



November 6, 2023

Received:

Nov 6, 2023

11:17 AM

Via Electronic Submission

Energy Bureau
Public Service Regulatory Board
World Plaza Building
268 Muñoz Rivera Ave,
San Juan, PR. 00918
Attention: Chairman, Edison Avilés-Deliz

Re: PSD Temporary Emissions Permit; *In Re: LUMA's Response to Hurricane Fiona*, docket no. NEPR-MI-2022-0003

To the Honorable Chairman of the Energy Bureau and Associate Commissioners,

In October 2022, the Central Office for Recovery, Reconstruction, and Resiliency ("COR3") and the Puerto Rico Electric Power Authority ("PREPA") requested 700MW of temporary generation as Direct Federal Assistance ("DFA") from the Federal Emergency Management Agency ("FEMA") to stabilize the Island's electrical power grid as a result of the damage caused by Hurricane Fiona. FEMA granted the request in November 2022.

After approving the DFA, FEMA issued Mission Assignments ("MA") to the U.S. Army Corps of Engineers, U.S. Environmental Protection Agency ("EPA"), and U.S. Department of Energy and established the Power System Stabilization Task Force ("PSSTF") to coordinate and integrate efforts to execute the power stabilization plan in Puerto Rico due to impacts caused by Hurricane Fiona. Accordingly, temporary generation units were installed in the Palo Seco and San Juan sites, which allowed PREPA to add 350MW¹ to Puerto Rico's electric grid, and thus, in turn, reduce power outages and allow for planned outages to conduct significant repairs to generation and T&D assets. FEMA commissioned 150MW in Palo Seco on May 29, 2023, and 200MW in San Juan on September 26, 2023, providing 350MW to the electrical grid. To date, the temporary generators have avoided an estimated 41 load-shedding events at peak hours. It is

¹ Even though FEMA approved the DFA request, and stated that it would install 700MW, it only installed 350MW.

projected that they will prevent 18 additional load-shedding events from November 1, 2023, through March 15, 2024, and another 11 such events should they remain until the end of 2024.

As part of the MA, on January 30, 2023, FEMA entered into a Federal Facility Compliance Agreement (“FFCA”) with EPA.² One of the requirements of the FFCA is that FEMA conducts a Prevention of Significant Deterioration (“PSD”) applicability analysis for each facility where temporary power generation will be installed. Per the FFCA, the PSD applicability analysis must include the temporary generation units and the repair of existing legacy generation assets (“LGA”) at the facility. The FFCA requires that the PSD applicability analysis for each site be completed within 210 days from the effective date of the FFCA and that the analyses be provided to EPA within 15 days from their completion.

In September 2023, the PSSTF advised Genera PR, LLC (“Genera”) that it had conducted a Prevention of Significant Deterioration Applicability Review for the Palo Seco Temporary Power Generation (“PSD Analysis”) and presented the PSD Analysis report, dated September 12, 2023, to Genera. FEMA informed Genera that the PSD Analysis was submitted to EPA in compliance with the FFCA. The PSD Analysis concludes that, for both the Palo Seco and San Juan sites, the installation of the temporary emission sources is subject to PSD permitting for significant emissions for one or more regulated pollutants. FEMA advised Genera that, in accordance with the FFCA, the Palo Seco Application for Prevention of Significant Deterioration and Nonattainment Area Construction Permit must be submitted by November 11, 2023.

Genera hereby submits to PREB that, in compliance with applicable state and federal regulations and the FFCA, it will proceed to submit such application as required.

It is important to note that while FEMA has reiterated that the operation of the temporary electric generation combustion turbines at PREPA’s Palo Seco and San Juan

² In the Matter of: The Federal Emergency Management Agency, *Federal Facility Compliance Agreement*, Docket no. CAA-02-2023-1219, United States Environmental Protection Agency, Region 2 (January 30, 2023).

sites will end on March 15, 2024,³ the Government of Puerto Rico has continuously stated that the units must remain on the island to avoid load-shedding and allow the repair of the electrical power grid to continue. Recently, the Executive Director of COR3 expressed interest in exploring alternatives to have the units remain on the island, including purchasing them as a permanent asset of PREPA.⁴ Director Laboy's statement indicates that any such action must receive prior approval from PREB, which Genera agrees with. Genera understands that the Government will succeed in its efforts to maintain the units in Puerto Rico, either by getting an extension of the DFA or purchasing the units. Thus, Genera is working in parallel to have all permitting in place for the long-term operation of the units beyond the March 15 deadline.⁵ Nevertheless, before taking any definitive action and submittal of permitting for long-term operation, Genera will inform PREB and seek leave to proceed with the submittal.

Genera restates its commitment to working in compliance with Puerto Rico's energy public policy and PREB's orders and regulations for the benefit of the people of Puerto Rico. We will continue to work toward reducing forced outages and load-shedding and ensuring that Puerto Rico has an adequate supply of generation resources to meet its energy demands.

Sincerely,



Katiúska Bolaños
Chief Regulatory Officer
Genera PR, LLC

³ Gonzalez, R. (2023, November 3). *DOCUMENTO: Por terminar la ayuda de los megageneradores de FEMA*, El Vocero, https://www.elvocero.com/gobierno/agencias/por-terminar-la-ayuda-de-los-megageneradores-de-fema/article_0da638b0-79d6-11ee-81f6-9b2506849bf6.html

⁴ *Id.*

⁵ Genera needs to expand its analysis to include models that were not used for the PSD Analysis because some models were not developed for the analysis of the PSD Analysis. For instance, air dispersion modeling was not used due to the temporary nature of the emissions. This expansion is necessary to proceed with permits for the long-term operation of the units.