

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

IN RE: ANNUAL PERFORMANCE TEST
PROCEDURE – THERMAL GENERATION
EQUIPMENT

CASE NO.: NEPR-MI-2023-0003

SUBJECT: Commencement of Proceeding
for the Evaluation of the GENERA Annual
Performance Test Procedure under Section
4.2(v) of the Generation Operation and
Maintenance Agreement

RESOLUTION AND ORDER

I. Introduction and Background

Pursuant to the provisions of Act 57-2014,¹ the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) has jurisdiction over the Puerto Rico Electric Power Authority (“PREPA”) and other electric service companies. Act 57-2014, clearly states it is public policy that all consumers have the right to a reliable and stable electric service.² Act 17-2019³ broadened the Energy Bureau’s authority and reinforced the foregoing public policy by declaring that “(t)he electric power system should be reliable and accessible, promote industrial, commercial, and community development, improve the quality of life at just and reasonable cost, and promote the economic development of the Island.”

In order for the Energy Bureau to fulfill its statutory authority and duty to the people of Puerto Rico, it is imperative that the electric service companies subject to the jurisdiction of the Energy Bureau keep the Energy Bureau informed as to the operating state of the electric power system. Toward that purpose, the Energy Bureau established this docket for filing thermal generation facilities performance testing procedures and other associated documents and information needed by the Energy Bureau for review and evaluation of such procedures that are proposed to be employed to determine the capacity and heat rate of PREPA’s generation fleet.

On January 24, 2023, PREPA, the Puerto Rico Public-Private Partnership Authority (“P3A” or “Administrator”), and Genera PR LLC (“GENERA”) entered into the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (“Generation OMA”) that provides for the operation and maintenance services (“O&M Services”) of certain baseload generation plants and combustion turbine peaking units defined therein as “Legacy Generation.”

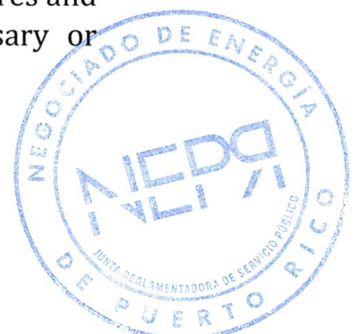
GENERA is obligated under Section 4.2(v) of the Generation OMA to develop the procedures for performance testing as follows:

(v) Annual Performance Test. No later than sixty (60) days prior to the Target Service Commencement Date, and in accordance with the Gridco-Genco-Hydroco Operating Agreement, Operator shall coordinate with T&D Operator to submit to PREB, for its review and approval, the procedures for the Annual Performance Test developed pursuant to the PREPA- Genco-Hydroco Operating Agreement. Within thirty (30) days following its receipt of such procedures, PREB, acting reasonably, shall provide Operator and T&D Operator comments on the appropriateness of the proposed procedures and recommend any changes or modifications it believes are necessary or

¹ Puerto Rico Energy Transformation and RELIEF Act, as amended.

² *Id.*

³ Known as the Puerto Rico Energy Public Policy Act.



appropriate. If PREB does not deliver such comments during such thirty (30) day period, it shall be deemed to have agreed with the procedures for the Annual Performance Test.

It is important to clarify here that any language in Section 4.2(v) or any other sections of the Generation OMA which attempts to negatively affect the Energy Bureau's jurisdiction is not binding to the Energy Bureau.

On June 5, 2023, GENERA submitted proposed Performance Testing Procedures in compliance with Section 4.2(v), via email to the Energy Bureau for its review and comment.

Regulatory Filing Requirement

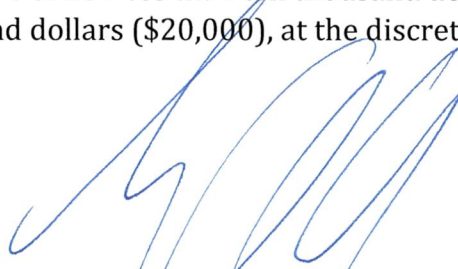
The Energy Bureau **COMMENCES** this Docket for review and consideration of GENERA's annual performance testing procedures and **ORDERS** GENERA to file in this Docket its June 5, 2023 Annual Performance Testing Submission on or before June 20, 2023.

The Energy Bureau reserves the right to follow up or to require further information, if necessary, for its review and approval consideration of the Annual Performance Testing Procedures.

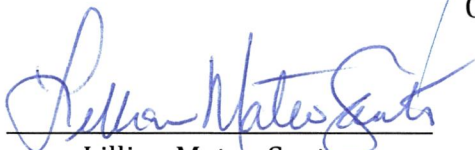
The Energy Bureau **WARNS** GENERA that:

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

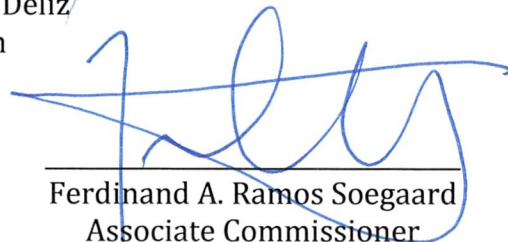
Be it notified and published.



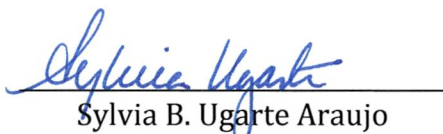
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 16, 2023. I also certify that on June 16, 2023 a copy of this Resolution and Order was notified by electronic mail to brannen@genera-services.com; kbolanos@genera-pr.com; regulatory@genera-pr.com. I also certify that on June 16, 2023, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, on June 16, 2023.



Sonia Seda Gaztambide
Clerk

