

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

NEPR
Received:
Oct 20, 2023
6:09 PM

IN RE:

REVIEW OF LUMA’S INITIAL BUDGET

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Motion to Submit Reports on Grid Modernization and Emergency Work-Related Federal Funding in Compliance with Resolution and Order dated June 25, 2023

**MOTION TO SUBMIT REPORTS ON GRID MODERNIZATION AND EMERGENCY
WORK-RELATED FEDERAL FUNDING IN COMPLIANCE WITH RESOLUTION
AND ORDER DATED JUNE 25, 2023**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC (“Genera”), as agent of the Puerto Rico Electric Power Authority (“PREPA”),¹ through its counsel of record, and respectfully state and request the following:

1. On May 16, 2023, LUMA² 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* (“May 16th Motion”), in which LUMA submitted the Proposed Consolidated FY24 Budget, composed of the Proposed T&D Budgets developed by LUMA, the proposed GenCo Budgets revised by Genera on behalf of PREPA for the PREPA subsidiary GenCo LLC, and the proposed

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

² LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as “LUMA”).

budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC and PREPA PropertyCo LLC.

2. On June 25, 2023, the Energy Bureau issued a Resolution and Order titled *Determination on the FY24 Annual Budgets for the Electric Utility System – LUMA, Genera, and PREPA* (“June 25th Order”), through which it (1) modified the Proposed Consolidated Fiscal Year 2024 Budget submitted by LUMA on the May 16th Motion; (2) approved the modified budgets subject to compliance with various orders included in the June 25th Order; and (3) included a series of determinations and orders addressed to Genera regarding the GenCo Budget.³

3. Pertinent to this Motion., the June 25th Order included reporting requirements outlined in its Attachment I, comprising but not limited to:

- a. Implementation of Grid Modernization Plan Report to be filed bi-monthly;
- b. Permanent and Emergency Work-Related Federal Funding Report & Infrastructure Plan Updates to be filed monthly; and
- c. Budget to Actuals Report to be filed quarterly.

4. On September 1, 2023, Genera filed a document titled *Motion to Submit Monthly Maintenance Report for August 2023, in Compliance with Resolution and Order dated June 25, 2023* (“September 1st Motion”). Relevant to the present matter, Genera requested the following modifications to the filing schedule for the aforementioned reports:

- a. the Implementation of Grid Modernization Plan within twenty (20) days following the conclusion of each bi-monthly reporting period;

³ See June 25th Order, pp. 16 - 21.

- b. the submission of the Permanent and Emergency Work-Related Federal Funding Report & Infrastructure Plan Updates within twenty (20) days after the end of the monthly reporting period; and
- c. the delivery of Budget to Actuals Reporting within forty-five (45) days after the end of the quarterly reporting period.

5. In compliance with the June 25th Order and in accordance with the September 1st Motion, Genera submits herewith a series of reports, listed as exhibits below. These reports provide information and status up to September 30, 2023, on the major investment categories and projects that Genera is implementing to deliver reliable and resilient power. The information provided fulfills the reporting requirements set forth by the June 25th Order regarding (a) the implementation of the Grid Modernization, and (b) Permanent and Emergency Work-Related Federal Funding Report & Infrastructure from July 1st to September 30, 2023.

6. The attached exhibits are the following:
- i. *Exhibit A*, Genera Grid Modernization Highlights - 28Sept2023;
 - ii. *Exhibit B*, Genera Project Master-Tracker - 2Oct2023;
 - iii. *Exhibit C*, Genera Project Cash Flow - 2Oct2023;
 - iv. *Exhibit D*, Genera Cost Overview - 2Sept2023; &
 - v. *Exhibit E*, Genera Critical Tasks - 2Oct2023.

WHEREFORE, Genera respectfully requests that this Energy Bureau **take notice** of the above for all purposes; and **deem** that Genera has partially complied with the June 25th Order concerning the reports specified in Attachment I of the June 25th Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 20th day of October 2023.

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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 an electronic copy of this motion will be sent to PREPA through its counsels of record, González & Martínez Law Offices, P.S.C. at Juan M. Martínez Nevárez, at jmartinez@gmlex.net, Alexis G. River Medina, at arivera@gmlex.net, Joselyn Rodríguez González, at jrodriguez@gmlex.net, and Mirelis Valle Cancel at mvalle@gmlex.net; and to LUMA through its counsel of record,; Margarita Mercado Echegaray, at margarita.mercado@us.dlapiper.com; and Ana Margarita Rodríguez Rivera, at ana.rodriguezrivera@us.dlapiper.com promptly after such filing.

In San Juan, Puerto Rico, this 20th day of October 2023.

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez

Exhibit A

Genera Grid Modernization Highlights_28Setp2023

Accomplishments	Upcoming Actions and Activities
<ul style="list-style-type: none"> • Generation Assets Repairs <ul style="list-style-type: none"> • Palo Seco #4 – 08AUG2023 Forced outage due to generator protection trip. <ul style="list-style-type: none"> • Finding: C phase is completely grounded. • Recommendation: rewinding the stator. • The unit will be out for at least twelve months. • Environmental outage works on the unit are in progress. • Costa Sur #6– Forced outage between September 8 to September 11 to repair boiler water feed pump and boiler tubes. Unit returned to service September 11 at 7:15pm for 400MW (added 50 MW). 	<ul style="list-style-type: none"> ▪ Transformers <ul style="list-style-type: none"> • Replacement of ESST 7-8 with ESST CS 3-4 was completed . Transformer energization was performed on 06SEP2023. • Troubleshooting and repairs are underway on Aguirre CC main power transformers 2-1 and 2-2. LUMA found CT with a low megger. After LUMA's evaluation, Genera prepared a requisition to procure professional services for CT assessment. Luma need at least one week to finish and test MPT.
High Priority Due Outs (Short Suspense)	Challenges, Shortfalls, Limitations or Constraints
<ul style="list-style-type: none"> ▪ Costa Sur #5 - Unit Major Maintenance in progress. Estimated completion date 27OCT2023 (FEMA reimbursable). Extra works appear in the turbine's control and stop valve to replace some internal components. • Aguirre #1 – Stator cooling fan seal found broken. Estimated completion date: 30SEP2023–unit on turning gear (NME funded). Unit on start-up process. • San Juan #7 – Environmental maintenance. Air heater replacement. The unit is expected to return to service in the second week of OCT2023 (FEMA reimbursable). ▪ Aguirre Combined Cycle Unit 1-2: 31AUG2023 forced outage due to rotor generator failure. Rotor replacement is in progress. Expected date to complete: 06OCT2023. (Reserve account funded). ▪ Aguirre 2 – limited to 100 MW due to main feed water valve. 	<ul style="list-style-type: none"> ▪ Aguirre Combined Cycle <ul style="list-style-type: none"> • Units 1-3 –Major inspection in progress. Expected to return in NOV2023. (FEMA funded). • Units 1-4 – Currently offline due to generator rotor. Repair contracted. • An immediate extension of time and a significant increase in capacity for the temporary power is needed. Failure to provide the necessary 350 MW generation or removal of the current installed temporary power would put the stability of the generation system and operational reserve margins at grave risk. It is imperative that swift action is taken to ensure the safety and reliability of our power supply.



Grid Modernization Report

Legacy Assets – Status as of 28Sept2023

UNIT	COD	USE	FUEL	NAMEPLATE CAPACITY (MW)	CURRENT CAPACITY	REPAIRS FUNDS SOURCE	EXPECTED COMPLETION DATE	NOTES
Aguirre 1	May 1975	Base	Bunker C	450	0	Federal & NME	9/30/2023	Under maintenance
Costa Sur 5	Sep 1972	Base	LNG & Bunker C	410	0	Federal	10/27/2023	Under maintenance
San Juan 7	May 1965	Base	Bunker C	100	0	NME	10/15/2023	Under maintenance
Palo Seco 4	Jul 1970	Base	Bunker C	216	0	NME	TBD	Under repair
Palo Seco 3	Feb 1970	Base	Bunker C	216	180	N/A	N/A	Limitations
Aguirre 2	Oct 1975	Base	Bunker C	450	375	N/A	N/A	Limitations
Costa Sur 6	Sep 1973	Base	LNG & B C	410	375	N/A	N/A	Limitations
AG-CC 1&2	July 1977	Reserve	Diesel	592	150	N/A	N/A	Limitations
Mayaguez	Apr 2009	Reserve	Diesel	220	194	N/A	N/A	Limitations
Cambalache	Apr 1997	Reserve	Diesel	247	77	N/A	N/A	Failures/limitations/ Unit 2 maintenance
Peakers Fleet	(18) 1971 & (3) 2019	Reserve	Diesel	396	176	N/A	N/A	Failures and limitations
San Juan 5	Oct 2008	Base	LNG & Diesel	220	210	N/A	N/A	Normal operation
San Juan 6	Oct 2008	Base	LNG & Diesel	220	210	N/A	N/A	Normal operation
San Juan 9	June 1968	Base	Bunker C	100	80	N/A	N/A	Vacuum Limitations
TOTALS				4,247 MW	2,027 MW			Available Capacity

Unit under maintenance or repair

Unit in service with limited Capacity

Unit under normal operation



Exhibit B

Genera Project Master-Tracker_2Oct2023

Exhibit C
Genera Project Cash Flow_2Oct2023

CASH FLOW

Actual Cost	Baseline Cost	Remaining Cost	Cost Variance
\$24,075,541.49	\$908,250,079.86	\$778,065,538.37	(\$106,109,000.00)



The chart shows the project's cumulative cost and the cost per quarter. To see the costs for a different time period, select the Edit option from the Field List.

The table below shows cost information for all top-level tasks. To see cost stats for all tasks, set the Outline Level in the Field List.

Name	Remaining Cost	Actual Cost	Cost	ACWP	BCWP	BCWS
Milestones	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operations Outage Schedule	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NME Projects	\$53,092,879.04	\$1,042,075.82	\$54,134,954.86	\$1,042,075.82	\$946,448.72	\$4,110,058.33
Federal Projects	\$724,972,659.34	\$23,033,465.66	\$748,006,125.00	\$23,033,465.66	\$20,727,558.17	\$3,234,513.68

Exhibit D
Genera Cost Overview_2Oct2023

COST OVERVIEW

MON 7/3/23 - FRI 1/2/26

COST

\$802,141,079.86

REMAINING COST

\$778,065,538.37

% COMPLETE

17%

COST STATUS

Cost status for top level tasks.

Name	Actual Cost	Remaining Cost	Baseline Cost	Cost	Cost Variance
Milestones	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operations Outage Schedule	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NME Projects	\$1,042,075.82	\$53,092,879.04	\$67,079,954.86	\$54,134,954.86	(\$12,945,000.00)
Federal Projects	\$23,033,465.66	\$724,972,659.34	\$841,170,125.00	\$748,006,125.00	(\$93,164,000.00)

PROGRESS VERSUS COST

Progress made versus the cost spent over time. If % Complete line below the cumulative cost line, your project may be over budget.



COST STATUS

Cost status for all top-level tasks. Is your baseline zero?

[Try setting as baseline](#)

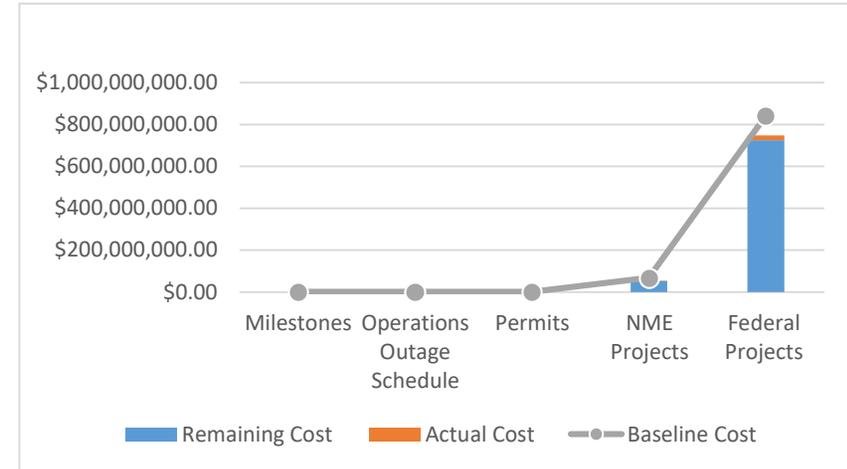


Exhibit E
Genera Critical Tasks_2Oct2023

CRITICAL TASKS

A task is critical if there is no room in the schedule for it to slip.

[Learn more about managing your project's critical path.](#)

- Status: Complete
- Status: On Schedule
- Status: Late
- Status: Future Task

Name	Start	Finish	% Complete	Remaining Work	Resource Names
Aguirre Procurement General	Mon 7/3/23	Fri 11/3/23	73%	0 hrs	
PREB Approval for RFP Changes	Mon 7/3/23	Fri 10/20/23	45%	0 hrs	
Procurement Long Lead Items	Mon 10/23/23	Fri 12/22/23	0%	0 hrs	Subcontracts
Procurement EPC Contract	Mon 10/23/23	Fri 12/22/23	0%	0 hrs	Subcontracts
FAASt New Black Start System at Costa Sur	Mon 12/25/23	Fri 1/2/26	0%	0 hrs	Subcontracts[\$45,200,000.00]
FAASt New Black Start System at Aguirre (Yabucoa)	Mon 12/25/23	Fri 1/2/26	0%	0 hrs	Subcontracts[\$45,200,000.00]
Simple Gas Turbines	Mon 12/25/23	Fri 1/2/26	0%	0 hrs	Subcontracts[\$613,541,936.00]