

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

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IN RE:

ANNUAL PERFORMANCE TEST
PROCEDURE – THERMAL GENERATION
EQUIPMENT

CASE NO.: NEPR-MI-2023-0003

SUBJECT: Informative Motion on the Annual
Performance Test Procedure

**INFORMATIVE MOTION ON THE ANNUAL PERFORMANCE TEST PROCEDURE
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 counsels of record, and respectfully submits and prays as follows:

1. On May 23, 2024, the Puerto Rico Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order titled *Determination on Genera's Annual Performance Test Procedure* (“May 23rd Resolution”). In the May 23rd Resolution, the Energy Bureau evaluated and conditionally approved Genera's Annual Performance Test Procedure (“APT”)² subject to Genera filing a revised version of the APT incorporating the modification requirements of Attachment A to the May 23rd Resolution.

2. On June 7, 2024, Genera filed a document titled *Motion to Submit the Revised Annual Performance Test Procedure in Compliance with Resolution and Order Dated May 23,*

¹ Pursuant to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (“LGA OMA”), dated January 24, 2023, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority and Genera (“P3 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 PREB concerning any matter related to the performance of any of the O&M Services (as defined in the LGA OMA) provided by Genera under the LGA OMA.

² See, *In re: Annual Performance Test Procedure – Thermal Generation Equipment*, Case No. NEPR-MI-2023-0003, *Motion to Submit Revised Annual Performance Test Procedure in Compliance with the Resolution and Order Dated August 29, 2023*, filed by Genera on September 28, 2023 (“September 28th Motion”).

2024 (“June 7th Motion”). In the June 7th Motion, Genera submitted as Exhibit A therein, a revised APT in accordance with the requirements and modifications set forth in Attachment A of the May 23rd Resolution (“Revised APT”).

3. On June 10, 2024, Genera responded to a Request for Information (“RFI”) issued by the Puerto Rico Public-Private Partnerships Authority (“P3A”) on May 13, 2024 (“Genera’s June 10th Response”). The RFI required Genera to provide information as mandated by the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (“LGA OMA”) regarding the maintenance and operations of the Legacy Generation Assets (“LGA” as defined by the LGA OMA). In the June 10th Response, Genera informed the P3A of its intention to commence testing on Unit #3 of the Palo Seco Generation Plant on July 2024, with further testing of the remaining LGA units scheduled for the post-hurricane season. This additional testing was to be coordinated with the Transmission & Distribution Operator to ensure the safety and reliability of the electrical grid system.

4. On June 13, 2024, Genera submitted a motion to the Energy Bureau titled *Motion to Inform and Clarify the Record Regarding Genera’s Revised Annual Performance Test Procedure Submitted on June 7, 2024* (“June 13th Motion”). Through the June 13th Motion, Genera informed the Energy Bureau about a key revision in the revised APT regarding the reduced number of performance tests. The change, incorporated after discussions with the Energy Bureau’s advisors, was not detailed in the May 23rd Resolution’s Attachment A but was integrated based on their recommendations.

5. On July 10, 2024, Genera filed a document with the Energy Bureau titled *Motion to Submit Final Revised Annual Performance Test Procedure* (“July 10th Motion”). In the July 10th

Motion, Genera submitted as Exhibit A the final revised version of the APT. This document was submitted under a seal of confidentiality and represents the definitive version of the APT.

6. Genera had initially planned to conduct the Annual Performance Test for the Palo Seco Generation Plant Unit #3 by July 2024, as outlined in Genera's June 10th Response. However, this test has been deferred due to the ongoing characterization process of the unit, which is crucial for ensuring its operation at optimal efficiency. This characterization includes a precise verification of the air/fuel ratio to confirm that the unit is burning fuel and oxygen at the most efficient levels, in accordance with the performance specifications. Additionally, delays in the boiler and turbine works have prevented commencing the test. Genera now expects the characterization process and subsequent APT to be completed by the end of September and plans to perform the tests in October. While unfortunate, this delay is necessary to ensure the APT and ongoing operations meet the stringent standards set by Genera and regulatory authorities.

7. Furthermore, the need to postpone the APT for the Palo Seco Generation Unit #3 arises from the absence of essential performance data that is currently unavailable. As stipulated in Genera's final APT, this critical data includes detailed sub-reports focusing on the unit's operational capacity and thermal efficiency, which feature actual capacity and corrected heat rate calculations under standard operating conditions. These detailed calculations are required for the final Performance Test Report (as defined in Genera's APT). Such rigorous and precise assessments are crucial not only for adhering to regulatory compliance but also for optimizing the unit's operational efficiency. Therefore, the decision to delay the APT is essential until Genera can secure and thoroughly analyze all necessary information.

8. The P3A have been simultaneously notified of the information provided through this motion.

9. In conclusion, Genera remains committed to upholding the highest standards of compliance and operational excellence. Despite the unforeseen delays in the characterization and testing of Palo Seco Unit #3, Genera is taking all necessary steps to expedite the process while ensuring that all procedures are carried out thoroughly and in accordance with regulatory requirements. Genera appreciates the Energy Bureau's understanding and patience as it works to complete these essential tasks and will provide updates as new information becomes available.

WHEREFORE, Genera respectfully requests that the Energy Bureau **take notice** of the above for all purposes.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of September 2024.

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CERTIFICATE OF SERVICE

We 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.

In San Juan, Puerto Rico, this 13th day of September 2024

/s/ Alejandro López Rodríguez
Alejandro López Rodríguez