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

IN RE: GENERA PR, LLC FUEL OPTIMIZATION PLAN

CASE NO.: NEPR-MI-2023-0004

SUBJECT: Requirement of Information to GENERA – Evaluation of Genera Fuel Optimization Plan

RESOLUTION AND ORDER

I. Introduction

On July 18, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("July 18 Order") through which it commenced the administrative procedure to review the Fuel Optimization Plan required by the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* ("GOMA").¹ Section 4.2(t) of the GOMA establishes that the Fuel Optimization Plan shall be commented on by the Puerto Rico Public-Private Partnerships Authority ("P3 Authority") before the review and eventual approval of the Energy Bureau. Thus, the version of the Fuel Optimization Plan that should be submitted to the Energy Bureau must be a thorough and detailed plan version incorporating the comments of the P3 Authority regarding its appropriateness. The Energy Bureau was specific in the July 18 Order that the Fuel Optimization Plan must be fully compliant with PREPA's approved Integrated Resource Plan ("IRP").

On September 15, 2023, Genera PR LLC ("Genera") submitted a document titled *Motion to Submit GENERA's Revised Fuel Optimization Plan in Compliance with Resolution and Order Dated July 18, 2023* ("September 15 Motion") including its revised Fuel Optimization Plan ("Fuel Optimization Plan") agreed upon with the P3 Authority, for the approval of the Energy Bureau. The Fuel Optimization Plan outlines the Fuel Cost Savings Initiatives and expected methods for achieving estimated fuel savings during the GOMA's term. According to Genera, the Fuel Optimization Plan's objectives are: (i) to provide an increase in the reliability of the Legacy Generation Assets, (ii) to optimize the use and consumption of fuels by the legacy Generation Assets, and (iii) to reduce the price of the associated fuels via specific and targeted fuel initiatives.² Genera contends that the proposed initiatives "will reduce the costs that customers pay for fuel adjustments thus, alleviating their energy bill spending until the diversification of generation technologies led by renewable resources, is materialized."³

II. Analysis and Requirement of Information

The Energy Bureau's expectation of the Fuel Optimization Plan is that it describes each and all specific initiatives that Genera, in the exercise of its expertise, created, as well as the method and expected savings for the purchase of fuel. Consistent with the GOMA, any savings related to Federal programs or market conditions are not savings used to trigger or calculate the incentive payment.⁴

³ Id. Page 6

⁴ Article XXIII Section D of the Third Amended Plan of Adjustment for PREPA.





¹ Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("GOMA"), dated January 24, 2023, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority ("P3 Authority") and Genera PR LLC ("Genera"). Pursuant to the GOMA, Genera is the sole operator and administrator of the Legacy Generation Assets (defined in the GOMA) the sole entity authorized to represent PREPA before PREB with respect to any matter related to the performance of any of the O&M Services provided by Genera under the GOMA.

² Fuel Optimization Plan presented on September 15, 2023, Page 6.

The Fuel Optimization Plan presented by Genera contends that it will achieve savings goals through the execution of various Fuel Cost Savings Initiatives classified into three focus categories starting in FY2024. The categories are: (i) Fuel Acquisition Initiatives – Reducing Transportation, Testing, Delivery, and Storage costs; (ii) Fuel Credit and Portfolio Optimization Initiatives; (iii) Fuel Efficiency Initiatives. According to the GOMA, the Fuel Optimization Plan must describe "the Fuel Cost Savings Initiatives and outlining the expected methods and estimated fuel savings to be achieved during the Term of the Agreement."⁵

To ascertain the prudency of the Fuel Optimization Plan as it relates to the GOMA, the requirements listed in the July 18 Order, and applicable laws and regulation of the Government of Puerto Rico, the Energy Bureau **DETERMINES** that supporting material is needed to allow the Energy Bureau to fully assess Genera's Fuel Optimization Plan.

III. Conclusion

The Energy Bureau **ORDERS** Genera to respond, on or before October 27, 2023 at 12:00 PM, to the Requirements of Information set forth in Attachment A to this Resolution and Order.

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

Sylvia B. Ugarte Araujo Associate Commissioner

Ferdinand A. Ramos Soegaard Associate Commissioner

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Antonio Torres Miranda Associate Commissioner



⁵ Section 4.2(t) of the GOMA

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on October 19, 2023. I also certify that on October 19, 2023 a copy of this Resolution and Order was notified by electronic mail: alopez@sbgblaw.com; jfr@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com. I also certify that on October 19, 2023, I have moved forward with filing the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, on October 19, 2023.

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Attachment A

General

- 1. Using FY2023 data, provide a sample Fuel Optimization Report, pursuant to Annex II, Section III (B)(6) of the OMA.
 - a. Please provide a worksheet showing how the Actual Fuel Savings and Fuel Optimization Payment will be calculated.⁶
- 2. Provide the current Fuel Budget⁷ with all supporting documentation.
- 3. Referencing the table titled *Genera PR Fuel Optimization Plan Acquisition/Optimization and Efficiency Initiatives.*⁸ Please provide the worksheets, reports, and other reference materials used to calculate the estimated savings for all initiatives.

Initiative 1: Reduce The Fixed Premium For ULSD

- 4. The Fuel Optimization Plan (FOP) states diesel fuel is used as a backup fuel at the Aguirre, San Juan, Palo Seco, and Costa Sur steam plants, and as a primary fuel at all emergency generators. The plan also states that prior to the Fall 2022 State Implementation Plan (SIP) that PREPA filed with the U.S. Environmental Protection Agency (EPA), PREPA was using a combination of high sulfur and low sulfur content diesel fuel. The FOP states that prior to the Fall 2022 SIP, Palo Seco was the only steam plant utilizing Ultra-Low Sulfur Diesel (ULSD), and that with the SIP all the steam plants were transitioned to ULSD. The FOP further states that with expedited renegotiations of the fuel supply contract with Novum Energy Trading to supply ULSD at all the plants, the ULSD fixed price premium increased by \$3.00/bbl, for the fuel contract which had an original expiration of date of November 2022, but which was extended through November 2023.
 - a. What was the ULSD fixed price premium stated in the Novum Energy Trading fuel supply agreement prior to the renegotiation, for ULSD supplied to Palo Seco and/or any other plant?
 - b. What was the ULSD fixed price premium stated in the Novum Energy Trading fuel supply agreement after the renegotiation?
 - c. What was the fixed price premium stated in the Novum Energy Trading fuel supply agreement prior to the renegotiation, for higher sulfur content diesel fuel supplied to any power plant in Puerto Rico?
 - d. What is the sulfur content of ULSD, and what was the sulfur content of other diesel fuels delivered to PREPA prior to the Fall 2022 SIP?
 - e. In Genera's view, was the increase in the ULSD fixed price premium by \$3.00/bbl, due to the "expedited negotiations", or does ULSD carry a higher pricing premium than lower sulfur diesel fuels?
 - f. Please provide any historical data in Genera's possession listing both market hub pricing and delivered to PREPA pricing for ULSD and for other sulfur content diesel fuels.
- 5. If the increased Fixed Price Premium for ULSD occurred as a result of expedited negotiations with a single fuel supplier, due to changes in the fuel quality requirements arising from the Fall 2022 SIP, please explain why Genera believes that is an appropriate pricing level to serve as the baseline for determining future fuel cost

⁸ FOP, page 9.

⁶ Genera. Fuel Optimization Plan (FOP). Sept 15, 2023, page 10.

⁷Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("LGA OMA"), January 2 2023, page 18.

savings resulting from a negotiated FY2024 (and beyond) fuel supply agreement for ULSD?

- 6. What other market mechanisms or pricing indices are available additional or alternative benchmarks to use in setting baseline ULSD fuel costs in Puerto Rico?
- 7. Please explain the basis for Genera's estimated ULSD fixed price premium of \$7.75/bbl for the FY2024 fuel supply agreement currently under negotiation. Please provide background information and data used to support that estimate.
- 8. What is the definition of the ULSD fixed premium currently negotiated for the current fiscal year 2023? Is the fixed premium definition for the new expected negotiated number for FY2024 the same as the current fiscal year 2023?
 - a. From the provided definition(s), what items are fixed and what items are variable related to contracted volume purchase.
- 9. Palo Seco was the only plant requiring ULSD before the 2022 SIP⁹. Provide the historical consumption of ULSD for each plant for the prior year before the SIP, 2022, 2023, and the projected forecast for 2024. Specify the timeframe of each contractual term/year.
- 10. Does Genera expect to receive Fuel Optimization Payment¹⁰ regarding this Initiative for the first year of implementation of the initiative, for a limited number of years after implementation of the Initiative, or for the life of the Genera contract once implemented?

Initiative 2: Fuel Reliability Enhancements For ULSD

- 11. Regarding the savings estimate:
 - a. Are the estimated savings for FY2024 of \$6.2 million based only on the diesel contract renegotiation in November 2023?
 - b. Otherwise, are the estimated savings for FY2024 of \$6.2 million based on the current power plants' lack of additional diesel storage?
 - i. If the response to (b) is no, how much additional storage capacity does Genera need to avoid the need for a second barge of 50,000 barrels? Would Genera provide this working capacity through its own assets/fuel storage, or would the fuel supplier provide this working capacity?
 - ii. If the response to b is yes, what are the risks of the lack of additional diesel storage in the power plants?
 - c. What are the costs and timing (e.g., tanks rehabilitation and contract renegotiation) of the implementation measures required to achieve the savings of \$6.2 million dollars for FY2024?
 - i. Will this amount reduce the calculated savings?
 - d. Would this initiative contribute to the reduction of the fixed premium¹¹?

12. Requests of information:

a. Please provide the status of the November 2023 diesel negotiation contract and how it promotes participation and competition among the potential suppliers to achieve the forecast savings.

⁹ FOP, page 18.

¹⁰ LGA OMA, page 19.

¹¹ Fixed premium is affected mainly by intrinsic and extrinsic factors. The main intrinsic factor is logistics costs. The ocean-going, US flag, dedicated second barge for deliveries to the plants is a fixed costs that is recovered via the fixed premiums.

- b. What will be the effective date of the new contract to be negotiated in November 2023?
- c. If the contract negotiation for diesel supply with the proposed terms is not achieved, please provide the strategy alternative for the proposed savings for FY2024.
- d. There are currently 2 barges. What is the cost of the first barge? Will the requirement that the supplier use a minimum size barge (45,000-50,000 barrels) increase the cost of the first (and only) barge needed for this initiative?
- e. Will the estimated cost savings of \$6.2 million per year by removing the need for the second barge have a positive impact (i.e., reduction) in the ULSD fixed premium¹²? If yes, what's the amount of the contributed reduction to the fixed premium?
- f. Will this initiative of increasing the minimum stock reserve of an additional 50,000 barrels for the relevant plants (or implementation of it) have a one-time (or other) adverse impact to the monthly deposits into the Genco Fuel Account13?
 - i. If the answer is yes, what's the cost to increase the reserve stocks? Has this increase been budgeted?
- 13. Does Genera expect to receive Fuel Optimization Payment¹⁴ regarding this Initiative for the first year of implementation of the initiative, for a limited number of years after implementation of the Initiative, or for the life of the Genera contract once implemented?

Initiative 3: Change of Fuel Oil Escalator and Reduction of Fuel Oil Adder

- 14. Has Genera considered diversifying the current fuel oil price reference to a more stable global fuel price to stabilize the escalator and reduce the adder? If yes, what alternate fuels have Genera considered?
- 15. What are the factors that contribute to changes in value of adder1 and adder2? Are these factors linked to commodity *prices* or commodity price *volatility*?
- 16. Did Genera consider other fuel oil price indexes prior to selecting Brent Crude oil as a new crude oil escalator?
 - a. Please provide the analysis supporting the conclusion that Brent Crude is the better choice for escalator. Include supporting documentation.
- 17. Are the projected savings from different years after FY2024 calculated against FY2023 or against the previous year? That is, will the savings in FY26 be calculated relative to FY25 or to FY23?
- 18. Regarding subsection (E) Implementation Timeline, what price values from the awarded supplier (based on Brent & Platts references) will decide if Genera switches from one reference to the other in the FY 2024 or FY 2025 RFP?
- 19. Does Genera expect to receive Fuel Optimization Payment¹⁵ regarding this Initiative for the first year of implementation of the initiative, for a limited number of years after

¹⁴ LGA OMA, page 19.
¹⁵ LGA OMA. page 19.



¹² Fixed premium is affected mainly by intrinsic and extrinsic factors. The main intrinsic factor is logistics costs. The ocean-going, US flag, dedicated second barge for deliveries to the plants is a fixed costs that is recovered via the fixed premiums.

¹³ An amount equal to the anticipated Fuel Costs for the following month; See Section 3.5 of the PREPA-GENCO-HYDROCO OPERATING AGREEMENT

implementation of the Initiative, or for the life of the Genera contract once implemented?

20. Using the example provided in Page 20-21 of the FOP, use FY 2023 data and Genera's knowledge of historical supplier reported escalators + adder for the two postings referenced in the Initiative for the FY to provide an example of how the Fuel Optimization calculations will look like for the basis or the Fuel Optimization Report as determined in section d. on page 21.

Initiative 4: Additional ULSD On-Site Reserve Capacity

- 21. Would discontinuing the delivery of diesel via truck at the Cambalache Plant represent a reduction in availability at this generating plant? What measures will Genera take to maintain a reserve in its generating fleet with the capacity to cover the energy demand in this scenario?
- 22. What will be the optimum storage capacity for ULSD to guarantee reliable operation in all plants?
- 23. What needs to be done to return Tank D-2 to service? What is the estimated cost? Will this cost be netted out of calculated savings? If not, why not?
- 24. This initiative's implementation timeline is from the second half of FY2024 (December 2023) to the start of FY2025 (July 2024). Will the savings from this initiative be applied in FY2024.
- 25. What will be the funding sources for rehabilitating the Cambalache's D-2 tank and Palo Seco R-2 tank, and any other tank if applicable for FY2024?
- 26. Does Genera expect to receive Fuel Optimization Payment¹⁶ regarding this Initiative for the first year of implementation of the initiative, or for a limited number of years after implementation of the Initiative, or for the life of the Genera contract once implemented?
- 27. Requests of information:
 - a. What is the 90% fill level ULSD storage capacity in barrels of Palo Seco's Reserve Tank #2 (R-2) and Cambalache's Service Tank # 2 (D-2)?
 - b. Please provide Palo Seco's Reserve Tank #2 (R-2) and Cambalache's Service Tank # 2 (D-2) rehabilitation schedules.
 - c. Please provide the service return estimated date for Palo Seco Reserve Tank #2 (R-2) and Cambalache Service Tank # 2 (D-2).
 - d. What will be the estimated capital investment for Palo Seco's Reserve Tank #2 (R-2) and Cambalache's D-2 tank?
 - e. How would the "additional delivery cost (over barge delivery)" be calculated? In the example on page 22 it was presented as \$1.00/bbl.

Initiative 5: Spot Purchase Option for Fuel Oil And ULSD

- 28. Are there any additional costs associated with bringing on new suppliers in exercising the 25% spot volume clause outside of the per unit basis? Will there be any fees or penalties associated with exercising the spot volume clause?
 - a. If so, are those costs incorporated in the cost savings per unit analysis?
- 29. Does Genera expect to receive Fuel Optimization Payment¹⁷ regarding this Initiative for the first year of implementation of the initiative, for a limited number of years after



¹⁶ Id.

¹⁷ LGAOMA, page 19.

implementation of the Initiative, or for the life of the Genera contract once implemented?

Initiative 6: Price Risk Management

- 30. How far out does Genera's fuel budget forecast go?
- 31. Does Genera modify the budget within the fiscal year based on future price movements?
- 32. How does Genera include actual hedges in the budgetary process?
- 33. Is the 25% spot volume that is allowable to purchase with other suppliers in addition to or separate from the 30% volume that can be secured on forward contracting?
- 34. What percentage of the allowable 30% volume does Genera intend to cover during the budgetary process? How is the volume hedged determined?
- 35. Based on a 30% hedge volume target, how does Genera execute the hedges all 30% at once, scaled in, etc.?
- 36. Why would Genera consider there to be savings if the hedges executed below budget end up being higher than the actual final settlement price?
- 37. Would Genera consider there to be savings if the hedges executed via the Timestrategy end up being lower than the actual final settlement price?
- 38. For the increased estimated savings associated with price risk management in further out Fiscal Years, are the estimated value increases tied to:
 - a. Higher usage volumes projected?
 - b. A higher allowable hedge percentage (increased cap of what level is envisioned)?
 - c. An increase in price savings per unit?
- 39. The SWAPS section seems to describe call option strategies that can be traded on both the Futures and Swaps market. Can you clarify that this section refers to options strategies and not OTC Swaps as a whole?
- 40. Futures Contracts as a clarification the Fixed Price section refers to futures as the only avenue to fix pricing although the Swaps market can also be a tool to fix prices physically or financially.
- 41. Are transaction related fees associated with utilizing swaps, options etc. incorporated in the hedge price component to calculate cost savings¹⁸?
- 42. In the storage arbitrage savings program, how far out would Genera accelerate or delay purchases 30 days, 3 months, 6 months?
- 43. Would this storage strategy utilize futures and/or swaps to lock in the differential at the time of the hedge?

Initiative 7: Payment Terms Management

- 44. What are the current contractual clauses that determine the financing costs for all the current liquid fuel supplies?
- 45. What is the Benchmark that Genera will be working/striving towards to get fuel suppliers to provide in the contract to determine the financing costs for liquid fuel supplies?

¹⁸ In other words, will the Fuel Optimization Calculations include the cost of the price risk management instruments that will be executed through the period of evaluation.

- 46. There is a cost of capital PREPA has incurred due to the Debt Restructuring Process. Once PREPA exits from Title III, there will be an expected risk reduction and consequently a reduction in PREPA's Cost of Capital (i.e., financing cost). How would the Fuel Optimization calculations¹⁹ related to this Initiative exclude the expected effective reduction in financing costs due to PREPA's exit from Title III?
- 47. Provide the most recent analysis that shows the annualized financing costs for this credit (the current credit terms)?
- 48. Provide the latest sample invoice that includes all supporting documentation for the financing charge.
- 49. Using the example provided in Page 33 of the FOP, use FY 2023 data, and provide an example of how the Fuel Optimization calculations will look like for the basis or the Fuel Optimization Report. The example should be as close as feasibly possible to how it would look like for Contract Year 1 of the Fuel Optimization Report.
- 50. Will this initiative (or implementation of it) have a one-time (or other) adverse impact to the monthly deposits into the Genco Fuel Account²⁰?
- 51. Are there any Implementation or on-going administrative cost that will be associated with the Implementation of new payment terms and the management of the secondary 3rd party financing options?
- 52. Does Genera expect to receive Fuel Optimization Payment²¹ regarding this Initiative for the first year of implementation of the initiative, for a limited number of years after implementation of the Initiative, or for the life of the Genera contract once implemented?
- 53. On page 32, under part b, Approach / Strategies, is the following sentence: "Financing term improvements could be at Operator's capital improvements."
 - a. Could you please further explain this statement?
 - b. Who is the mentioned operator in the sentence: Luma, PREPA, or Genera?
 - c. Is the operator's capital improvement mentioned considered in the operational budget (liquidity)?
 - d. How is this going to be achieved?
- 54. Please provide a detailed written plan about projected cost savings for longrange/upcoming years after 2025, based on the mentioned strategies or specific additional methodologies for implementation.

Initiative 8: Fuel Efficiency Projects

- 55. Using the example provided in Page 37 of the FOP, use FY 2023 data, and provide an example of how the Fuel Optimization calculations will look like for the basis or the Fuel Optimization Report. The example should be as close as feasibly possible to how it would look like for Contract Year 1 of the Fuel Optimization Report.
- 56. What are the differences an interdependencies of this incentive payments due to this initiative compared to the incentive payment for the Equivalent Availability Factor (EAF)²²?
- 57. On what time frame and due to what actions will Genera's administration, heat rate, availability, frequency regulation, and daily generation reserve be improved?

²¹ LGA OMA, page 19.²² LGA OMA, Annex II page 4 (Section III.B.2).



¹⁹ The calculations should be related to the contemplated plans that encompasses Genera's wits and creativity, the vision of its expertise, that will set the path and first steps towards the much necessary and expected reduction in the cost of fuel.

²⁰ An amount equal to the anticipated Fuel Costs for the following month; See Section 3.5 of the PREPA-GENCO-HYDROCO OPERATING AGREEMENT

- 58. How can power generation units like Costa Sur 5 and 6 achieve substantial fuel savings and efficiency improvements through the variable frequency drivers (VFDs) and what are the estimated annual cost savings associated with these measures? What criteria has Genera used to calculate VFD savings? Did Genera consult with the manufacturers about the use of frequency drive in boiler circulating water pumps, given the minimum angular speeds (RPM) of the rotor of the pumps?
- 59. Given that the current generation units are not performing best. How did Genera estimate or calculate the \$8.2 million cost savings for FY2024 fuel efficiency?
- 60. The Genera estimated savings calculated for fuel efficiency initiatives will be \$16.4 million annually (according to Page 9 Table) from FY2025 until FY2028. Why was this savings estimated amount the same and not adjusted over the fiscal years? What criteria were utilized to determine this?
- 61. Is Genera planning to claim any fuel savings resulting from the ability to dispatch lower cost plants (as opposed to savings from reducing the cost to operate any given plant?
- 62. Why are Costa Sur 5 & 6 the only units utilized in the estimated cost-saving calculation of \$8.2 million for FY2024 and \$16.4 million for FY2025 through FY2028, and not the other units?
- 63. The power plant's unit's best efficiency is not achieved when operating at 100% load capacity. However, the necessary repairs and maintenance must be done to determine the optimal operating point at the maximum load.
 - a. Has any cost estimate been considered to determine the amount required to achieve this objective in each unit?
 - b. Are the savings estimated for the previous fiscal years, considering the cost of repairs and maintenance?
- 64. The Palo Seco Units 1 & 2, Costa Sur Units 1, 2,3 & 4, and San Juan Units 8 & 10 (totalizing 640 MW) are in a decommissioning process. The other units will be repaired and optimized to continue operation until the other renewable utility-scale projects become operational to determine the eventual decommissioning process.
 - a. Has the cost-effectiveness investment per unit been determined for the remaining operating fleet to get the maximum optimal conditions, considering that these units will be decommissioned in the future?
- 65. With heaters 6 and 7 out of service in Units Costa Sur 5 and 6, which can be harsh on the boilers' components, what steps are Genera taking to prevent additional boiler damage as they work on repairing the heaters and the units?
- 66. Did Genera seek advice from the boiler manufacturer regarding this operational situation?
- 67. How can power generation units like Costa Sur 5 and 6 achieve substantial fuel savings and efficiency improvements through variable frequency drivers (VFDs)?
- 68. What criteria did Genera use to estimate the annual cost savings associated with implementing VFDs?
- 69. Requests of information:
 - a. Genera's FOP states: "Genera will implement a plan for aggressive repair and replacement of components of generating units plan and for an increase in preventive maintenance." Please provide a detailed written plan about this.
 - i. Please provide Genera's projected improvements in plant availability and plant heat rate, by plant. Please indicate whether the project is designed to improve plant availability, plant efficiency, or both.
 - ii. Also please indicate whether the projects identified will be funded by the FY23/24 base rate budget or by the federal funding budget, or from some other source.

- iii. For the projects listed, please describe whether the project was initially identified and had planning activities begin subsequent to the Mobilization Period on June 30, 2023, or whether such activities were begun prior to Genera taking over NEM and federal funded capital projects?
- b. For units identified for decommissioning, what will be the estimated dates for repair and optimization? Please provide a detailed plan for this purpose, if available.
- c. Given that projected savings lead up to the year 2025, please provide a detailed written plan about projected cost savings for long-range/upcoming years based on the mentioned strategies or specific additional methodologies for implementation.
- d. Please describe Genera's proposed approach for establishing generation plant availability baseline targets for use in determining incentive payments under the Generation OMA?
- e. Please describe whether it is Genera's intent to use Heat Rate tests to establish heat rate baseline data for the legacy fossil generation units? If Genera is proposing a different approach, please describe that approach and Genera's rationale for proposing its use?
- 70. How will Genera prioritize the potential/identified fuel efficiency projects? Please provide the methodology or the analytical process.
 - a. Does the planned retirement date factor into this analysis?
- 71. Please provide the evaluation metrics and approval process required before each fuel efficiency project is initiated.
- 72. How is the remaining life of legacy facilities determined? How often is assumption revisited?
 - a. How will changes in retirement dates of legacy plants be integrated into the analysis?
 - b. How will changes in available capacity from new generation facilities, due to delays in construction or contracting, be included in the analysis?

