

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

**IN RE:** REVIEW OF THE PUERTO RICO  
ELECTRIC POWER AUTHORITY'S 10-YEAR  
INFRASTRUCTURE PLAN - DECEMBER  
2020

**CASE NO.:** NEPR-MI-2021-0002

**SUBJECT:** Determination on GENERA's  
November 13 and November 17, 2023,  
Motions for a Request of Approval of  
Projects to Replace Critical Components and  
Improve Fuel Efficiency and to Request a  
Time Extension.

**RESOLUTION AND ORDER**

**I. Introduction**

On March 26, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("March 26 Resolution") in the instant case, through which it ordered the Puerto Rico Electric Power Authority ("PREPA") to submit each specific capital investment project for approval to avoid potential noncompliance with the Approved Integrated Resource Plan ("IRP") and Modified Action Plan.<sup>1</sup> To streamline the process, the Energy Bureau requested PREPA to submit the specific projects to the Energy Bureau at least thirty (30) calendar days before their submittal to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency ("COR3") and the Federal Emergency Management Agency ("FEMA"), and any other federal agency,<sup>2</sup> and to continue reporting to the Energy Bureau and FEMA, within the next five (5) years, the progress of all ongoing efforts related to the final approval of the submitted projects not yet approved by the Energy Bureau.

On January 24, 2023, GENERA PR LLC ("GENERA"), PREPA, and the Puerto Rico Public-Private Partnership Authority ("P3A") executed the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("LGA OMA"). According to the LGA OMA, GENERA is the sole operator and administrator of the Legacy Generation Assets<sup>3</sup>, and the exclusive entity authorized to represent PREPA before the Energy Bureau about any matter related to the performance of the Operation and Maintenance ("O&M") services provided by GENERA under the LGA OMA. Further, GENERA is the sole entity responsible for procuring and administering federal funds for projects to repair or replace the LGA.<sup>4</sup>

On October 15, 2023, GENERA filed a document in reference to a *Request for Approval of Projects to Replace Critical Components and Improve Fuel Efficiency* ("October 15 Request"). GENERA include as Annex A, a table titled *Critical Components Replacement- First Group* and as Annex B a table titled *Fuel Efficiency Improvement - First Group*.

Through the October 15 Motion, GENERA filed new projects and amendments for scope of works of projects previously approved by the Energy Bureau.

On November 8, 2023, the Energy Bureau issued a Resolution and Order ("November 8 Resolution") in which it conditionally approved the projects in Attachment A and B pending the submittal of the Scope of Works ("SOWs"), deferred for further evaluation the projects in

<sup>1</sup> Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, *In re: Review of the Integrated Resource Plan of the Puerto Rico Electric Power Authority*, Case No. CEPR-AP-2018-0001, August 24, 2020 ("IRP Order").

<sup>2</sup> March 26 Resolution, pp. 14-15.

<sup>3</sup> As defined in the LGA OMA.

<sup>4</sup> LGA OMA, Section 5.8 (c).



Attachment C, and requested an explanation for the difference between two (2) specific projects of San Juan 9.

On November 13, 2023, GENERA filed a document titled *Motion Submitting Response to Resolution and Order Dated November 8, 2023, Determination on Genera's October 15, 2023, Motion for the Request for Approval of Projects to Replace Critical Components and Improve Fuel Efficiency* ("November 13 Motion"), in which included Exhibit A providing an explanation for the difference between two (2) specific projects of San Juan 9.

On November 17, 2023, GENERA filed a document titled *Motion Submitting Time Extension to Provide Scope of Works in Response to Resolution and Order Dated November 8, 2023* ("November 17 Motion"). As Attachment A to the November 17 Motion, GENERA explain the processes to be followed to develop SOWs for the projects and requests a time extension for the submission of the SOWs.

## II. Evaluation of the November 13 and November 17 Motions

### 1. November 13 Motion

Through the November 13 Motion, GENERA acknowledge the duplication of two (2) specific projects for San Juan 9 and asserts that it intended to provide a comprehensive overview of potential projects which inadvertently led to the duplication of information in the attachments of the October 15 Motion<sup>5</sup>. GENERA clarify that the one under Critical Components Replacement category should remain<sup>6</sup>.

### 2. November 17 Motion

On the November 17 Motion, GENERA explains that detailed SOWs and cost estimates for the purchase of equipment and materials for the projects described in Attachment A, B and C were included in the document titled *Equipment and Material Project*, project #673691, which was submitted to FEMA.

GENERA also states that once the funds are approved by FEMA, competitive processes ("RFP's") will be conducted for the equipment acquisition and after each RFP is awarded, the selected contractor must provide a specific SOW for the installation of each part, then the delivered SOWs will be submitted to the Energy Bureau for evaluation as they are completed and before being submitted to COR3 and FEMA for evaluation. GENERA request a time extension of thirty (30) days after the RFP's are awarded and the resulting contracts executed to provide the SOWs for the Energy Bureau evaluation and approval of the projects in Attachment A, B and C of the November 8 Resolution.

After reviewing the November 17 Motion, the Energy Bureau **DETERMINES** that an evaluation of the document titled *Equipment and Material Project*, for project #673691, which was submitted to FEMA, is required. The Energy Bureau does not have in its records such documents and **ORDERS** GENERA to file the document **within ten (10) days** of the notification of this Resolution and Order.

GENERA also provide additional information for the projects deferred for further evaluation on the November 8 Resolution<sup>7</sup>. For the San Juan 9 projects, GENERA states that the repairs are related to increase steam reheat temperatures in the boilers, thus reducing fuel consumption, to control emissions and to reduce forced outages and to comply with environmental regulations. For Cambalache, GENERA explain that the projects are related to Units 2 and 3, to make units more robust and more reliable and to improve fuel efficiency.

<sup>5</sup> See November 13 Motion, p.2.

<sup>6</sup> See November 13 Motion, p.6.

<sup>7</sup> Refer to November 8 Resolution and Order, Attachment C: projects for San Juan 9 and Cambalache.





The Energy Bureau **TAKE NOTICE** of the information provided for the deferred projects and maintains its position of evaluating the document mentioned above before making any additional determination.

**III. Energy Bureau Determination**

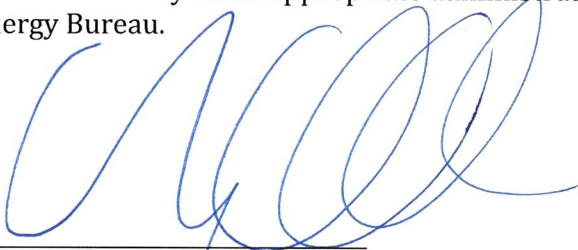
The Energy Bureau **ORDERS** GENERA to submit **within ten (10) days** from the notification of this Resolution and Order, the document titled *Equipment and Material Project*, project #673691, which was submitted to FEMA.

With the information provided, the Energy Bureau **DETERMINES** is not in a position at this moment to provide a time extension for the SOWs filings and to make any additional determination for the deferred projects.

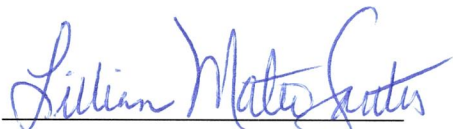
The directive established in the March 26 Resolution regarding the submission of projects before the Energy Bureau at least thirty (30) calendar days before submitting such projects to FEMA and/or COR3 remains unaltered.

The Energy Bureau **WARNS** GENERA that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines pursuant to Act 57-2014 and applicable Energy Bureau’s regulations and any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

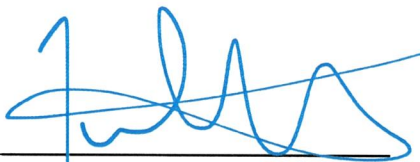
Be notified and published.



Edison Aviles Deliz  
Chairman



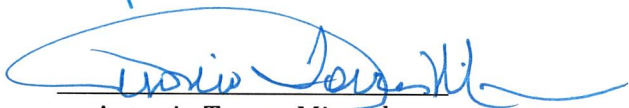
Lillian Mateo Santos  
Associate Commissioner



Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner



Antonio Torres Miranda  
Associate Commissioner

**CERTIFICATION**

I certify that the majority of the members of the Puerto Rico Energy Bureau have agreed on January 10, 2024. I also certify that in January 10, 2024 a copy of this Resolution and Order was notified by electronic mail to the following: lionel.santa@prepa.com; laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; julian.angladapagan@us.dlapiper.com; alopez@sbgblaw.com; jfr@sbgblaw.com; jlago@sbgblaw.com, and 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, today January 10, 2024.



Sonia Seda Gaztambide  
Clerk

