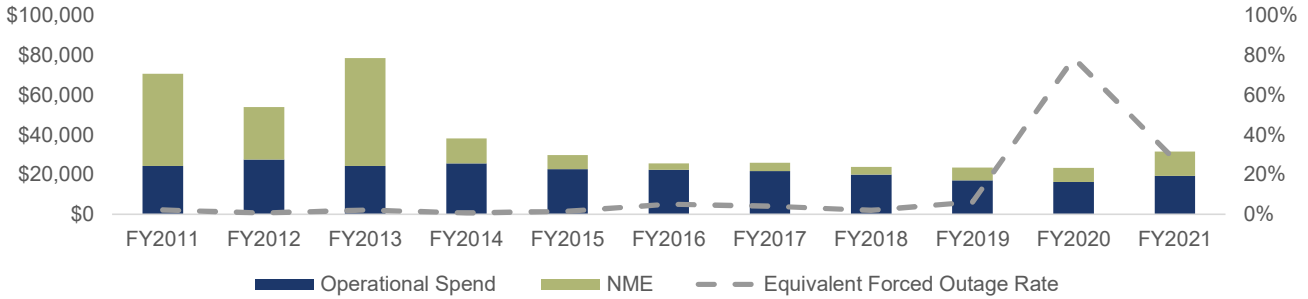
Overview – Units 5 & 6

Facility Overview	Location	Guayanilla, Ponce Region
	Water Source	Guayanilla Bay and PREPA deep well numbers 8, 9, 10 and 13
	Plant Capacity	Nameplate: 410 MW (Unit 5) / 410 MW (Unit 6) Available + short-term outage: 410 MW (Unit 5) / 410 MW (Unit 6)
	COD	1969 (Unit 5) / 1971 (Unit 6)
	Technology	Steam Turbine
	Fuel Type (Supplier)	Liquified Natural Gas (Naturgy) & No. 6 Fuel Oil (Puma Energy)
	Control System	GE Mark VI
Operational Metrics	Equivalent Availability[1]	66.0%
	Net Capacity Factor[1]	44.2%
	Minimum Load	225 MW (Unit 5) / 225 MW (Unit 6)
	Heat Rate[2]	Full Load: 9,747 Btu/kWh / 9,747 Btu/kWh Min Load: 9,935 Btu/kWh / 10,069 Btu/kWh
	Ramp Rates	5 MW per minute up / 5 MW per minute down
	Start-Up Times	Hot: 4 hours; Warm: 8 hours; Cold: 12 hours
Major Equipment	Steam Turbine	General Electric 170X446
	Boiler	Combustion Engineering
	Environmental	Boiler converted to operate on natural gas

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$15,264**	**$14,639**	***($625)***	***-4.1%***
Non-Labor	**$7,616**	**$6,046**	***($1,570)***	***-20.6%***
Materials (Parts & Equip.)	2,931	3,340	*409*	*14.0%*
Transportation / Mileage	351	351	-	*0.0%*
Division Expenses[3]	4,334	2,354	*(1,979)*	*-45.7%*
NME	**$3,700**	**$4,740**	***$1,040***	***28.1%***
Plant Budget	**$26,581**	**$25,425**	***($1,156)***	***-4.3%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- FY2023 Forecasted Energy Production: ~22.7% of total load
- FY2023 NME[4]: Water Heater 6 Replacement Work; Procurement of Air-Preheaters Baskets, Unit 5
- Regasification at EcoElectrica enabled utilization of environmentally compliant / lower-cost natural gas

Notes:
1. Per Sargent & Lundy 2021 Independent Engineering Reports (Equivalent Availability reflects average from 2015 – 2021 / Net Capacity reflects average from 2015-2022),
2. Heat rates reflect assumption based on historic operating experience.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.
4. NME expenditures for FY2023 include, but are not limited to the projects listed.

Cambalache

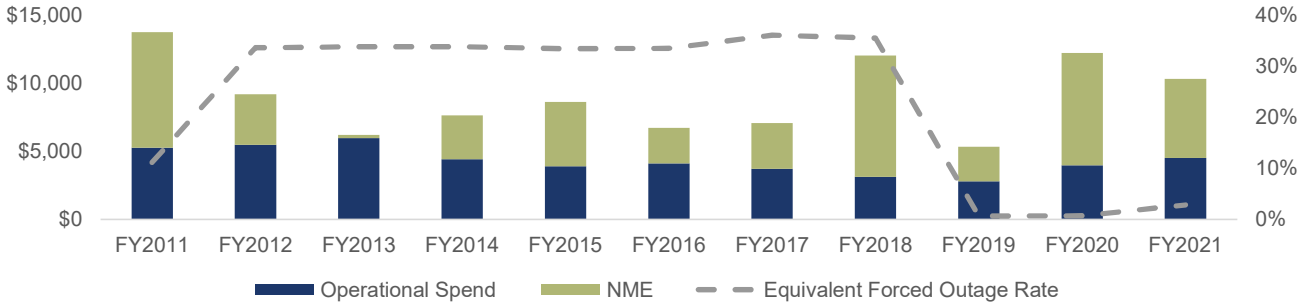
Overview

Facility Overview	Location	Arecibo, Arecibo Region
	Water Source	Four adjacent well pump into raw water tank; Puerto Rico Aqueduct and Sewer Authority ("PRASA")(local municipal supply) provides potable water
	Plant Capacity	Nameplate: 82.5 MW (Unit 1) / 82.5 MW (Unit 2) / 82.5 MW (Unit 3) Available + short-term outage: 0 MW (Unit 1) / 82.5 MW (Unit 2) / 82.5 MW (Unit 3)
	COD	1997 (Units 1 & 2) / 1998 (Unit 3)
	Technology	ABB GT11 N1 simple cycle
	Fuel Type (Supplier)	Diesel / Low-sulfur Fuel Oil No. 2 (Novum)
	Control System	Alstom BlueLine
Operational Metrics	Equivalent Availability[1]	74.1%
	Net Capacity Factor[1]	9.4%
	Minimum Load	50 MW (Unit 1); 50 MW (Unit 2); 50 MW (Unit 3) (60% of rated load)
	Heat Rate[2]	Full Load: 11,549 Btu/kWh Min Load: 11,550 Btu/kWh
	Ramp Rates	3 MW per minute up / 3 MW per minute down
	Start-Up Times	17 minutes (hot, warm and cold)
Major Equipment	Combustion Turbine	ABB-GT11N1
	HRSG	Innovalties Technology

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$2,823**	**$3,094**	***$271***	***9.6%***
Non-Labor	**$1,449**	**$1,264**	***($186)***	***-12.8%***
Materials (Parts & Equip.)	792	694	*(97)*	*-12.3%*
Transportation / Mileage	76	76	-	*0.0%*
Division Expenses[3]	582	493	*(88)*	*-15.2%*
NME	**$3,655**	**$3,200**	***($455)***	***-12.4%***
Plant Budget	**$7,928**	**$7,558**	***($370)***	***-4.7%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- FY2023 Forecasted Energy Production: ~0.8% of total load
  - Despite low percentage of total load, generation plant critical to meet peak demand
- FY2023 NME[4]: Major Inspection Unit 1-3; Control System Power Plant Maintenance

Notes:
1. Per Sargent & Lundy 2021 Independent Engineering Reports (Equivalent Availability reflects average from 2015 – 2021 / Net Capacity reflects average from 2015-2022),
2. Reflects heat rates for Units 2 & 3. Heat rates reflect assumption based on historic operating experience.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.
4. NME expenditures for FY2023 include, but are not limited to the projects listed.

Mayagüez

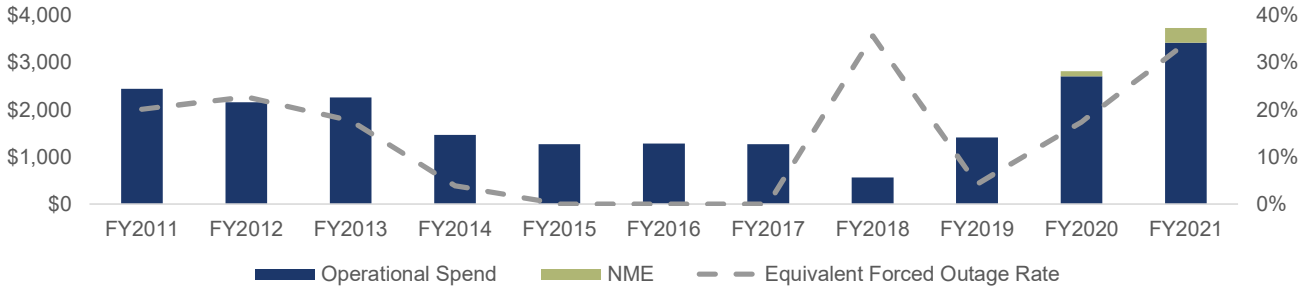
Overview

Facility Overview	Location	Mayagüez, Mayagüez Region
	Water Source	PRASA (local municipal supply)
	Plant Capacity	Nameplate: 55 MW (Unit 1) / 55 MW (Unit 2) / 55 MW (Unit 3) / 55 MW (Unit 4) Available + short-term outage: 55 MW (Unit 1) / 55 MW (Unit 2) / 55 MW (Unit 3) / 55 MW (Unit 4)
	COD	2009
	Technology	4 x Pratt & Whitney FT8 aeroderivative twin packs
	Fuel Type (Supplier)	Diesel / Low-sulfur Fuel Oil No. 2 (Novum)
	Control System	Allen-Bradley
Operational Metrics	Equivalent Availability[1]	62.4%
	Net Capacity Factor[1]	6.9%
	Minimum Load	0.5 MW (Unit 1) / 0.5 MW (Unit 2) / 0.5 MW (Unit 3) / 0.5 MW (Unit 4)
	Heat Rate[2]	Full Load: 9,320 Btu/kWh Min Load: 11,204 Btu/kWh
	Ramp Rates	6 MW per minute up / 6 MW per minute down
	Start-Up Times	10 minutes (hot, warm and cold)
Major Equipment	Combustion Turbine	Pratt & Whitney FT8 Twin packs

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$1,294**	**$1,256**	***($38)***	***-2.9%***
Non-Labor	**$1,071**	**$893**	***($177)***	***-16.6%***
Materials (Parts & Equip.)	739	590	*(149)*	*-20.2%*
Transportation / Mileage	52	52	-	*0.0%*
Division Expenses[3]	280	251	*(28)*	*-10.1%*
NME	**$5,000**	**$7,050**	***$2,050***	***41.0%***
Plant Budget	**$7,364**	**$9,199**	***$1,835***	***24.9%***

Historical Spend and Performance Trends *($'s in thousands)*



Notes

- FY2023 Forecasted Energy Production: ~4.7% of total load
- FY2023 NME[4]: Aereoderivative Improvement; Demi Plant Improvement
- Fast start capability due to aero-derivative combustion turbine technology – dispatched for peaking

Notes:
1. Per Sargent & Lundy 2021 Independent Engineering Reports (Equivalent Availability reflects average from 2015 – 2021 / Net Capacity reflects average from 2015-2022),
2. Heat rates reflect assumption based on historic operating experience.
3. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.
4. NME expenditures for FY2023 include, but are not limited to the projects listed.

Peakers

Peaking Gas Turbine Footprint

Budget Comparison *($'s in thousands)*

	FY2022 ($)	FY2023 ($)	*Change ($)*	*Change (%)*
Labor	**$6,443**	**$6,723**	***$280***	***4.3%***
Non-Labor	**$3,126**	**$2,222**	***($903)***	***-28.9%***
Materials (Parts & Equip.)	2,392	1,745	*(647)*	*-27.1%*
Transportation / Mileage	231	231	-	*0.0%*
Division Expenses[2]	502	246	*(256)*	*-51.0%*
NME	**$3,950**	**$4,200**	***$250***	***6.3%***
Plant Budget	**$13,518**	**$13,145**	***($374)***	***-2.8%***

Peaking Gas Turbine Capacity and Status[1]

	Number of Units	Nameplate Capacity
Aguirre	2	42 MW
Costa Sur	2	42 MW
Palo Seco	9	207 MW
Daguao	2	42 MW
Jobos	2	42 MW
Vega Baja	2	42 MW
Yabucoa	2	42 MW

Notes

- All units are used for peaking, black start, and system reliability

Notes:
1. Information as of October 31, 2020.
2. Division Expenses reflects costs associated with the rental of office equipment, communication, professional services, data management, service orders, and service blankets.

FOMB Certified FY2023 HoldCo Budget

PREPA Proposed vs. FOMB Certified – HoldCo Budget Bridge

A Represents transfers to GenCo of 85% of PREPA requested amounts for Finance, HR and Admin Directorates.

B Represents FOMB “drilldown adjustment” and other top-down adjustments to reflect estimated FY2022 actual expenditures.

C Represents transfers to GenCo of Legal Services ($7.4MM) and Regulation and Environmental Inspection ($8.0MM) line-items.

D Represents FOMB 10% haircut of the PREPA proposed budget request.

E Represents payment of P3A Transaction costs outside of the FY23 Certified Budget.

FY2023 PREPA Proposed v. FOMB Certified HoldCo Budget

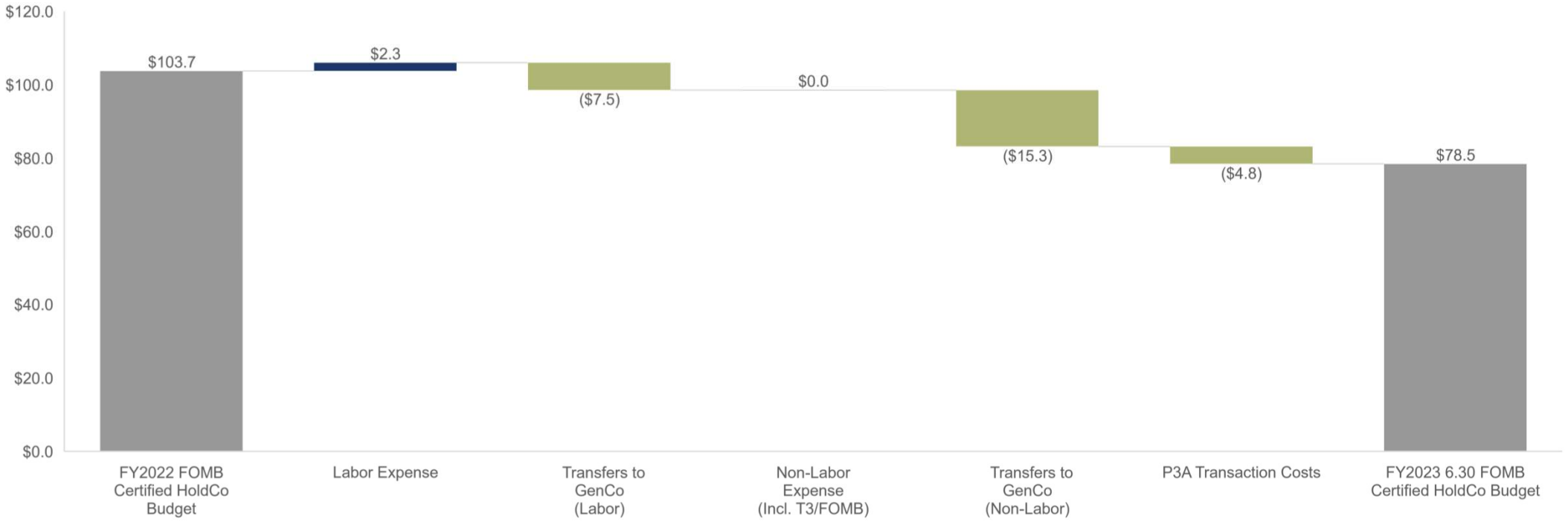
($-thousands)	6.22 FY23 PREPA Proposed Budget	6.30 FY23 FOMB Certified Budget	PREPA-FOMB $-Variance	PREPA-FOMB %-Variance
HoldCo:				
HoldCo Labor Operating				
Salaries & Wages	$ 12,014	$ 7,513	$ (4,501)	-37%
Pension & Benefits	7,208	4,508	(2,700)	-37%
Overtime Pay	679	439	(239)	-35%
Overtime Benefits	81	53	(29)	-35%
Labor Operating Expenses	**$ 19,982**	**$ 12,513**	**$ (7,469)**	**-37%**
HoldCo Non-Labor / Other Operating				
Materials & Supplies	$ 366	$ 288	$ (77)	-21%
Transportation, Per Diem, and Mileage	285	242	(43)	-15%
Retiree Medical Benefits	9,000	9,000	-	0%
Utilities & Rents	55	36	(19)	-35%
Communications Expenses	81	81	-	0%
Professional & Technical Outsourced Services	2,841	4,144	1,303	46%
Other Miscellaneous Expenses	1,925	1,825	(99)	-5%
External Audit	2,509	-	(2,509)	-100%
IT Service Agreements	850	850	-	0%
Non-Labor / Other Operating	**$ 34,461**	**$ 16,466**	**$ (17,995)**	**-52%**
Total HoldCo O&M excluding T3/FOMB/P3A	**$ 54,443**	**$ 28,979**	**$ (25,464)**	**-47%**
Title III Costs	28,000	25,100	(2,900)	-10%
Total HoldCo O&M with PREPA T3	**$ 82,443**	**$ 54,079**	**$ (28,364)**	**-34%**
FOMB Advisor Costs	24,400	24,400	-	0%
Total HoldCo O&M with PREPA T3/FOMB	**$ 106,843**	**$ 78,479**	**$ (28,364)**	**-27%**
P3A Transaction Costs	9,500	-	(9,500)	-100%
Total HoldCo O&M with PREPA T3/FOMB	**$ 116,343**	**$ 78,479**	**$ (37,864)**	**-33%**
Memo: Total HoldCo O&M excluding FOMB Transfers				
HoldCo Transfers	-	22,819	22,819	N/A
Total HoldCo O&M excluding FOMB Transfers	***$ 116,343***	***$ 101,298***	***$ (15,045)***	***-13%***

Management Notes

- **HoldCo Labor Operating Budgeted Expenses:**
  - The primary driver of the Labor Operating expenses is the transfer by the FOMB of 85% of requested amounts for Finance, Human Resources and Administrative Directorates to GenCo, resulting in a net decrease of 37%
- **HoldCo Non-Labor / Other Operating Budgeted Expenses:**
  - The primary drivers of the Non-Labor Operating expenses include: (i) transfer of Legal Services ($7.4MM) and Regulation and Environmental Inspection ($8.0MM) expenses to GenCo and (ii) adjustments by the FOMB to reflect FY2022 actual expenditures, resulting in an overall net decrease of 52%

HoldCo Budget Bridge Summary – FY2022 versus FY2023

$ in millions



The FOMB approved HoldCo budget for FY2023 represents a $25.3MM decrease from FY2022. However, embedded in that amount is $22.8MM of costs transferred to GenCo (Finance, HR and Admin Directorate labor costs / Legal Services and Regulation costs) and the removal of a P3A transaction cost obligation. Exclusive of these amount, the FOMB approved HoldCo budget for FY2023 represents a $2.3MM increase in FY2022.

HoldCo Budget Bridge Detail – FY2022 versus FY2023

($-thousands)	7.1 FY22 FOMB Certified Budget	6.30 FY23 FOMB Certified Budget	FY23-FY22 $-Variance	FY23-FY22 %-Variance
HoldCo:				
HoldCo Labor Operating				
Salaries & Wages	$ 9,760	$ 7,513	$ (2,247)	-23%
Pension & Benefits	7,365	4,508	(2,857)	-39%
Overtime Pay	506	439	(67)	-13%
Overtime Benefits	58	53	(5)	-9%
Labor Operating Expenses	**$ 17,689**	**$ 12,513**	**$ (5,176)**	**-29%**
HoldCo Non-Labor / Other Operating				
Materials & Supplies	$ 166	$ 288	$ 122	74%
Transportation, Per Diem, and Mileage	242	242	(0)	0%
Retiree Medical Benefits	11,800	9,000	(2,800)	-24%
Utilities & Rents	1	36	35	3501%
Communications Expenses	2	81	79	3962%
Professional & Technical Outsourced Services	4,144	1,635	(2,509)	-61%
Other Miscellaneous Expenses	1,825	1,825	-	0%
External Audit	-	2,509	2,509	N/A
IT Service Agreements	-	850	850	N/A
Non-Labor / Other Operating	**$ 18,180**	**$ 16,466**	**$ (1,714)**	**-9%**
Total HoldCo O&M excluding T3/FOMB/P3A	**$ 35,869**	**$ 28,979**	**$ (6,890)**	**-19%**
Title III Costs	38,722	25,100	(13,622)	-35%
Total HoldCo O&M with PREPA T3	**$ 74,591**	**$ 54,079**	**$ (20,512)**	**-27%**
FOMB Advisor Costs	24,400	24,400	-	0%
Total HoldCo O&M with PREPA T3/FOMB	**$ 98,991**	**$ 78,479**	**$ (20,512)**	**-21%**
P3A Transaction Costs	4,750	-	(4,750)	-100%
Total HoldCo O&M with PREPA T3/FOMB	**$ 103,741**	**$ 78,479**	**$ (25,262)**	**-24%**
Memo: Total HoldCo O&M excluding FOMB Transfers				
HoldCo Transfers	-	22,819	22,819	N/A
Total HoldCo O&M excluding FOMB Transfers	***$ 103,741***	***$ 101,298***	***$ (2,443)***	***-2%***

Management Notes

- **HoldCo Labor Operating Budgeted Expenses:**
  - The primary driver of Labor Operating expenses includes the transfer from HoldCo to GenCo of 85% of PREPA requested amounts for Finance, HR and Admin Directorates, resulting in a net decrease of 29%
- **HoldCo Non-Labor / Other Operating Budgeted Expenses:**
  - The primary driver of the Non-Labor Operating expenses include top-down adjustments by the FOMB in effort to bring expenses in line with historical averages, resulting in a net decrease of 9%
  - P3A Transaction costs no longer a budget responsibility of PREPA's
  - External Audit amount in FY22 embedded in Professional & Outsourced Services

Questions & Answers