

**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: Resolution and Order to *Request for Approval of Operation, Fleet and Equipment Purchase Project SOW*, filed by Genera on May 28, 2024.

RESOLUTION AND ORDER

I. Introduction and Background

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") 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.¹ 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,² 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.

JAA
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 Assets³, 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.⁴

AMH
On May 28, 2024, GENERA filed a document titled *Request for Approval of Operation, Fleet and Equipment Purchase Project SOW* ("May 28 Request"). GENERA include as Exhibit A, a project Scope of Work ("SOW") for the Operation, Fleet and Equipment purchase and as Exhibit B an inventory of vehicles mentioned as "outdated and non-functional fleet", such Exhibit B includes a list of the vehicles and photos.

↑
Through the May 28 Request, GENERA informs about their intentions to submit the SOW to COR3 and FEMA for their respective approvals, due to the critical need to invest in various asset equipment categories to significantly enhance the repair and response capabilities of its power generation plant.⁵

¹ 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").

² March 26 Resolution, pp. 14-15.

³ As defined in the LGA OMA.

⁴ LGA OMA, Section 5.8 (c).

⁵ May 28 Motion, p.2, ¶ 2.



GENERA inform that in July 2023, they receive about 125 vehicles from GenCo's ⁶ inventory but about 80% of this fleet is over fifteen (15) years old and in suboptimal conditions and that the aging conditions of these vehicles imposes continuous and substantial repair costs, severely disrupting the smooth flow of daily operations.⁷

GENERA states that (i) to effectively manage emergencies, they must have access to a diverse range of reliable equipment and vehicles designed to swiftly mitigate risks and handle unexpected challenges and (ii) by investing in these resources, GENERA greatly enhance its operational capabilities.⁸

II. Evaluation and Analysis

Through the May 28 Request, GENERA explain the need to invest in various asset equipment categories to enhance their power plant location's repair and response capabilities and states that the investment aims to improve response efficiency through material, specialized equipment, and personnel movement within and between sites, ultimately leading to reduced response and repair times that will lead to operational efficiency and cost reduction.⁹

GENERA include in Exhibit A the list of the equipment intended to be acquired by GENERA with a brief description of the equipment, the amounts, the estimated costs and the proposed uses.

Table 1 shows a brief description of the equipment.

Table 1

Equipment	Intended use	Unit Cost	Total Units	Total Cost
Rugged Off-Road Utility Task Vehicle	Daily operations, inspection and monitoring.	\$25,000	15	\$375,000
Digger	Excavations.	\$150,000	4	\$600,000
Acquisition of Overhead Crane Turbine Deck	Load and unload of equipment and supplies.	\$5,500,000	1	\$5,500,000
Turbine Area Crane	Load and unload of equipment and supplies.	\$1,575,000	1	\$1,575,000
RT Crane (30-50 tons)	Load and unload of equipment and supplies.	\$200,000	7	\$1,400,000
Telescopic material handler	Lifting heavy equipment and materials to elevated areas.	\$315,000	7	\$2,205,000
Forklift (5 tons)	Movement of material and merchandise.	\$50,000	7	\$350,000
Forklift (8-10 tons)	Movement of material and merchandise.	\$70,000	14	\$980,000
Aerial Work Platform	Safe working in elevated locations.	\$38,500	4	\$154,000
Man Lift Crane	Reaching elevated areas.	\$135,000	7	\$945,000
SUV (4 doors)	Monitoring, inspections, internal personnel movements.	\$60,000	8	\$480,000
Pick-up 4x4 Crew Cab	Mobilization of vessels, movement of equipment, materials and personnel.	\$56,998	12	\$683,976

⁶ Refers to PREPA's subsidiary as owner of the Legacy Power Generation Assets.

⁷ May 28 Motion, p. 2, ¶ 3.

⁸ Id, p. 3, ¶ 4.

⁹ May 28 Motion, Exhibit A, p. 3.



Equipment	Intended use	Unit Cost	Total Units	Total Cost
Pick-up 4x2 Single Cab	Daily operations, monitoring and inspections, transportation of equipment and personnel.	\$40,000	16	\$640,000
Vacuum Truck	Response to environmental emergencies, cleaning of water wells and dikes.	\$275,000	7	\$1,925,000
Cargo Van	Movement of merchandise, equipment and materials.	\$45,000	5	\$225,000
Platform Truck	Movement of merchandise, equipment, materials and heavy parts.	\$75,000	7	\$525,000
23' - 25' Canter Console Boat twin-engine	Quick response and access to marine emergencies and repairs.	\$175,000	2	\$350,000
Total				\$18,912,976

GENERA states that the SOW includes only the purchase and delivery of the equipment, and no other Environmental and Historic Preservation ("EHP") requirements are applicable.¹⁰ The total estimated amount for this SOW is **\$18,912,97.00**.

III. Energy Bureau Determination

The Energy Bureau **DEFERS FOR FURTHER EVALUATION** the project as presented by GENERA. This is to make sure the project is aligned with the directives and purposes established in the March 26 Order.

The Energy Bureau **ORDERS** GENERA to:

1. Explain how this project is related to the damages under the DR-4399-PR Public Assistance Program¹¹;
2. Explain if works to be performed are related to the damage mentioned above as item 1 and if such works will be performed by GENERA's own forces;
3. Explain if the works to be performed are considered under any of the FEMA's Hazard Mitigation Programs.

The Energy Bureau **REMINDS** GENERA that the requirement 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.

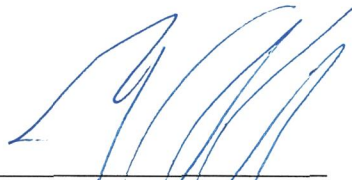
The Energy Bureau **WARNS** GENERA that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines pursuant to Act 57-2014 and applicable Energy Bureau's regulations and any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be notified and published.

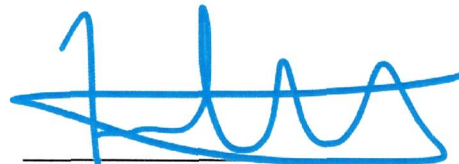


¹⁰ May 28 Motion, Exhibit A, pp. 15-19.


¹¹ FEMA's Public Assistance Program to respond and recover from Hurricane Maria disaster.



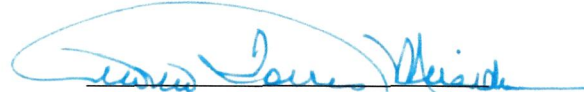
Edison Avilés Deliz
Chairman



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 June 17, 2024. Associate Commissioner Lillian Mateo Santos did not intervene. Also certify that on June 17, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to arivera@gmlex.net; mvalle@gmlex.net; 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, legal@genera-pr.com, regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, today, June 17, 2024.



Sonia Seda Gaztambide
Clerk

