

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

IN RE: REVIEW OF GENERA PR, LLC REQUEST
TO OPERATE PALO SECO MP AND MAYAGUEZ
CT WITH NATURAL GAS AS PRIMARY FUEL

CASE NO.: NEPR-MI-2024-0004

SUBJECT: Evaluation of Fuel Change for
Mayagüez Combustion Turbines and Palo
Seco Mobile Packs.

RESOLUTION AND ORDER

This proceeding was initiated by the Energy Bureau of the Puerto Rico Public Service Regulatory Board (the "Energy Bureau") to evaluate Genera PR LLC's ("Genera") fuel optimization plan, as required under Section 4.2(t) of Generation OMA.¹ Genera has submitted several versions of the fuel optimization plan, with the most recent submission on April 29, 2024.² Additionally, Genera has responded to several requests for information issued by the Energy Bureau in connection with several drafts of the fuel optimization plans.

On February 21, 2024, Genera presented before the Energy Bureau a document titled *Request for Leave to Operate Palo Seco MP and Mayagüez CT with Natural Gas as the Primary Fuel* (the "February 21 Fuel Swap Request"), without specifying the procedure number to which the document relates, nor the substantive and procedural legal grounds for its presentation.³ Through the February 21 Fuel Swap Request, Genera seeks authorization from the Energy Bureau to operate the Mayagüez combustion turbines and Palo Seco's mobile pack units using natural gas as fuel. This request relates to the implementation of one of the fuel cost savings measures identified.

In a Resolution and Order issued on April 15, 2024 ("April 15 Resolution"), the Energy Bureau stated that the proposed fuel swap is a component of one of the initiatives in Genera's draft fuel optimization plan and must be evaluated according to the criteria applicable to the other initiatives that form part of the proposed fuel optimization plan.⁴ Nevertheless, the Energy Bureau recognized that the February 21 Fuel Swap Request has other important and independent implications regarding energy public policy.⁵ Notably, it acknowledged the importance of a thorough evaluation of the proposed fuel swap initiative in accordance with the Approved IRP⁶ to ascertain its alignment with the prescribed directives.⁷

The Energy Bureau emphasized that the fuel swap is the type of initiative requiring the Energy Bureau's approval to proceed, on grounds not necessarily related to a fuel optimization plan. It also recognized that it would remain flexible in considering fuel optimization-related initiatives that also require approval on grounds not necessarily

¹ Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement, dated January 24, 2023, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority ("P3 Authority") and Genera ("Generation OMA").

² See Genera's motion titled: *Compliance with Order and Request to Clarify and Amend the Record Regarding the fuel Optimization Plan Submitted on February 21, 2024*, dated April 29, 2024 ("April 29 Motion").

³ The February 21 Fuel Swap Request is accompanied by several attachments.

⁴ See April 15 Resolution, p. 6.

⁵ *Id.*

⁶ *Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, In re. Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001, August 24, 2020 ("Approved IRP"). Minor modifications and/or clarifications to the Approved IRP were introduced through a *Resolution and Order on Reconsiderations* issued by the Energy Bureau on December 2, 2020, in case: *In re. Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001.

⁷ See April 15 Resolution, p. 6.



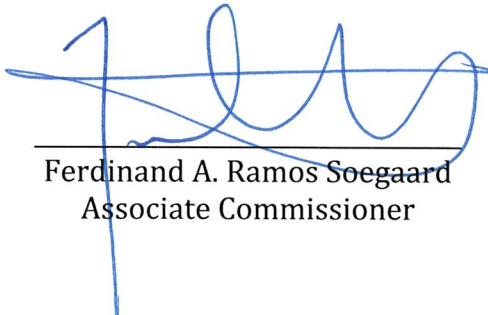
related to a fuel optimization plan within this case.⁸ In alignment with this ruling, the Energy Bureau determined in the April 15 Resolution to evaluate the February 21 Fuel Swap Request in this case. The Energy Bureau (i) ordered Genera to respond to several requests for information in Attachment B of the April 15 Resolution, (ii) added the discussion of the February 21 Fuel Swap Request to the agenda of the Technical Conference scheduled in the April 15 Resolution, and (iii) invited public comments on the proposed fuel swap.⁹ On April 30, 2024, Genera responded the requests of information in the Attachment B of the April 15 Resolution.¹⁰ Genera further provided additional pertinent information on May 6, 2024.¹¹

After further consideration, the Energy Bureau has reconsidered its determination to evaluate the approval of the February 21 Fuel Swap in this case. While the Energy Bureau acknowledges that the fuel swap is a component of one of the initiatives in Genera's draft fuel optimization plan, it is more appropriate and efficient to evaluate the February 21 Fuel Swap Request's compliance with other independent energy public policies, such as its alignment with the Approved IRP, in a separate case. Should the fuel swap be approved, it may then be considered according to the criteria applicable to the other initiatives that form part of the proposed fuel optimization plan. Note that the approval of the February 21 Fuel Swap Request, whether in whole or in part, does not automatically mean it will be approved as an initiative under the fuel optimization plan. Therefore, the expeditious and efficient consideration of the February 21 Fuel Swap Request may accelerate the implementation of the proposed activities, if approved, without waiting for the evaluation and approval of the fuel optimization plan.


The Energy Bureau is reviewing the responses from Genera in the Genera's April 30 Responses and the May 6 Motion and, if necessary, will issue additional requests for information without delay to properly address the February 21 Fuel Swap Request.

Considering the foregoing, the Energy Bureau initiates an independent administrative procedure to evaluate the February 21 Fuel Swap Request. The Clerk shall include the following documents from this case in the new Docket (NEPR-MI-2024-0004): (i) the February 21 Fuel Swap Request, (ii) Genera's April 30 Responses, (iii) May 6 Motion, and (iv) copy of this Resolution and Order.

Be it notified and published.


Ferdinand A. Ramos Soegaard
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner



⁸ *Id.*, pp. 6-7.

⁹ *Id.*, p. 7

¹⁰ See Genera's motion titled: *Motion to Submit Second set of Responses to Request for Information in Compliance with the Resolution and Order Dated April 15, 2024*, dated April 30, 2024 ("Genera's April 30 Responses").

¹¹ See Genera's motion titled: *Request to Make Responses to Case No. NEPR-MI-2021 April 11, 2024 Order Part of the Docket of the Case of Caption*, dated May 6, 2024 ("May 6 Motion").

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on May 9, 2024. Chairman Edison Avilés Deliz and Associate Commissioner Lillian Mateo Santos did not intervene. Also certify that on May 9, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to kbolanos@genera-pr.com, legal@genera-pr.com; regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, today, May 9, 2024.


Sonia Seda Gaztambide
Clerk

