

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

NEPR Received: Jun 18, 2024 6:44 PM
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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”),¹ through its counsel of record, and respectfully state and request the following:

1. On May 16, 2023, LUMA² 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 16th 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

¹ 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.

² 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.³

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 25th 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 25th Order; and (3) included a series of determinations and orders addressed to Genera regarding the GenCo Budget.⁴

3. Pertinent to this Motion, the June 25th 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 1st Motion”), through which Genera, provided as Annex B to the August 1st Motion, the Project Master Tracker in alignment with the model template provided in Attachment J of the June 25th Order. Through the August 1st Motion, Genera proposed a revision to the reporting requirement template in Attachment J of the June 25th Order and requested

³ The May 16th 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.

⁴ See June 25th 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 1st 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 6th Order”). Pertinent to this motion, in the March 6th Order, the Energy Bureau found that the Gantt Chart in Exhibit B of Genera’s August 1st Motion provided some, but not all, of the information required by Attachment J of the June 25th 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 25th Order. Nonetheless, the March 6th Order approved Genera’s request to modify the reporting schedule established in the June 25th 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 25th Order and the March 6th Order, Genera hereby submits, as Exhibit A to this Motion, a Generation Maintenance report in alignment with Attachment J of the June 25th Order, containing comprehensive information and updates for the period from July 1st, 2023, to May 31st, 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 25th 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, for the month ending May 31, 2024, fulfills the reporting requirements of the Implementation of Grid Modernization Plan in compliance with the June 25th 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 25th Order and the March 6th Order concerning the reports specified in Attachment J.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 18th day of June 2024.

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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: Alexis G. Rivera-Medina, at arivera@gmlex.net, and Mirelis Valle-Cancel, at mvalle@gmlex.net; and to LUMA, through its counsels of record: Margarita Mercado Echegaray, at margarita.mercado@us.dlapiper.com; Jan M. Albino López, at jan.albinolopez@us.dlapiper.com; and Julian Anglada Pagan, at julian.angladapagan@us.dlapiper.com.

In San Juan, Puerto Rico, this 18th day of June 2024.

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez

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

Exhibit B
Grid Modernization Highlights

Accomplishments (last two weeks)	Upcoming Actions and Activities (next two weeks)
<ul style="list-style-type: none"> ▪ Generation Assets Repairs <ul style="list-style-type: none"> ▪ Palo Seco 4 – 08AUG2023 - Forced outage due to generator failure. <ul style="list-style-type: none"> ▪ Finding: The recommendation is to rewind the stator, restock the core, and repair short turns in the rotor. ▪ Genera is in the process of preparing specs to run an RFP. ▪ The RFP process has taken place, we are in the Q&A stage. Expected date for unit to be back online is FEB2025. ▪ Costa Sur 6 – The unit returned limited due high-pressure differential in the air heaters. The procurement process for the baskets has been completed and should be received within the next six months. 	<ul style="list-style-type: none"> ▪ San Juan & Palo Seco TM – A semi-annual maintenance plan was drawn up for these units, involving a two-day inspection of each unit. This is being carried out as scheduled.
Challenges, Shortfalls, Limitations or Constraints	
<div style="background-color: #00AEEF; color: white; padding: 2px 5px; text-align: center; font-weight: bold;">High Priority Due Outs (short suspense)</div> <ul style="list-style-type: none"> ▪ Palo Seco 3 – Major maintenance and environmental outage in progress. 22NOV2023 until 26JUNE2024. ▪ Aguirre 1 – Unit limited by high temperature in the generator and high-pressure differential in the air heaters. ▪ Aguirre 2 – Unit limited by low condenser vacuum, problems in the seals of the LP's turbines. ▪ San Juan 6 – Work is underway to replace a 42-inch seawater pipe that ruptured and caused flooding in the basement of units 5 and 6. This necessitated an emergency recall of these units. Unit 5 returned on April 5, and unit 6 is expected to do the same on June 10. ▪ Costa Sur 5 – Unit limited by high pressure differential in the air heaters. ▪ San Juan 7 – The unit had failure in the stator rotor, it is replaced with rotor from unit 10. Expected to return in June 23. 	<ul style="list-style-type: none"> ▪ Aguirre Combined Cycle <ul style="list-style-type: none"> ▪ Unit Steam 1- Currently available for 40MW, there are only two combustion units to combine with steam. ▪ Unit 1-3 – Major inspection and rotor installation. Expected to return on 15SEP24 (federally funded). Genera is in the process of awarding a contract. ▪ Unit 1-4 – Genera is in the process of awarding a contract for hot gas path inspection and rotor installation. Expected to return in 30JUN2024. ▪ Unit 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 – May 31, 2024

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	6-26-2025	Under Maintenance
San Juan 6	Oct 2008	Base	LNG & Diesel	210	0	NME	6-10-2024	Forced outage
San Juan 7	May 1965	Base	Bunker C	100	0	NME	6-23-2024	Forced outage
Costa Sur 6	Sep 1973	Base	LNG & Bunker C	410	350	N/A	N/A	Limitations
Costa Sur 5	Sep 1972	Base	LNG & Bunker C	410	165	N/A	N/A	Limitations
Aguirre 2	Oct 1975	Base	Bunker C	450	350	N/A	N/A	Limitations
Aguirre 1	May 1975	Base	Bunker C	450	330	N/A	N/A	Limitations
San Juan 9	June 1965	Base	Bunker C	100	80	N/A	N/A	Limitations
AG-CC 1&2	July 1977	Reserve	Diesel	592	150	N/A	N/A	Limitations
Mayaguez	Apr 2009	Reserve	Diesel	220	164	N/A	N/A	Limitations
Cambalache	Apr 1997	Reserve	Diesel	247	154	N/A	N/A	Limitations
Peakers Fleet	(18) 1971 & (3) 2019	Reserve	Diesel	396	217	N/A	N/A	Limitations
SJ & PS TM	Mar 2024	Reserve	LNG & Diesel	340	340	N/A	N/A	Normal Operation
San Juan 5	Oct 2008	Base	LNG & Diesel	210	210	N/A	N/A	Normal Operation
TOTALS				4,567 MW	2,510 MW			Available Capacity

Legend:

Unit under maintenance or repair

Unit in service with limited Capacity

Unit under normal operation