

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

<b>NEPR</b>  <b>Received:</b>  <b>Apr 19, 2024</b>  <b>5:09 PM</b>
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**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”),<sup>1</sup> through its counsel of record, and respectfully state and request the following:

1. On May 16, 2023, LUMA<sup>2</sup> 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* (the “May 16<sup>th</sup> Motion”), in which LUMA submitted the proposed T&D Budgets developed by LUMA, the proposed GenCo Budgets revised by Genera on behalf of PREPA for the PREPA

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<sup>1</sup> 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.

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

subsidiary GenCo LLC, and the proposed budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC and PREPA Property Co, LLC.<sup>3</sup>

2. On June 25, 2023, the Energy Bureau of the Puerto Rico Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order titled *Determination on the FY24 Annual Budgets for the Electric Utility System – LUMA, Genera, and PREPA* (“June 25<sup>th</sup> Order”), through which it (1) modified the Proposed Consolidated FY2024 Budget; (2) approved the modified budgets subject to compliance with various orders included in the June 25<sup>th</sup> Order; and (3) included a series of determinations and orders addressed to Genera regarding the GenCo Budget.<sup>4</sup>

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

- a. implementation of Grid Modernization Plan Report; and
- b. permanent and Emergency Work-Related Federal Funding Report & Infrastructure Plan Updates.

4. On August 1, 2023, Genera filed a document titled *Motion to Submit Critical Replacement Program and Monthly Maintenance Report in Compliance with Resolution and Order dated June 25, 2023* (“August 1<sup>st</sup> Motion”), through which, Genera, provided as Annex B to the August 1<sup>st</sup> Motion, the Project Master Tracker in alignment with the model template provided in Attachment J of the June 25<sup>th</sup> Order. Through the August 1<sup>st</sup> Motion, Genera proposed a revision to the reporting requirement template in Attachment J of the June 25<sup>th</sup> Order and requested

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<sup>3</sup> The May 16<sup>th</sup> Motion incorporated a document titled *Annual Budgets, Fiscal Years 2024 to 2026* (the “Proposed Consolidated FY24 Budget”), which contained the aforementioned budget components and other expenditures.

<sup>4</sup> See June 25<sup>th</sup> Order, pp. 16 - 21.

approval to submit its subsequent monthly reports in the form it provided in Exhibit B, asserting that it included all of the mandatory parameters outlined in Attachment J.

5. 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 1<sup>st</sup> Motion”). Relevant to the present matter, Genera requested modifications to the filing schedule for the following reports:

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

6. On March 6, 2024, the Energy Bureau issued a Resolution and Order titled *Determination on Genera's Requests to Amend Section 7.3(f) of the LGA OMA; Order to Amend Cadence of Genera's Quarterly Fuel Budget Report; and for Modification of Attachment J and Reporting Schedule as Required in the June 25 Resolution* (“March 6<sup>th</sup> Order”). Pertinent to this motion, in the March 6<sup>th</sup> Order, the Energy Bureau found that the Gantt Chart in Exhibit B of Genera’s August 1<sup>st</sup> Motion provided some, but not all, of the information required by Attachment J of the June 25<sup>th</sup> Order. Consequently, the Energy Bureau denied Genera’s request to modify the Reporting Template, and instead ordered Genera to use the information as presented in the Gantt Chart of Exhibit B to fulfill the requirements of Attachment J of the June 25<sup>th</sup> Order. Nonetheless, the March 6<sup>th</sup> Order approved Genera’s request to modify the reporting schedule established in the June 25<sup>th</sup> Order, determining that Genera shall file Monthly Reports on or before the twentieth day

after the end of each reporting period and Quarterly Reports on or before the forty-fifth day after the end of each reporting period.

7. In compliance with the June 25<sup>th</sup> Order and the March 6<sup>th</sup> Order, Genera hereby submits, as Exhibit A to this Motion, a Generation Maintenance report in alignment with Attachment J of the June 25<sup>th</sup> Order, containing comprehensive information and updates for the period from July 1<sup>st</sup>, 2023, to March 31<sup>st</sup>, 2024. The report includes the major investment categories and projects that Genera is implementing to ensure reliable and resilient power delivery. The information provided in Exhibit A meets the reporting requirements of the June 25<sup>th</sup> Order related to (a) Generation Maintenance and (b) the Permanent and Emergency Work-Related Federal Funding and Infrastructure Report. Furthermore, submitted as Exhibit B to this Motion, the Genera Grid Modernization Highlights fulfills the reporting requirements of the Implementation of Grid Modernization Plan in compliance with the June 25<sup>th</sup> Order.

**WHEREFORE**, Genera respectfully requests that this Energy Bureau **take notice** of the above for all purposes and **deem** that Genera has complied with the June 25<sup>th</sup> Order and the March 6<sup>th</sup> Order concerning the reports specified in Attachment J.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 19<sup>th</sup> day of April 2024.

**ECIJA SBGB**  
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## CERTIFICATE OF SERVICE

I 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 I will send an electronic copy of this motion to PREPA through its counsels of record: Juan M. Martínez-Nevárez, at [jmartinez@gmlex.net](mailto:jmartinez@gmlex.net), Alexis G. Rivera-Medina, at [arivera@gmlex.net](mailto:arivera@gmlex.net), Joselyn Rodríguez-Gonzalez, at [jrodriguez@gmlex.net](mailto:jrodriguez@gmlex.net), and Mirelis Valle-Cancel, at [mvalle@gmlex.net](mailto:mvalle@gmlex.net); and to LUMA, through its counsels of record: Margarita Mercado Echegaray, at [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com); Ana Margarita Rodríguez Rivera, at [ana.rodriguezrivera@us.dlapiper.com](mailto:ana.rodriguezrivera@us.dlapiper.com); and Julian Anglada Pagan, at [julian.angladapagan@us.dlapiper.com](mailto:julian.angladapagan@us.dlapiper.com).

In San Juan, Puerto Rico, this 19<sup>th</sup> day of April 2024.

/s/ Alejandro López-Rodríguez  
Alejandro López-Rodríguez

Exhibit A  
Generation Maintenance Report  
(Native raw file submitted via e-mail)

Exhibit B  
Grid Modernization Highlights



Accomplishments (current month)	Upcoming Actions and Activities (next two weeks)
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- **Generation Assets Repairs**
  - **Palo Seco 4** – 08AUG2023 – Forced outage due to generator failure.
    - Finding: The recommendation is to rewind the stator, restock the core, and repair short turns in the rotor.
    - The RFP process has taken place. The RFP is currently under evaluation by the Evaluation Committee.
    - Expected date for unit to be back online is FEB2025.
  - **Costa Sur 6** – 04JAN24 – Forced outage due to electrical problems. This FO caused damage to the ESST 5/6 & NSST 6B. Transformers needs to be replaced. Genera is doing all environmental maintenance tasks during this outage. Expected date for unit to be back online is 25APRIL2024.

**San Juan Combined Cycle 6** – The unit is scheduled for major maintenance beginning 08APR24. This includes work on the turbine, generator, condenser, heat recovery, and others. Expected date for unit to be back online is 30JUN2024.

High Priority Due Outs (Short Suspense)	Challenges, Shortfalls, Limitations or Constraints
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- **Palo Seco 3** – Major maintenance and environmental outage in progress. 22NOV2023 until 30MAY2024.
- **Aguirre 1** – Due to a forced outage, the generator's hydrogen seals require replacement. A new contract has been drafted and is currently undergoing evaluation and approval by P3. The unit is expected to be back online by 25APR2024.
- **Aguirre 2** – Currently limited to 375 MW due to pending replacement of circulating condenser water pump motor (1-2). Expected to be received by the end of April.

**Challenges, Shortfalls, Limitations or Constraints**

- **Aguirre Combined Cycle**
  - **Units 1-3** – Major inspection and rotor installation. Expected to return on 30JUN24 (federally funded). Genera is in the process of awarding a contract.
  - **Units 1-4** – Genera is in the process of awarding a contract for hot gas path inspection and rotor installation. Expected to return in 15JUN2024.
  - **Aguirre CC Turbine 2-3**– Genera finished the inspection for turbine unit 2-3.
  - Findings: turbine blades are damaged. The recommendation is to repair the turbine. Genera is working on the repair schedule.
  - **Aguirre CC Transformer 2-1 & 2-2** – Following the test results, it has been determined that the transformer cannot be returned to service. Genera is currently in the process of purchasing a new transformer. Meanwhile, an analysis is underway to assess the feasibility of removing and installing an alternative transformer from steam Unit 2.



## Grid Modernization Report Legacy Generation Assets – Status as of 31March2024

UNIT	COD	USE	FUEL	NAMEPLATE CAPACITY (MW)	CURRENT CAPACITY	REPAIRS FUNDS SOURCE	EXPECTED COMPLETION DATE	NOTES
Palo Seco 4	Jul 1970	Base	Bunker C	216	0	NME	02/2025	Forced Outage
Palo Seco 3	Feb 1970	Base	Bunker C	216	0	Federal & NME	05/30/2024	Under Maintenance
Costo Sur 6	Sep 1973	Base	LNG & Bunker C	450	0	NME	04/06/2024	Environmental maintenance Outage
Aguirre 1	May 1975	Base	Bunker C	450	0	N/A	04/12/2024	Forced outage
Aguirre 2	Oct 1975	Base	Bunker C	450	375	N/A	N/A	Limitations, CCWP
Costa Sur 5	Sep 1972	Base	LNG & Bunker C	410	310	N/A	N/A	Limitations, Air heater
Peakers Fleet	(18) 1971 & (3) 2019	Reserve	Diesel	396	217	N/A	N/A	Limitations
San Juan 7	May 1965	Base	Bunker C	100	48	N/A	N/A	Limitations, FDF 7-2
SJ & PS TM	Mar 2024	Reserve	LNG	290	245	N/A	N/A	Limitations
AG-CC 1&2	July 1977	Reserve	Diesel	592	100	N/A	N/A	Limitations
Mayaguez	Apr 2009	Reserve	Diesel	220	191	N/A	N/A	Limitations
Cambalache	Apr 1997	Reserve	Diesel	247	156	N/A	N/A	Limitations
San Juan 9	June 1965	Base	Bunker C	100	50	N/A	N/A	Limitations, BFWP 9-2
San Juan 5	Oct 2008	Base	LNG & Diesel	210	210	N/A	N/A	Normal Operation
San Juan 6	Oct 2008	Base	LNG & Diesel	210	210	N/A	N/A	Normal Operation
<b>TOTALS</b>				<b>4,247 MW</b>	<b>2,112 MW</b>			<b>Available Capacity</b>

**Legend:**

Unit under maintenance or repair

Unit in service with limited Capacity

Unit under normal operation

