

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

NEPR Received: Oct 2, 2024 10:11 AM
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IN RE:

REQUEST FOR APPROVAL OF THE
VEGA BAJA DECOMMISSIONING
PLAN

CASE NO.: NEPR-MI-2024-0003

SUBJECT: Motion to Submit LUMA’s Notice
Regarding the Decommissioning Plan for the
Vega Baja Power Station

**MOTION TO SUBMIT LUMA’S NOTICE REGARDING THE DECOMMISSIONING
PLAN FOR THE VEGA BAJA POWER STATION**

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 August 5, 2024, Genera submitted a document titled *Motion to Submit Summary Report of Final Decommissioning Plan in Compliance with Resolution and Order dated June 27, 2024* (“August 5th Motion”). Through the August 5th Motion, Genera submitted a summary report of the progress made on the final decommissioning plan for the Vega Baja facility, as well as the discussions of such progress held with the P3A and the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) consultants during a meeting held on July 16, 2024. Additionally, the summary report concluded that Genera was set to begin reviewing the final version of the decommissioning plan that week, aiming to submit it to the Energy Bureau for evaluation in the forthcoming weeks. This submission was pending Genera’s review of the questions and comments

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 (“P3A”), 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 with respect to any matter related to the performance of any of the O&M Services provided by Genera under the LGA OMA.

posed by the Energy Bureau’s consultants regarding the Preliminary Draft Plan presented during the July 16, 2024, meeting.

2. On August 22, 2024, Genera filed a document titled *Motion to Submit Final Decommissioning Plan in Compliance with Resolution and Order dated June 27, 2024, and Responses to the Energy Bureau’s Staff Letter dated July 23, 2024* (“August 22nd Motion”). Through the August 22nd Motion, Genera submitted the final revised decommissioning plan (“Final Decommissioning Plan”) for the Vega Baja facility, included as Exhibit A. To facilitate the review of the Final Decommissioning Plan, Genera also submitted, as Exhibit B, a detailed reference table that outlines and addresses the comments received from the Energy Bureau’s consultants in the July 23rd letter concerning the Preliminary Draft Plan and identifies the specific sections within the Final Decommissioning Plan where each comment has been addressed.

3. On September 26, 2024, Genera submitted a document titled *Restated Request for Approval of the Final Decommissioning Plan for the Vega Baja Power Station* (“September 26th Motion”), wherein Genera requested the Energy Bureau to approve the Final Decommissioning Plan as submitted with the August 22nd Motion, and to issue the corresponding Notice to Commence Demolition.

4. In the Final Decommissioning Plan submitted with the August 22nd Motion, Appendix A includes the Decommissioning Notice issued by the P3A to Genera on March 16, 2024². The Decommissioning Notice provided notice to Genera for the retirement of the two gas combustion turbines at Vega Baja. Additionally, pertinent to this Motion, the Decommissioning Notice referenced a communication from LUMA³ to both Genera and P3A, affirming its review

² See Appendix A to the Exhibit A to the August 22nd Motion, Final Decommissioning Plan.

³ LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”)

and agreement that the decommissioning of the Vega Baja units is in the interest of the ratepayers and will have no impact on the system's reliability.

5. In relation to the above, Genera respectfully submits, as a supplement to the review of the Final Decommissioning Plan, the aforementioned letter notice from LUMA, regarding the decommissioning plan for the Vega Baja gas turbines ("GTs"), dated March 18, 2024 ("March 18th Letter"). *See Exhibit A*. LUMA's March 18th Letter acknowledged Genera's request for an expedited retirement of the combustion engines at Vega Baja, noting that these units have been considered unavailable in LUMA's Resource Adequacy analyses. LUMA concurred with Genera's assessment that retiring these units would not impact system reliability or affect other decision factors.

6. Genera submits LUMA's March 18th Letter as Exhibit A to further provide the Energy Bureau with all the necessary elements required for their review of the Final Decommissioning Plan and to facilitate its expedited approval as requested in both the August 22nd Motion and the September 26th Motion.

WHEREFORE, Genera respectfully requests the Energy Bureau to **take notice** of the above for all purposes; **approve** the Final Decommissioning Plan as submitted with the August 22nd Motion; and **issue** a Notice to Commence Demolition.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 2nd day of October 2024.

ECIJA SBGB
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San Juan, Puerto Rico 00920
Tel. (787) 300.3200
Fax (787) 300.3208

/s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo

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/s/ Alejandro López-Rodríguez
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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 2nd day of October 2024.

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez

Exhibit A
(March 18th Letter)

March 18, 2024

To: Genera PR LLC (“Genera”)
Attention: Katuska Bolaños-Lugo
Chief Regulatory Officer
954 Ponce de Leon Ave, Suite 400
San Juan, PR 00907

RE: Decommissioning Plan for Vega Baja GTs

LUMA, as Operator of the Puerto Rico Transmission and Distribution system (“T&D System”)¹, is responsible for coordinating all generation retirement requests, as stipulated in Section 3.3 of the System Operation Principles (“SOP”), submitted to the Energy Bureau on February 23, 2021, and conditionally approved on May 31, 2021, through docket NEPR-MI-2021-0001.

The general process for retiring a unit consists of receiving pertinent information from the Facility requesting the unit retirement (“the Requestor”). LUMA then evaluates how the retirement of this unit will impact the system, customers, regulatory policies, among others, and submits a motion and recommendation to the Energy Bureau for their review. The Energy Bureau will determine if the unit is approved to be retired based on the evaluation mentioned. If the unit is not approved to be retired, the unit will be designated as a Reliability-Must-Run (“RMR”) unit. A retirement request can be resubmitted after the identified impact of the unit retirement has been addressed.

LUMA has reviewed the request to retire the combustion engines in the Vega Baja site (Vega Baja GT 1-1, and Vega Baja GT 1-2) based on an expedited review requested by Genera. Considering the information provided regarding the units, and that LUMA’s Resource Adequacy and other analysis have always considered the Vega Baja units to be unavailable, LUMA concurs with Genera’s request that it is in the interest of the ratepayers to retire and replace these units, and that this retirement would have no impact to system reliability or other decision factors.

LUMA will follow up with Genera in the next several days to discuss next steps to jointly approach the Energy Bureau to request their retirements. LUMA notes that other retirements and replacement projects might require more detailed analysis and requests an appropriate lead time to conduct future retirement evaluations.

Appendix A shows an excerpt from the SOP on the general process to retire a unit.

¹ The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”) executed on June 22, 2020, among the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnerships Authority (“P3A”) and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”).

Appendix B shows an example of the information that must be submitted by the Requestor, when requesting a unit retirement, as well as an example of the evaluation criteria that will be considered by System Operations prior to approving or rejecting the requested unit retirement.

Please do not hesitate to reach out with any questions.

Sincerely,



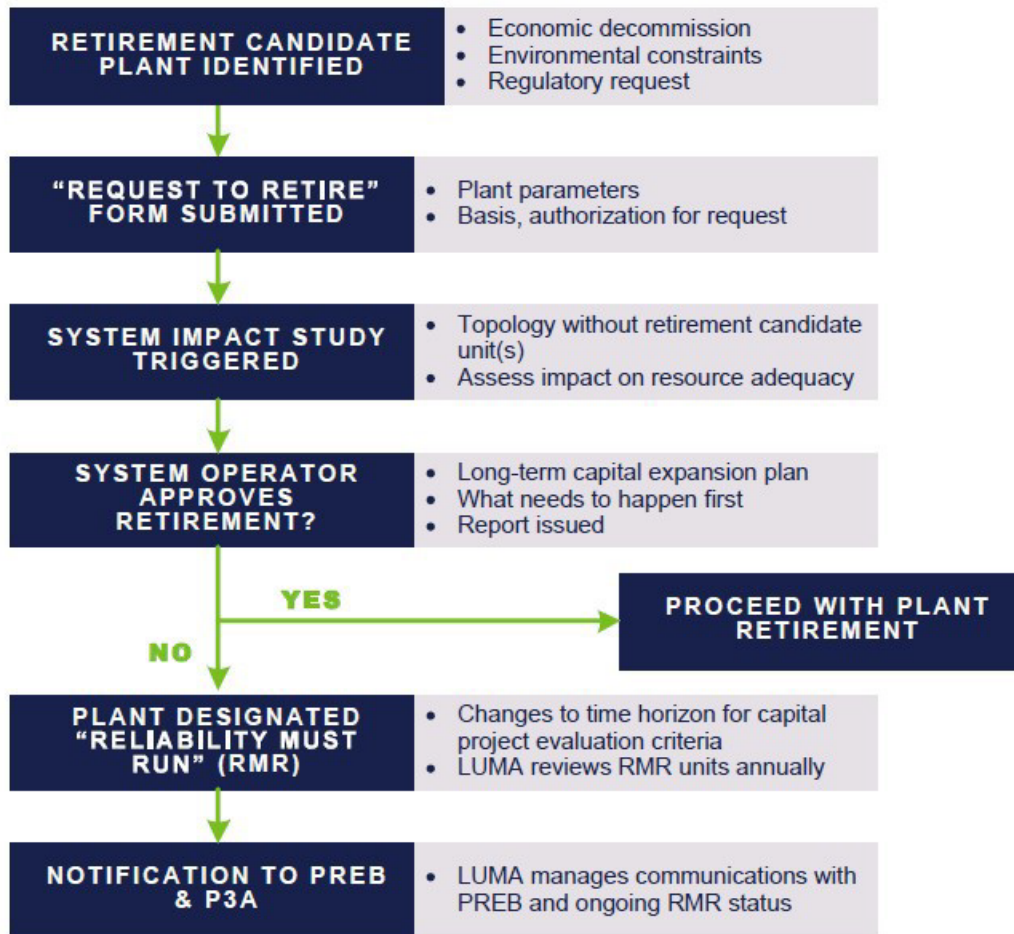
Mario Hurtado
Chief Regulatory Officer

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Ruben Lugo, Contract Compliance and Control Manager, P3A; Ruben.lugo@p3.pr.gov
Shylene de Jesus, Deputy Executive Director, P3A; Shylene.dejesus@p3.pr.gov

Appendix A: General Process to Retire a Unit

Excerpt from the System Operation Principles.

Figure 3-1. General Process to Retire a Unit



Appendix B: Information Required Prior to Unit Retirement Determination

This appendix reflects the decision criteria to evaluate a unit retirement request. **Unit Retirement Request**

Unit Retirement Evaluation Checklist

1	Date of Request:	2/19/2024
2	Target date to take unit offline:	Immediately
3	Target date to decommission unit:	Immediately
4	Reason for Retirement:	Cannot be restored to service. Vega Baja 1-1 has been out of service since September 2021. Vega Baja 1-2 has been out of service since July 2020.
Unit Details		
5	Unit Name	Vega Baja GT 1-1 Vega Baja GT 1-2
6	Unit Capability Data	
7	Ancillary Services Provided	

#	Criteria	Impact
1.0	TECHNICAL CONSIDERATIONS	
1.1	System Availability	LUMA does not consider the Vega Baja units as active in any of its Resource Adequacy analysis. The retirement of this unit will not affect this decision criteria.
1.2	System Reserves	
1.3	Black-Start Capability	
1.4	Hurricane Season Impact	
1.5	Ancillary Services	
1.6	System Reliability	
1.7	Is this an RMR Unit?	Not applicable
2.0	POST-RETIREMENT CONSIDERATIONS	

#	Criteria	Impact
2.1	How will the capability be replaced	LUMA does not consider the Vega Baja units as active in any of its Resource Adequacy analysis. The retirement of this unit will not affect this decision criteria.
2.2	RPS Impact of new generation replacement	
2.3	Environmental impact of new generation replacement (emissions, permits, etc.)	
2.4	Funding of new generation (timing, uncertainty, availability)	
3.0	REGULATORY CONSIDERATIONS	
3.1	Retirement aligned with the IRP?	LUMA does not consider the Vega Baja units as active in any of its Resource Adequacy analysis. The retirement of this unit will not affect this decision criteria.
3.2	Retirement aligned with the latest SIP?	
4.0	ECONOMIC CONSIDERATIONS	
4.1	Cost impact to rate payers	LUMA does not consider the Vega Baja units as active in any of its Resource Adequacy analysis. The retirement of this unit will not affect this decision criteria.
4.2	Timing impact	