

NEPR

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

IN RE:

REVIEW OF LUMA'S INITIAL
BUDGET

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Motion in Compliance with
May 23 Order and in Support of the
Maintenance Projects for Aguirre Power
Plant Units

**MOTION IN COMPLIANCE WITH MAY 23 ORDER AND IN SUPPORT OF THE
MAINTENANCE PROJECTS FOR THE AGUIRRE POWER PLANT UNITS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC ("Genera PR"), and respectfully state and request the following:

1. On May 9, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("May 9 Order") which (i) denied the Puerto Rico Electric Power Authority ("PREPA") request to increase the Operation and Maintenance Budget further and (ii) approved an additional increase of \$2,650,000.00 for the NME Budget for the budgetary line items and projects as outlined in Annex A of the May 9 Resolution.

2. On May 17, 2023, PREPA filed a document titled *Request for Reconsideration of May 9, 2023's Order Related to PREPA's Request to Amend FY2023 PREPA Budget* ("May 17 Motion"), in which, amongst other things, requested that the Energy Bureau allowed PREPA's funds to be used to complete its works in its generating fleet, particularly the repairs in Units 1 and 2 of Aguirre Power Plant.

3. Subsequently, on May 23, 2023, this honorable Energy Bureau entered a *Resolution and Order* (“May 23 Order”) through which, amongst other things, issued an order to Genera PR to provide its (i) position on the May 17 Motion and (ii) certify there is no duplication of request of funds between the May 16 Motion and the May 17 Motion.

I. Genera PR Position on the May 17 Motion

4. Genera PR wants to make the unequivocal distinction that it only supports PREPA's request regarding the necessary maintenance projects in the Aguirre Power Plant (the “Aguirre Projects”) outlined on page 28 to page 29 of the May 17 Motion.

5. Genera PR, pursuant to its vested interest in the stability and reliability of Puerto Rico's power grid, considers that the approval of the repair projects: (i) Aguirre Boiler Improvement U-2 – Aguirre Stream Plant; (ii) Aguirre Boiler Improvement U-1 – Aguirre Stream Plant; and (iii) Aguirre Turbo Generator Improvement Unit 1, as outlined in the May 17 Motion, are of the utmost priority at this juncture.

6. As part of its ongoing commitment to the future of Puerto Rico's electric power system, Genera PR recently met with plant engineers and plant managers from PREPA and carried out an independent assessment. Based on the conversations with plant personnel from PREPA, Genera PR anticipates that these projects' approval could substantially increase the power supply of Puerto Rico's electrical grid by an additional and stable 800 megawatts. This increased capacity would provide much-needed resilience and reliability to our electric power system, especially during Puerto Rico's peak demand season and hurricane season, typically from June to November, with September and October representing the most common peak demand months in previous years.

7. The supplemental 800 megawatts would markedly bolster the capacity and capability to maintain the operation of essential services when they are most needed and assure a reliable and stable consistent electricity supply for all residents. Specifically, it would ensure that our hospitals, emergency services, and other vital institutions can continue to operate optimally, even amidst a storm.

8. On the other hand, as this honorable Energy Bureau is aware, Genera PR has scheduled maintenance work commencing from the Service Commencement Date¹ of July 1st. The absence of the requisite approval for the Aguirre Projects could adversely affect the Genera PR's planned maintenance of the plants.

9. Moreover, withholding approval, and thereby preventing PREPA from utilizing the FY2023 budget to carry out the essential maintenance on the Aguirre Power Plant, would have immediate and future negative repercussions. Meaning, the reliability of Puerto Rico's electric grid would be directly affected in the short term and could compromise future maintenance works once Genera PR commences providing O&M Services.

10. Consequently, Genera PR's capacity to deliver a stable generation supply, particularly during the peak demand and hurricane seasons, could be seriously compromised. This consideration is of utmost importance for the well-being and security of Puerto Rico's residents.

11. Thus, Genera PR respectfully petitions this Honorable Energy Bureau to approve the Aguirre Projects. Approval is sought not just for the additional generation supply

¹ Capitalized terms used but not defined in this response will have the meaning ascribed thereto in the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* dated as of January 24, 2023, entered into by PREPA, the Puerto Rico Public-Private Partnerships Authority and Genera PR.

these projects will yield, but for the enhanced reliability and security they will confer upon our electrical grid.

12. Notwithstanding, at this juncture, Genera PR wishes to clarify its stance with regard to the remaining matters presented in PREPA's May 17 Motion. Genera PR does not hold any position nor wishes to express concern regarding the remainder of the issues raised in the said motion. Genera PR's focus and intent remain strictly centered on expressing its support for the three proposed projects at the Aguirre Power Plant (hereinafter referred to as the "Aguirre Projects"). These projects are of utmost importance in Genera PR's view due to their potential to enhance the resilience and reliability of Puerto Rico's electric grid.

II. Duplication of request of funds between the May 16 Motion and the May 17 Motion.

13. Genera PR hereby responds to the Energy Bureau inquiry concerning the duplication of the request of funds between the motion filed by LUMA on May 16, 2023, and the subsequent motion filed by PREPA on May 17, 2023.

14. Genera PR wishes to clarify that it holds no responsibility for any information pertaining to the aforementioned duplication of requests for funds. As per the LG OMA, Genera PR's role during the Mobilization Period does not encompass matters relating to such requests of funds, and for this reason, it is not incumbent on Genera PR to certify the requested information by the Energy Bureau on the May 23 Order.

15. Nevertheless, Genera PR has liaised with counsel for PREPA on this matter. PREPA's counsel has informed Genera PR that PREPA will submit the relevant information to this Honorable Energy Bureau in due course.

WHEREFORE, Genera respectfully requests that the Energy Bureau **take notice of** Genera PR's position regarding PREPA's May 17 Motion and **approves** the Aguirre Projects as proposed by PREPA.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 25th day of May 2023.

We hereby certify that this motion was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>.

ECIJA SBGB

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s/ Alejandro López-Rodríguez

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CERTIFICATE OF SERVICE

We hereby certify that a true and accurate copy of this motion was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System and that we will send an electronic copy of this motion to Joannely Marrero-Cruz, at jmarrero@diazvaz.law; Maralíz Vázquez-Marrero, at mvazquez@diazvaz.law; Margarita Mercado Echegaray, at margarita.mercado@us.dlapiper.com; and Ana Margarita Rodríguez Rivera, at ana.rodriguezrivera@us.dlapiper.com,

In San Juan, Puerto Rico, this 25th day of May 2023

s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo