

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

NEPR

Received:

Jun 15, 2023

7:41 PM

IN RE:

REVIEW OF LUMA'S INITIAL BUDGET

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Motion to Submit Genera PR LLC
Responses in Compliance with the June 9 Order.

**MOTION TO SUBMIT GENERA PR LLC RESPONSES
IN COMPLIANCE WITH THE JUNE 9 2023 BENCH ORDER**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR, LLC ("Genera PR"), through its counsel of record, and respectfully state and request the following:

1. On May 16, 2023, LUMA Energy, LLC, and LUMA Energy ServCo, LLC (collectively, "LUMA") filed a document with the Energy Bureau of the Puerto Rico Service Regulatory Board ("Energy Bureau") titled *Submission of Consolidated Annual Budgets for Fiscal Year 2024 and Proposed Annual T&D Projections Through Fiscal Year 2026*, in which, LUMA submitted to the proposed T&D Budgets developed by LUMA, **the proposed GenCo Budgets developed by Genera PR**, and the proposed HydroCo and HoldCo Budgets developed by the Puerto Rico Electric Power Authority ("PREPA").

2. On May 18, 2023, the Energy Bureau issued a Resolution and Order, through which it directed PREPA and Genera PR to provide, through LUMA, the proposed budgets and supporting information reflecting the LUMA Budget Request in Schedule 3.1 "Annual Budget Summary".

3. On May 23, 2023, this Energy Bureau issued a Resolution and Order with the subject *Second Requirement of Information ("ROI") - Review of LUMA's Proposed Consolidated FY2024 Budgets*. ("May 23 Order"). In its pertinent part, this Energy Bureau ordered LUMA, Genera PR,

and PREPA to respond to a Second Requirement of Information (“ROI”) set forth in Attachment A and Attachment B to the May 23 Order.

4. On May 31, 2023, the Energy Bureau entered a Resolution and Order titled “*Third Requirement of Information (“ROI”) – Review of LUMA’s Proposed Consolidated FY 2024 Budgets: GENERA’s Necessary Maintenance Expenses (“NME”)*” (“May 31 Order”) whereby it ordered Genera PR to respond to the ROI set forth in Attachment A to the May 31 Order.

5. On June 7, 2023, Genera PR filed a *Motion Submitting Responses to Request for Information in Compliance with May 31 Order*, whereby it submitted responses to the ROI in accordance with the May 31 Order.

6. On June 9, 2023, Genera PR participated in a technical conference convened by the Energy Bureau to discuss the respective budget filings and ROI responses submitted by LUMA, Genera PR and PREPA (the “Technical Conference”).

7. During the Technical Conference of June 9, the Energy Bureau issued seven (7) bench orders addressed to Genera PR (“June 9 Bench Orders”), requesting: (1) an outage and maintenance schedule assuming temporary power continues throughout FY2024, with T&D System Operator sign-off and an associated budget; (2) information on local vendor parts; (3) a description of services provided by law firms; (4) a detailed allocation for the \$15 million of shared services in the budget; (5) examples of non-recurring services for the next fiscal year as cost-saving measures; (6) details and disclosure of proposed funding for cybersecurity; and (7) a list of critical day-one spare parts needed along with expected lead times.

8. In response to the June 9 Bench Orders, Genera PR hereby submits the following:

- a. *Exhibit A – Response to 06-09-2023 Technical Conference Bench ROI*
- b. *Exhibit B – GPR-PREB-Bench-ROI-06-09 #1*
- c. *Exhibit C – GPR-PREB-Bench-ROI-06-09 #3*

9. It is important to note that Exhibit C – GPR-PREB-Bench-ROI-06-09 #3, submitted in response to June 9 Bench Order 3, which requests a description of services provided by law firms, contains revisions to Genera PR’s initial submission of the GenCo revised budget. The first tab of the workbook outlines the differences between the original GenCo budget revision submitted by Genera PR for the Energy Bureau's evaluation, and the revisions made by Genera PR following the June 9 Technical Conference.

10. Additionally, in relation to bench order #7 concerning a list of critical day-one spare parts and expected lead times, Genera PR respectfully informs the Energy Bureau that it will submit this list by 5:00 pm tomorrow, June 16, 2023.

11. Genera PR hereby affirms that the information contained within this submission is provided in full compliance with the June 9 Bench Order issued by the Energy Bureau.

WHEREFORE, Genera PR respectfully requests that this Honorable Energy Bureau **take notice** of the above and **deems** Genera PR to be in compliance with the June 9 Bench Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 15th day of June 2023.

ECIJA SBGB
PO Box 363068
San Juan, Puerto Rico 00920
Tel. (787) 300.3200
Fax (787) 300.3208

s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo
jfr@sbgbllaw.com
TSPR 9,669

s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez
alopez@sbglaw.com
TSPR 22,996

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 15th day of June 2023

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez

Exhibit A

Response to 06-09-2023 Technical Conference Bench ROI

Response to 06-09-2023 Technical Conference Bench ROI

1. Outage and maintenance schedule considering that the temporary power continues through the entire FY2024, with T&D System Operator sign-off, and associated budget

GPR-PREB-Bench-ROI-06-09 #1 – Attached.

The revised maintenance and outage schedule prepared by Genera assumes that the 350MW of temporary power base load will remain in place throughout FY2024. This extra power allows Genera to model an outage of San Juan Unit 9 from April to June 2024, which was originally scheduled for FY2025. During this period, Genera plans to perform various rehabilitation activities such as boiler, generator, thermal insulation, and surface condenser rehabilitation, an overhaul of the turbine and cooling towers, as well as assess high-energy lines, transformers, and other components. The total cost of this project is estimated at \$22 million, which will likely be reimbursed through the FAASt 428 program, as per Genera's initial conversations with COR3. PREPA will present an initial SOW for PREB evaluation and approval next week, as requested by Genera. This project will ensure 100MW of reliable base load capacity in the system.

Genera presented the proposed outage schedule to T&D System Operator on June 13, 2023, in accordance with PREB's orders and Genera's procedures. However, there has been no response from the T&D System Operator as of this memo's submission. Genera believes that the modeled outage is feasible since the average reserve capacity during this outage, with the assumption of the 350MW base load capacity, would be 529 MW, assuming a 12% forced outage factor. In FY2023, the average forced outage was 23%, mainly due to the Aguirre 1 outage. However, the estimate for FY2024 is only 12%, which is why this input is included in this planning scenario. Nevertheless, as stated above, T&D System Operator must validate this scenario.

2. Provide parts local vendors list

GPR-PREB-Bench-ROI-06-09 #2

Below is a list of local vendors that Genera has identified. Genera is dedicated to prioritizing local vendors. However, the selection of these vendors is subject to compliance with the procurement process, which may involve competition and other commercial and contractual considerations.

5 SENSES SOLUTIONS LLC.

ABB INC

AGRO SERVICIOS INC

AIREQUIPO INC

AIT TECHNOLOGIES INC

AKM MFG INC

ALBANO RAMIREZ MEDINA

ALFA PROCESS, LLC

ALL CONTRACTORS SERVICES CORP

ALL TOOLS INC

ALLIED POWER TECHNOLOGIES

ALLIED POWER TECHNOLOGIES, INC

ALONSO CARUS IRON WORKS, INC

AMERICAN WIRE GROUP INC

ANTILLES GREEN

ANTILLES POWER DEPOT

AP EQUIPMENT INC

ARAMSCO

ARG PRECISION CORP

ASTRO INDUSTRIAL SUPPLY INC

BARRANQUITAS AUTO CORP

BARRANQUITAS AUTO, CORP

BEINDUSTRIAL LLC

BILL PARKER DBA BILL PARKER

BIOANALYTICAL INSTRUMENTS INC

CAMERA MUNDI INC

CAMFER ENG SERVICES INC

CAMFIL FARR INC

CARIBBEAN DATA SYSTEMS INC

CARIBBEAN ELECTRIC

CARIBBEAN KAWASAKI CORP

CARIBE GE INTERNATIONAL ENERGY

CARIBE SALES AGENCIES INC

CENTRAL INDUSTRIAL SERV INC

CHAMPION PETROLEUM

CIB CORPORATION

CLASSIC CONTROLS INC
CN COMPUTER CENTRE
CODECOM, INC
COMPUTER HOUSE
CONDUCTORES MONTERREY S.A.C.V.
CONDUMEX SA DE CV
CONTROL ASSOCIATES OF PR
CONTROL ASSOCIATES OF PR, LLC
COOPERATIVA INDUSTRIAL CREACION DE LA
MONTANA
CORPORACION SIDIF DEL CARIBE
CORTES INDUSTRIAL ORGANIZATION
CORTES INDUSTRIAL ORGANIZATION, INC
CRESPO RODRIGUEZ INC
DANOSA CARIBBEAN
DISTRIBUIDORA BLANCO INC
DISTRIBUIDORA TITAN POWER INC
EAGLE US2 LLC DBA AXIAL
EF SAFETY MORE LLC
ENATURA LLC
ENGINEERED PARTS SERVICES
ENGINEERING SERVICES

ENGINEERING SERVICES INTL INC
ENGINEERING SYSTEMS SALES
ENVIRECS LLC
ENVIRO SOURCE INC
EOA TELECOM INC
FACSIMILE PAPER CONNECTION
FPC BUSINESS FORMS SYSTEM
GE STEAM POWER CARIBE INC
GENERAL MOTRIZ AUTO PARTS
GRAINGER CARIBE INC
GRAYBAR INTL PUERTO RICO
GT CORP
HEALTH SAFETY EYE CONCEPT
HECTOR VILLENEUVE DBA TORNICENTRO DEL
SUR
HERA PRINTING CORP
HERPLA ENGINEERING INC
HYTORC CARIBBEAN LLC
IBS CARIBE INC
INDU SALES CO
INDUSA INDUSTRIAL SUPPLIES INC
INDUSTRIAL CHEMICALS CORP

INDUSTRIAL FIRE CORP

INDUSTRIAL FIRE PRODUCTS CORP

INDUSTRIAL FITTINGS VALVES

INDUSTRIAL RUBBER MECHANICS

INDUSTRIAL SYSTEMS EQUIPMENT

INTERNATIONAL DISTRIBUTORS INC

INTERPORT TRADING CO

J A MERA INC

J L FLORES INC

J M DEPOT INC

JACQUELINE CRUZ ORTIZ DBA

JP INDUSTRIAL SALES CO INC

L GANDIA ASSOCIATES CORP

L GANDIA ASSOCIATES INC

LA AIR CONDITIONING SERVICES MC

LA CAJA DE LAS HERRAMIENTAS INC

LIBERTY MOBILE PUERTO RICO INC

LIGHTING AND CONTROLS AUTOMATION

LIQUILUX GAS CORPORATION

LT AUTOMATION

M R FRANCESCHINI INC

MAGNABYTE PUERTO RICO INC

MALNAT ASOCIADOS

MANUEL BISMARCK TORRES NAVEIRA

MARTELEC CORPORATION

MECHANICAL DYNAMICS ANALYSIS LLC

MENACO CORPORATION

MESSER GAS PR INC

METRO TECH CORP

MICRO TECH SYSTEMS CONTROLS

MMP PR CORPORATION

MOBILE PAINTS MFG CO

MODERN MAINTENANCE PRODUCTS

MORE STEEL ALUMINUM

MORIVIVI LLC

MOTOPAC CORP

MUEBLERIA NOVOA INC

MULTIDESK LLC

MULTIVENTAS Y SERVICIOS INC

NEW YORK WIPING INDUSTRIAL

NIEVES ENGINEERING, CORP

NRI TECHNICAL SERVICE

NSAT CORPORATION

NSES INC

ODP PUERTO RICO INC
OFFICE GALLERY LLC
OLEIN RECOVERY CORPORATION
OPENLINK PUERTO RICO INC
ORONoz HERMANOS INC
OUTEK CARIBBEAN DISTRIBUTORS
PALADIUS CORP
PAS TECHNOLOGIES INC
PEDRO ESPINA INC
PEDRO I ESPINA INC
PEP BOYS MANNY MOE JACK O PUERTO RICO
PHOENIX INDUSTRIAL SALES INC
PITIRRE MANUFACTURING INC
PLASTIC PIPING PRODUCT OF PR
POWER EQUIPMENT INC PR
PPG ARCHITECTURAL COATINGS PUERTO RICO
INC.
PR OFFICE SOLUTIONS
PRIME CONTROLS
PRIME CONTROLS INC
PRIME JANITORIAL SERVICE, CORP
PRIME TPS INC

PRINT SOLUTIONS CORP

PRO ENERGY CORP

PRO ENERGY SUPPLIES INC

PROFESSIONAL SEALING DEVICES

PROTECTIVE SECURITY SYSTEMS INC

PUERTO RICO ENGINEERING

PUERTO RICO MECHANICAL

PUERTO RICO MECHANICAL PRODUCTS INC

PUERTO RICO WIRE PRODUCTS INC

QUALITY INDUSTRIAL SAFETY CORP

R G ENGINEERING INC

RAFAEL BENITEZ CARRILLO INC

RAFAEL IRIZARRY DBA CON CARIBBEAN

RELIABLE INDUSTRIAL SERVICES INC

RICO TRACTOR INC

RR DONNELLY DE PUERTO RICO

S O P INC

SAN AIR TECHNOLOGIES PR LLC

SERPAGA INC

SIEMENS ENERGY INC

SIGMA SALES INC

SOP INC

STEEL AND PIPES INC

SUEZ WTS INTERNATIONAL USA, INC.

SUN ENERGY SALES SERVICES LLC

SUPER AUTOMOTIVE PRODUCTS INC

SUPERIOR ANGRAN INC

TBS LLC

TECHNICAL POWER SERVICE INC

TECHNO INVENTORS INC

TEMPPRO INC

THE FAIRBANK CORPORATION

THE STATE CHEMICALS SALES CO

THE YATES COMPANY INC

TOMCAS WORK SAFETY SHOES

TONER MAX INC

TRUCK PARTS CENTER

UNIVERSAL FILING SYSTEM INC

UNIVERSAL STEEL TRADING CORP

VIBRANALYSIS INC

WATER WORKS SUPPLIERS CORP

WDC PUERTO RICO INC

WEST FIRE SAFETY EQUIPMENT

WHOLESALE ELECTRIC CARIBE INC

3. Description of the services that law firms will provide

GPR-PREB-Bench-ROI-06-09 #3 – Attached.

See <<legal>> tab, column <<Scope>>.

4. Allocation for the 15MM of shared services that appears in the budget

GPR-PREB-Bench-ROI-06-09 #4

See attached GPR-PREB-Bench-ROI-06-09 #3, tab <<FY24 Final Budget>>, "Shared Services Agreement Impact" and tab <<Shared Services>>.

5. Non-recurrent services for next fiscal year as cost-savings examples

GPR-PREB-Bench-ROI-06-09 #5

Genera is currently strategizing for the upcoming fiscal years and rate review proceedings. In doing so, Genera has pinpointed examples of one-time expenses in FY2024 that will result in cost savings. These include \$1.4 million for IT system separation, \$700,000 for outsourced professional services related to regulatory matters, and \$250,000 for professional services related to process design and separation. There are some additional considerations regarding contracts and commercial terms that cannot be disclosed at the moment. If disclosed, it could potentially affect negotiation strategies, negotiations and, in turn, the resulting cost savings.

6. Proposed amounts of funding for cyber security

GPR-PREB-Bench-ROI-06-09 #6

See attached GPR-PREB-Bench-ROI-06-09 #3, tab <<Consolidated>> in the IT budget line. Out of the budgeted amount, \$1 million will be used to fund cybersecurity initiatives and programs.

Exhibit B

GPR-PREB-Bench-ROI-06-09 #1

Via electronic mail

Mr. Mario Hurtado
Chief Regulatory Officer
LUMA Energy, LLC
Email: Mario.Hurtado@lumapr.com

Re: Proposed Maintenance and Outage Schedule in compliance with PREB June 9, 2023 Bench Order

Dear Mr. Hurtado,

I hope this letter finds you well. As you may be aware, during the Technical Conference held on Friday, June 9, 2023, PREB entered several bench orders directing Genera PR to respond to several requests for information. Among these orders was the submission of an outage and maintenance plan for the 350 MW installed by the US Corps of Engineers across FY2024. Additionally, PREB mandated that Genera PR submit the plan to the T&D System Operator for final approval.

In compliance with the abovementioned order, Genera PR prepared the outage schedule submitted herein as Annex A. This schedule assumes that the 350 MW of temporary power remains synced into the System as base load through the entire FY2024. After thoroughly reviewing the system's necessities, PREPA determined to include a major overhaul to San Juan unit 9 from April 2024 through June 2024. This outage was originally scheduled for FY2025. During the outage, Genera will perform boiler, generator, thermal insulation and surface condenser rehabilitation, overhaul of the turbine and cooling towers, and other activities. Genera will also assess high-energy lines, transformers, and other components during this outage.

The cost of this project is \$ 22mm. Per Genera's initial conversations with COR3, it is likely that these costs will be reimbursed through the FAAS 428 program and, thus, will be included in Genera's non-federally funded capital program.

In alignment with this, PREPA, at the request of Genera, will present an initial SOW for PREB evaluation and approval next week.

We understand the importance of ensuring the reliability and efficiency of energy service in Puerto Rico, and we are fully committed to complying with all regulatory requirements, including coordination with the T&D System Operator.

Our team of industry experts is working diligently to ensure that our plan not only meets but exceeds all the necessary standards. We are confident that our proposal will address any concerns or challenges that may arise, and we will remain fully transparent throughout the entire process.

Based on the current 350 MW added base load capacity during FY2024 and considering the outages and maintenance that Genera has proposed, the average reserve capacity would be 529 MW, assuming a 12% forced outage factor. During FY2023, the average forced outage was 23%, primarily due to the Aguirre 1 outage. However, the estimate for FY2024 is only 12%; thus, the reason for this input in this planning scenario.

Please carefully review the attached maintenance plan and provide your approval at your earliest convenience. Your prompt attention to this matter is of utmost importance as we must meet the deadline set by PREB. Should you have any suggested revisions or modifications, we would greatly appreciate your feedback, as it will contribute to finalizing the maintenance plan.

Regards,

Katiuska Bolaños

Katiuska Bolaños
Chief Regulatory Officer
Genera PR

CC: Brian.Walsh@Lumapr.com
Raphael.Gignac@Lumapr.com
GenCo@lumamc.com
Mike.Shaw@lumapr.com
Haley.Leyendecker@lumapr.com
Katherine.Penshorn@lumapr.com
Administrator@p3.pr.gov

Exhibit C

GPR-PREB-Bench-ROI-06-09 #3

[Native file submitted to the Energy Bureau]