

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

IN RE: ANNUAL PERFORMANCE TEST
PROCEDURE – THERMAL GENERATION
EQUIPMENT

CASE NO.: NEPR-MI-2023-0003

SUBJECT: Determination on Genera's
Annual Performance Test Procedure
("APT").

RESOLUTION AND ORDER

I. Introduction and Procedural Background

On January 24, 2023, the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnership Authority ("P3A" or "Administrator"), and Genera PR LLC ("Genera") entered into the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("Generation OMA") that provides for the operation and maintenance services ("O&M Services") of certain baseload generation plants and combustion turbine peaking units defined therein as "Legacy Generation." Section 4.2(v) of the Generation OMA obligated Genera to develop and file with the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") the procedures for testing the performance of the Legacy Generation.

For the Energy Bureau to fulfill its statutory authority and duty to the people of Puerto Rico, it is imperative that the electric service companies subject to the jurisdiction of the Energy Bureau keep the Energy Bureau informed as to the operating state of the electric power system. Toward that purpose, the Energy Bureau issued a Resolution and Order dated June 16, 2023 ("June 16 Resolution") establishing this docket for filing thermal generation facilities performance testing procedures and other associated documents and information needed by the Energy Bureau for review and evaluation of such procedures that are proposed to be employed to determine the capacity and heat rate of PREPA's generation fleet.

On June 20, 2023, Genera filed a document titled *Motion to Submit Genera PR LLC's June 5th Annual Performance Testing Submission in Compliance with June 16 Order*, in which it submitted proposed Performance Testing Procedures in compliance with Section 4.2(v), via email to the Energy Bureau for its review and comment ("June 20 Motion").

On June 30, 2023, the Energy Bureau issued a Resolution and Order ("June 30 Resolution") through which it provided Genera with revisions and clarifications to its proposed Annual Performance Test Procedure.¹

On July 31, 2023, Genera filed a document titled, *Motion to Inform Genera's Compliance Efforts and Request for Feedback on Responses Submitted on July 20, 2023, motion to Request Comments and Approval on Genera's Preliminary Responses to the June 20, 2023 Order* ("July 31 Motion"). Genera requested the Energy Bureau to provide feedback and recommendations on the July 20 Motion.

On September 28, 2023, Genera filed a document titled, *Motion to Submit Revised Annual Performance Test Procedure in Compliance with the Resolution and Order Dated August 29, 2023* ("September 28 Motion"). Through this motion, Genera submitted its revised APT, incorporating requirements and modifications proposed by the Energy Bureau in the August 29 Order.

¹ June 30 Order, p. 2.



II. Determination on Genera's O&M - Generation Equipment Performance Test Procedure ("Annual Performance Test Procedure" or "APT")


The Energy Bureau evaluated reviewed Genera's Annual Performance Test Procedure and the September 28 Motion, and **CONDITIONALLY APPROVES** Genera's Annual Performance Test Procedure subject to Genera filing a revised version of the APT incorporating the modification requirements of Attachment A to this Resolution and Order. The Energy Bureau GRANTS Genera until **May 31, 2024**, to file the foregoing revised version of the APT.


The Energy Bureau **WARNS** Genera that, in accordance Art. 6.36 of Act 57-2014:²

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

Be it notified and published.


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 agreed on May 23, 2024. Chairman Edison Avilés Deliz did not intervene. Also certify that on May 23, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to jfr@sbgblaw.com; alopez@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, today, May 23, 2024.


Sonia Seda Gaztambide
Clerk



² Knowns as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

ATTACHMENT A
Annual Performance Test Procedure
Required Modifications

Refer to the September 28 Motion:

1. Include in Section 6 a requirement specifying that the qualifications of the third-party **Planning Engineer/Performance Test Specialist** and **Independent Engineer** must accompany the Performance Test Schedule when filed in NEPR-MI-2023-0003.

The qualifications submission is to include:

- a. History of company, including specific references to when it started performing testing and the types of equipment they have tested;
 - b. Client list;
 - c. Project list which specifically calls out mid-life and/or annual performance testing of legacy equipment, especially experience conducting performance tests on units similar to those that Genera operate in Puerto Rico, e.g., Combustion Turbines, Steam Turbines, and Combined Cycles; and
 - d. Resumes/CVs of key personnel.
2. Include in Section 6 a requirement in which the **Independent Engineer** shall be a third-party entity separate from the **Planning Engineer/Performance Test Specialist**.
 3. Specify in Section 6 – similar to the specifications for Head of Operations and System Operator – which party participates in the conducting of the performance testing, e.g., Genera, LUMA, Independent Third Party.
 4. Genera shall reference ASME PTC 46 (Overall Plant Performance) as the code base for testing and performance programs. Make sure the testing procedures align with ASME PTC 46 and all other relevant codes referenced within it.
 5. Given that the P&ID diagrams are not updated and the EtaPro performance online software is no longer in service, include in Section 7.2 a requirement specifying that Genera will provide the Station Flow Diagram as an overall P&ID diagram to all parties, along with the detailed unit performance test plans, ten (10) business days before each performance test.
 6. Modify Section 7.4:

“For each different load point, one (1) test run is required, but two (2) test runs are recommended to confirm the repeatability of the results.”

To read as follows:

“During the first- and second-year annual performance tests, for each different load point, two (2) test runs are required to confirm the repeatability of the results. After the second-year annual performance test, for each different load point, one (1) test run is required, but two (2) test runs are recommended, to confirm the repeatability of the results.”

7. Modify Section 13.1 to read as follows:

“If required, and independent engineer or third party may be introduced to observe the Performance Test execution to provide witnessing support for the testing to ensure procedures are followed and that the units are operated in accordance with the testing plans.”



To read as follows:

“The Independent Engineer shall observe the Performance Test execution to provide witnessing support for the testing and collection of fuel samples to ensure procedures are followed and that the units are operated in accordance with the testing plans.”

8. Modify Section 13.4:

“The Planning Engineer is responsible for preparing the final Performance Test Report as outlined below:”

To read as follows:

“The Independent Engineer is responsible for preparing the final Performance Test Report as outlined below:”

9. Include in Section 13.4 a requirement to have Genera submit (i) the Independent Engineer final report with review, calculations, and witnessing of test results, and (ii) any witnessing feedback from the System Operator (LUMA) to the Energy Bureau.

