

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

NEPR

Received:

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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 Amendment to
the Decommissioning Plan for the Vega Baja
Power Station

**MOTION TO SUBMIT AMENDMENT TO 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 23, 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 23rd Motion"). Through the August 23rd Motion, Genera submitted the final proposed decommissioning plan ("Proposed Decommissioning Plan") for the Vega Baja facility, included as Exhibit A, pursuant to the requirements of Section 16.1(b) of the LGA OMA². To facilitate the review of the Proposed

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.

² Section 16.1(b) of the LGA OMA provides the following:

Decommissioning Plan. No later than one hundred twenty (120) days after the Decommissioning Notification Date for a Legacy Generation Asset, [Genera] shall prepare and submit to [P3A] and [the Energy Bureau] (with copy to [PREPA] and T&D Operator), for their review and approval, a decommissioning plan for such Legacy Generation Asset (the "Decommissioning Plan") consistent

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.

2. 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 Proposed Decommissioning Plan as submitted with the August 23rd Motion, and to issue the corresponding *Notice to Commence Demolition*.

3. On October 2, 2024, Genera submitted a document titled *Motion to Submit LUMA’s Notice Regarding the Decommissioning Plan for the Vega Baja Power Station*, through which Genera additionally sought the following from the Energy Bureau: (i) the approval of the Proposed Decommissioning Plan that was previously submitted as part of the August 23rd Motion, and (ii) the issuance of a *Notice to Commence Demolition*, a formal authorization needed to begin the physical deconstruction activities at the site.

with the Decommissioning Plan outline set forth in Annex XV (*Decommissioning Plan*). The Decommissioning Plan shall provide for (i) the permitting, demolition, Decontamination, waste disposal and dismantling/or preparation for conversion to such other future use as [P3A] and [the Energy Bureau] may designate, as applicable, of the Legacy Generation Asset, and waste disposal, for achievement of end-state conditions within a prescribed time (provided that [Genera] does not have any obligation to perform Decommissioning Services after the expiration of the Term unless the Agreement is extended by [PREPA] and [P3A] to allow [Genera] to complete such services), (ii) the development of the Decommissioning Budget, as set forth in Section 16.2 (*Decommissioning Compensation*) below, (iii) reasonably acceptable arrangements to facilitate the transition of [Genera] Employees, who meet certain qualifications at such Legacy Generation Asset and whose positions will be eliminated after the completion of the Decommissioning Services, into new jobs or industries, including a training and/or severance plan (to be funded by [PREPA]) for any [Genera] Employees not hired into a successor job or industry, which arrangements [Genera], [PREPA] and [P3A] shall cooperate as needed to implement, and (iv) a timeline setting forth when Decommissioning Services shall be provided, including the date on which the Decommissioning Services shall commence (the “Decommissioning Commencement Date”) and the date on which the Decommissioning Services for such Legacy Generation Asset shall be completed (the “Decommissioning Completion Date”).

4. On October 31, 2024, the Energy Bureau issued a Resolution and Order titled *Approval of the Vega Baja Decommissioning Plan* ("October 31st Resolution"). In the October 31st Resolution, the Energy Bureau determined that the decommissioning of the Vega Baja Power Station aligns with the Approved Integrated Resource Plan ("Approved IRP")³ and the strategic initiatives for transitioning Puerto Rico's energy infrastructure towards renewable sources. While the Energy Bureau acknowledged the Proposed Decommissioning Plan's general compliance with regulatory requirements, it noted the need for adjustments in several substantive elements such as the decommissioning budget, project timeline, and the consultation processes involved in the decommissioning notice.

5. Furthermore, the Energy Bureau expressed concerns over the increase in the proposed decommissioning budget for the Vega Baja facility. In the April 17th Letter, Genera initially proposed a decommissioning budget of \$720,406.68 for the Vega Baja facility, which was ultimately increased to \$2,580,944 in the Proposed Decommissioning Plan.⁴ Concerns were raised by the Energy Bureau regarding an alleged overstatement of costs, particularly due to a 30% contingency and additional execution time factored into the budget.⁵ The Energy Bureau noted that despite the cap on decommissioning costs set by Section 16.2(b) of the LGA OMA, which should reflect only the sum of all costs related to the performance of O&M Services, the final proposed budget significantly exceeded this limit due to adjustments for the consumer price index.⁶

³ Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, *In re. Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001, August 24, 2020 ("Approved IRP"). Minor modifications and/or clarifications to the Approved IRP were introduced through a Resolution and Order on Reconsiderations issued by the Energy Bureau on December 2, 2020, in case: *In re. Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001.

⁴ See October 31st Resolution, p. 8.

⁵ See October 31st Resolution, p. 9.

⁶ See October 31st Resolution, pp. 9-10.

The Energy Bureau, acknowledging the fully federally funded nature of the project, approved the budget exceeding the CPI-adjusted cap of approximately \$247,673.08.⁷

6. The Energy Bureau also expressed concerns regarding the proposed timeline for focusing too narrowly on demolition while omitting crucial permitting and procurement phases. This oversight was deemed unacceptable by the Energy Bureau as it allegedly deviated from the comprehensive timeline that was originally proposed and necessary for aligning with the LGA OMA's requirements.⁸ The Energy Bureau highlighted that all relevant phases, including permitting, environmental processes, and procurement, are essential for accurately assessing Genera's capability to execute the decommissioning efficiently and must be integrated into a revised, comprehensive timeline. Furthermore, the Energy Bureau criticized Genera's inclusion of overly broad and general conditions for extending the timeline, labeled as Conditional Project Duration Risks, which could potentially allow for delays and subpar execution of the decommissioning activities. The Energy Bureau mandated the removal of these conditions from the decommissioning plan, emphasizing the need to adhere strictly to the established parameters for timeline extensions as per the contract, ensuring all necessary activities are thoroughly planned and executed.

7. Conclusively, the Energy Bureau's conditionally approved the Proposed Decommissioning Plan, requiring Genera to submit an updated and detailed plan that rectifies the noted deficiencies in Part III of the October 31st Resolution regarding budget, timeline, and procedural adherence.⁹ In light of the requirements outlined by the Energy Bureau in Part III of the October 31st Resolution, Genera hereby submits, as Exhibit A to this motion, an amended

⁷ See October 31st Resolution, p. 10.

⁸ See October 31st Resolution, p. 11.

⁹ See October 31st Resolution, p. 13.

decommissioning plan for the Vega Baja facility ("Amended Decommissioning Plan") and, as Exhibit B, a table outlining the changes or addressing the comments, recommendations or orders stated by the Energy Bureau in the October 31st Resolution.

WHEREFORE, Genera respectfully requests the Energy Bureau to **take notice** of the above for all purposes and approve the Amended Decommissioning Plan, submitted as Exhibit A to this Motion.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 12th day of November 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 12th day of November 2024.

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez

Exhibit A



Vega Baja Proposed Decommissioning Plan

GT Unit 1 | GT Unit 2 | Balance of Plant

SL-018338

November 12, 2024

Legal Notice

The information included in this Decommissioning Plan (“Plan”) was prepared by Genera PR LLC (“Genera PR”), pursuant to the requirements of the Thermal Generation Facilities Operations and Maintenance Agreement (“OMA”) for the decommissioning of the Legacy Generation Assets, as defined therein. This document provides an insight into the areas of focus and outlines the process that will be followed by Genera PR for the decommissioning of the Vega Baja Legacy Generation Asset. This Plan was prepared using the degree of skill and care ordinarily exercised by professional engineers practicing under similar circumstances. Genera PR prepared this Plan subject to: (1) certain scope limitations, time constraints, and business objectives; (2) information and data provided by third parties, including PREPA and T&D Operator, which may not have been independently verified by Genera PR; and (3) the information and data contained in this Plan are time-sensitive and changes in the data, applicable codes, standards, and acceptable engineering practices may invalidate the findings of this Plan. The information stated herein may include the views or recommendations of third parties and does not necessarily indicate a commitment to a particular course of action. Genera PR is not liable or responsible to any person for any injury, loss or damage of any nature whatsoever arising from or incurred by the use of, reliance on or interpretation of this Plan. Any unauthorized use of the Plan is strictly prohibited. Any copy, disclosure, dissemination, or distribution, either whole, or in part, to any third party is strictly prohibited unless first explicitly agreed by Genera PR.

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Acronyms and Abbreviations

Acronym/Abbreviation	Definition/Clarification
AACE	Association for the Advancement of Cost Engineering
ACM	Asbestos-containing material
BESS	Battery Energy Storage Systems
BOP	Balance of Plant
CFR	Code of Federal Regulations
CRECs	Controlled Recognized Environmental Conditions
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
Genera PR	Genera PR LLC
GT	Gas turbine
MPT	Main Power Transformer
NMP	Noise Monitoring Plan
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PCB	Polychlorinated Biphenyls
PREPA	Puerto Rico Electric Power Authority
PREQB	Puerto Rico Environmental Quality Board
RCRA	Resource Conservation and Recovery Act
RECs	Recognized Environmental Conditions
SPCC	Spill Prevention Control Countermeasure
Subject Property	Vega Baja Power Station
SVOC	Semi-Volatile Organic Compounds
T&D Operator	LUMA Energy, LLC
TCLP	Toxicity Characteristic Leaching Procedure
USEPA	United States Environmental Protection Agency
USFWS	United States Fish and Wildlife Service
Vega Baja	Vega Baja Power Station
VOC	Volatile Organic Compounds

Executive Summary

INTRODUCTION

As pursuant to Section 16.1 of the Legacy Generation Asset Operation and Maintenance Agreement, a Decommissioning Notice was issued by the Puerto Rico Public-Private Partnerships Authority ("P3A") on May 16, 2024, to Genera, as operator, for the retirement of two Legacy Generation Assets (Vega Baja GT Unit 1 and GT Unit 2) and the commencement of decommissioning services at these two peaking units. A copy of this Decommissioning Notice is included as Appendix A.

Therefore, Genera PR LLC (Genera PR) has undertaken the task of developing a Decommissioning Plan for the Vega Baja Power Station ("Subject Property") in accordance with the guidelines outlined in Section 16 and Annex XV of the Legacy Generation Asset Operation and Maintenance Agreement. This plan aims to address the decommissioning of the Subject Property (inclusive of GT Unit 1, GT Unit 2, and Balance of Plant systems) which is an electric power generating station located in Vega Baja, Puerto Rico.

The Decommissioning Plan is structured in a three-phased approach including:

1. Permitting
2. Pre-demolition
3. Dismantling, Removal, and Demolition

VEGA BAJA DESCRIPTION

The Subject Property spans approximately 1.3 acres of land situated at PR-2, km. 39.4, Monte Carlo sector, Barrio Algarrobo, Vega Baja, Puerto Rico. The site is in an urban area surrounded by commercial facilities and residential properties. Notably, the site is within the 100-year flood zone (Zone A) as per the Federal Emergency Management Agency's (FEMA's) floodplain information. The electric power generating station at Vega Baja is comprised of two 21 MW diesel-fired electric generating units along with associated balance-of-plant (BOP) systems and infrastructure such as transformers, storage tanks, and maintenance facilities. The Plant is used mainly for peaking power generation services. Until recently, the facility has been operational for approximately 50 years and has undergone various modifications and upgrades. Currently, both generation units are impaired and are no longer operational. A detailed timeline outlines the sequence of events leading to the commencement of decommissioning work.

ASSET ASSESSMENT

Vega Baja's gas turbine (GT) power generation Unit 1 ceased operations in August 2022, while power generation Unit 2 has not been operational since 2019 due to a thrust bearing failure. The site's common BOP systems to support the operation of power generation units—including water, fuel, fire protection, and other systems—exhibit signs of aging but remain functional.

COMMUNITY ENGAGEMENT

Community engagement strategies will be implemented per the "Vega Baja Community Relations Plan". A copy of this Plan is included as Appendix B. The Plan includes open communication, addressing community concerns, gathering feedback, and fostering ongoing community involvement throughout the decommissioning process.

PERMITTING

The Decommissioning Plan is structured in a three-phased approach which starts with Phase 1 - Permitting. Phase 1 of the decommissioning work starts with an evaluation of the Subject Property's existing permits and acquisition of new ones. This will precede the planned decommissioning activities to ensure compliance with environmental regulations at local, state, and federal levels.

PRE-DEMOLITION

Phase 2 of the decommissioning work includes preparation of the site for dismantling and demolition activities. During this phase, the site utilities and power grid interconnection will be disconnected. Some site utilities will be modified to support construction activities. Equipment of value, e.g., turbine components, generators, or transformers, will be removed from the site and repurposed, as determined by the operator, to support ongoing generation activities. Hazard assessments will commence and other activities to make the facility safe for dismantling and demolition work. Plans for decontamination, hazardous waste disposal, and remediation activities are outlined to address potential contaminants such as asbestos, lead-based paint, polychlorinated biphenyls (PCBs), and soil and groundwater pollutants. Protective measures will be put in place to protect remaining equipment.

DISMANTLING, REMOVAL, AND DEMOLITION

Phase 3 of the decommissioning work includes the physical dismantling, removal, and demolition of the site. Detailed specifications will be developed to serve as a guide for the scope of services to be bid on by

qualified contractors. Bid compliance with these specifications will be used in the evaluation process for contract award to perform the work. Phase 3 will be conducted by the selected demolition contractor.

Phase 3 will include minor site restoration ensuring the site is entirely clear and safe. Due to the facility's age, potential contaminants may be present. Remaining hazards will be addressed. Soil and groundwater assessments will be conducted to address potential contamination risks. All waste materials will be classified, handled, and disposed of according to applicable regulations. Hazardous waste will be identified and segregated and disposed of by licensed hazardous material handlers. Non-hazardous waste will also be carefully managed to minimize environmental impact and minor remediation work will commence for contaminated areas of the facility.

EXECUTION TIMELINE

A well-rounded plan for managing each phase of the Vega Baja Decommissioning Project is included in Appendix D – The Decommissioning Timeline. This timeline includes all essential phases required by the OMA for a comprehensive decommissioning process. These phases cover permitting, environmental assessments, procurement, decontamination, dismantling, demolition, waste disposal, and the preparation of the Legacy Generation Asset for potential future use. With a focus on regulatory compliance, environmental compliance, safety, and streamlined execution, the schedule and plan provide a guide towards project completion, anticipated within the required timeframe.

DECOMMISSIONING BUDGET

The estimated decommissioning costs for the Subject Property are presented in 2024 U.S. dollars, covering various aspects of the decommissioning process. The estimated decommissioning expenses include all three phases of the work along with other associated costs. The estimate provides capital cost information for project planning and budgeting evaluations, with a classification based on the advancement of cost engineering (AACE) International standards. Cost estimates were developed using engineering scope information, conceptual design layouts, and information from ongoing bidding processes. The estimate's accuracy falls within a probable range based on project maturity level and estimating methods. Assumptions include detailed dismantling of structures and equipment, disposal of non-recyclable materials, and adherence to safety protocols. Owner's costs have been added to the budget. The estimated decommissioning budget is expected to be entirely federally funded; and no actual costs or direct expenses were identified for Vega Baja (out of service units) in the budget for the years 2023 or 2024. Any incentives earned in accordance with the Legacy Generation Asset Operation and Maintenance Agreement in respect of this budget will be factored into Genera's FY2026 budget.

HEALTH, SAFETY, SECURITY, AND QUALITY MANAGEMENT

The Health and Safety Plan will be prepared by the selected demolition contractor, outlining safe work practices and hazard control measures. Document control processes will ensure the systematic governance of project-related documents, maintaining accuracy, reliability, and accessibility throughout the decommissioning process. All work will be conducted within a secure area.

EMPLOYEE TRANSITION

The Vega Baja decommissioning plan does not include an Employee Transition Plan as Genera PR employees will not be affected by the decommissioning of the Subject Property.

DOCUMENTATION AND KNOWLEDGE MANAGEMENT

Document control is a vital aspect of quality management throughout the pre-Decommissioning, Decommissioning, and post-Decommissioning phases. It ensures the systematic governance of document creation, review, modification, issuance, distribution, maintaining accuracy, reliability, and accessibility while safeguarding against unauthorized alteration or access. The document control process for records related to the decommissioning of the Subject Property is structured in phases including, a) creating folder structures and defining file naming conventions, b) digitizing historical files, c) identifying current and future documents, and d) establishing user access. Document management for the Subject Property and for the company will follow a company policy (in process) for document management and retention of records that complies with the requirements of the Institute of Culture. The person managing that policy and its delegate will receive training from the Institute of Culture.

CONCLUSION

The decommissioning of the Subject Property poses some challenges due to the site's aging infrastructure, and environmental hazards that may be present. Preservation of the existing main power transformer for future use is of paramount importance. Genera PR is committed to developing a comprehensive Decommissioning Plan that addresses the complexities associated with the site's safe shutdown, salvage and preventative measures, demolition, and remediation work—concluding the decommissioning process. Collaboration with regulatory authorities, stakeholders, and technical experts will be essential to ensure a safe and environmentally responsible decommissioning process.

1. Vega Baja Introduction and Description

1.1. INTRODUCTION

Genera PR LLC (Genera PR) has undertaken the task of developing a Decommissioning Plan for the Subject Property in accordance with the guidelines outlined in Section 16 and Annex XV of the Legacy Generation Asset Operation and Maintenance Agreement. This plan aims to address the decommissioning of the Subject Property (including GT Unit 1, GT Unit 2, and Balance of Plant systems), which is an electric power generating station located in Vega Baja, Puerto Rico.

The Decommissioning Plan is structured in a three-phased approach which is described herein and includes the following phases:

1. Permitting
2. Pre-Demolition
3. Dismantling, Removal, and Demolition

1.2. LOCATION

The Subject Property totals approximately 1.3 acres of land located at PR-2, km. 39.4, Monte Carlo sector, Barrio Algarrobo, Vega Baja, Puerto Rico. The Subject Property location and general boundaries are shown on the project maps in Figure 1-1. These were defined based on guidance from PREPA representatives during site visits. Project boundaries and adjoining property information is shown in Figure 1-2.

Figure 1-1 — Vega Baja Site Boundary

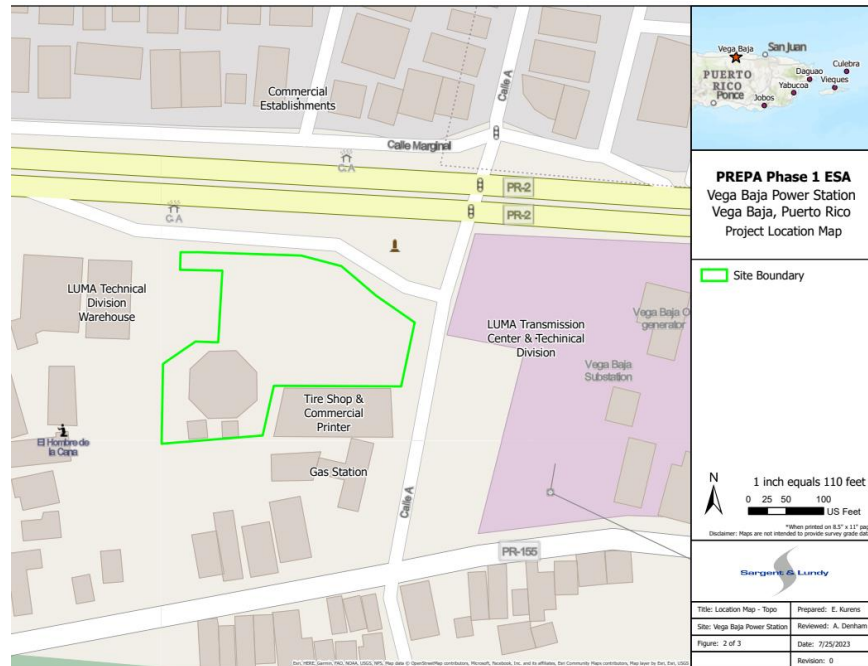
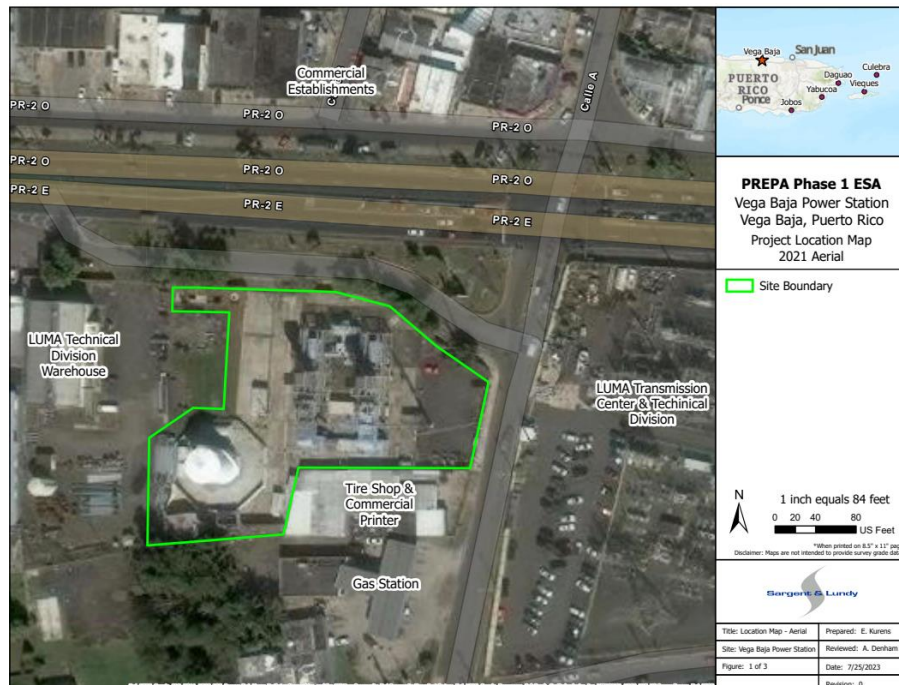


Figure 1-2 — Vega Baja Adjoining Property Information



1.3. SITE AND VICINITY GENERAL CHARACTERISTICS

The Subject Property is in an urban area surrounded by commercial facilities and residences. The Subject Property is bounded to the north by State Road PR-2 and commercial establishments, south of the Subject Property is a tire shop and commercial printing business, east of the Subject Property is Street "A" followed by a LUMA power system transmission center, and to the west is the LUMA Technical Division warehouse. The nearest residential properties are located to the north, across State Road PR-2, in the Monte Carlo sector and Las Flores residential community.

1.3.1. Physical Setting

Site elevations range between three to four meters above sea level. Federal Emergency Management Agency floodplain information indicates that the site is located within the 100-year flood zone (Zone A) which is considered a special Flood Hazard Area.

According to information provided by the US Department of Agriculture, the soil in the area, around and including the site, consists of urban land. The drainage class was not reported, which is likely due to the extreme variability in surface conditions from one area to another on and near the site.

1.4. GENERAL SITE INFORMATION AND CURRENT USE

The Subject Property is currently developed as an electric power generating station consisting of two 21 MW diesel-fired gas turbine electrical generating units, each with an associated 300 KVA auxiliary transformer. In addition to power generating activities, ancillary activities conducted at Vega Baja include limited equipment and machinery maintenance, electric power transmission, and associated plant operations (e.g., controls and bulk storage). Diesel fuel is received at the Subject Property in a designated area from tanker trucks which unload fuel into the main 276,000-gallon diesel tank. Solid waste produced from these operations (e.g., scrap metal, trash, used oil, and oil contaminated materials) is stored in designated areas throughout the Subject Property before being disposed of offsite.

Storage operations take place in a maintenance and storage area west of the Subject Property. The storage operations consist of storing raw materials into several drums, sacks, plastic totes, and buckets (of various sizes) that include lubricating and cutting oils, paints, chemicals, and other fluids/raw materials that support other operations. Some spare parts and equipment storage are located outside of the generation property boundaries.

Maintenance of the electric power generating equipment is performed onsite. These maintenance operations include welding, electrical work, repair, servicing, and refueling. Any other waste generated from Vega Baja operations (e.g., contaminated soil, construction debris, storage drums, trash, and scrap metal)

is collected and stored in appropriate containers before being assessed for the nature of the waste and/or transported offsite for proper disposal.

Genera PR will endeavor to maximize the utilization of remaining plant items by repurposing them as spare parts for other facilities wherever feasible.

1.4.1. Summary of Site Use History

The Subject Property has operated as an electric power generating station for approximately 50 years. Based on a review of historical topographic maps and aerial photographs, since at least the late 1970s (oldest photographic documentation available), the Subject Property has been bounded to the north by present day PR-2 and surrounded by mostly commercial and residential properties. By 1989, a structure had been constructed adjacent west of the plant. This structure corresponds to the former PREPA Technical Division warehouse, currently operated by LUMA. Residences were constructed farther east and west, and across PR-2, north of the Subject Property. Overall, the surrounding area has included commercial establishments, mostly along and near PR-2, as well as scattered residential communities since the late-1970s. The surrounding area has been in its current configuration since the mid-1980s.

2. Asset Assessment and Stabilization

2.1. VEGA BAJA CONDITION ASSESSMENT

2.1.1. Gas Turbines and Generators

Vega Baja's gas turbine (GT) Unit 1 was last operated in August 2022. Prior to the outage, the full load rating was 21 MW. Due to ongoing challenges with the repair of Unit 1, it was declared impaired in late 2023 and subsequently, the asset was fully depreciated. With this decision, Unit 1 and all BOP systems may be decommissioned and removed from service, as approved by the Administrator (P3A), Regulator, and the T&D System Operator (LUMA Energy, LLC) when appropriate by the utility.

Figure 2-1 — Vega Baja Unit 1 – Major Service Outage



Vega Baja GT Unit 2 has been unavailable since 2019, due to a thrust bearing failure. There is no current intention to restore Unit 2 for service. The turbine blades suffered severe damage across multiple stages. Vega Baja Unit 2 is used for spare parts for other Peaker GTs in the fleet. For example, the generator rotor

was installed at Yabucoa, and the starter motor was installed at Aguirre. The main power breaker was functional when the GT failed, and some small parts have been removed. The main power breaker might be repairable.

In late 2023, due to ongoing challenges and the idle state of Unit 2, it was declared impaired and subsequently, the asset was fully depreciated. With this decision, both Units 1 and 2 and all BOP systems may be decommissioned and removed from service, as approved by the Administrator (P3A), Regulator, and when appropriate by the utility. Components or parts that may be deemed usable for other areas of the operating fleet may be salvaged, as appropriate.

2.1.2. Vega Baja Common Systems

2.1.2.1. Water Systems

The Plant uses a municipal potable water supply from Puerto Rico Aqueduct and Sewer Authority (PRASA) for domestic use in the facility buildings, fire hose stations, and service water hose stations on site. Drains from the units, and curbed containments that may be subject to oil contamination, are directed to the plant's oil-water separator system prior to being discharged back to the municipal sewer system. The existing potable water system is functional and will be reconfigured to support decommissioning services.

2.1.2.2. Fuel Systems

Equipment and piping in the fuel oil truck unloading area shows characteristic signs of aging with chipped coatings and minor surface rust. However, the fuel system remains serviceable. The existing fuel system will be removed from service prior to beginning heavy dismantling and demolition activities.

2.1.2.3. Fire Protection

An automated CO₂ fire protection system to flood and inert the gas turbine enclosure in the event of a fire was never installed for the Vega Baja GTs; fire protection for the units is currently provided by hand-cart-mounted CO₂ extinguisher assemblies located next to the GTs, and by fire hose stations connected to the potable water system. Hand extinguishers are hung at other high-risk locations. The existing fire protection system is functional and will be utilized to support decommissioning services.



2.1.2.4. Balance-of-Plant (BOP) Equipment

There were no critical deficiencies observed for the Plant BOP systems.

2.1.2.5. Electrical and Control Systems

The control room is shared for GT Units 1 and 2 and appears to be in proper working order with no observable deficiencies or safety concerns. The existing electrical systems are functional and will be reconfigured to support decommissioning services, including support for the site's stormwater sump pumps, demolition power and temporary power, as required, to ensure the station's main power transformer and auxiliary equipment are operational to keep the oil fill circulating, warm and free of humidity. Table 2-1 presents the O&M (Operations and Maintenance) Assessment Team's observed conditions within the electrical and control systems.


Table 2-1 — Vega Baja’s Electrical and Control System’s Observed Condition

Item	Condition
1	<p data-bbox="548 346 1159 380">Figure 2-2 — Vega Baja Unit 1 Battery Room</p>  <p data-bbox="264 936 1393 970">A large section of the battery room has debris falling from the ceiling onto the batteries and floor.</p>
2	<p data-bbox="581 1050 1127 1083">Figure 2-3 — Vega Baja Unit 1 Batteries</p>  <p data-bbox="264 1507 1442 1629">The batteries require maintenance, liquid levels are at or near minimum level, and several of the batteries show signs of internal corrosion. Suitable care should be taken during their removal to ensure the safety of the workforce.</p>

2.1.2.6. Major Structures

Below are a few structural conditions as summarized in Table 2-2.


Table 2-2 — Vega Baja’s Structural Observed Condition


Item	Condition
1	<p data-bbox="386 457 1334 493">Figure 2-4 — Vega Baja Unit 1 Air Intake Structure Corroded Column</p>  <p data-bbox="305 1218 1390 1339">For the Unit 1 air intake structure, three main support columns have major corrosion on the bottom 3 to 6 inches, where standing water appears to have caused corrosion. Suitable care shall be taken during the removal to ensure the safety of the workforce.</p>

2.2. VEGA BAJA SAFETY

The following figures present the O&M Assessment Team's observed conditions regarding safety conditions.

Table 2-3 — Vega Baja Observed Safety Issues

Item	Condition
1	<p>Figure 2-5 — Vega Baja Storage Room</p>  <p>The storage room, located behind the battery room, has an electrical panel and a small transformer with combustibles (paint/paint thinner/gasoline) stored directly in front of them. Suitable care shall be taken by the contractor during the removal to ensure the safety of the workforce.</p>
2	<p>Several of the steps and access platforms to equipment exhibit serious corrosion.</p>

Item	Condition
3	<p>An auxiliary junction box shows signs of corrosion and water/moisture intrusion. The current wiring is corroded, and the step-down transformers are also severely corroded. The contractor shall take suitable care to ensure the safety of the workforce.</p> <p>Figure 2-6 — Vega Baja Junction Box Corrosion</p> 

2.1. VEGA BAJA MAINTENANCE

2.1.1. Maintenance of Major Equipment/Systems

Past inspections (2020-2021) found that overall, the Subject Property was in a serviceable condition, but that the GTs and many of their ancillary systems were approaching the end of their useful service lives.

Since that time, in late 2023, due to ongoing challenges and the idle state of both Units 1 and 2, both declared impaired and subsequently, the asset was fully depreciated. No further maintenance on the GTs is planned. However, the main power transformer (MPT) appeared to be in good condition at the time of inspection and will be salvaged for later use.

3. Community Engagement

3.1. COMMUNITY RELATIONS PLAN

Community engagement will be facilitated using the plan developed by Genera PR, titled “Vega Baja Community Relations Plan.” A copy of the plan is included in Appendix B. The following topics addressed are listed below:

- i. A method to engage with local communities, government agencies and media to initiate open communication and to inform them about the decommissioning process.
- ii. A method to address concerns, answer questions, and gather feedback from residents and local authorities to facilitate ongoing dialogue and transparency.
- iii. A method to consider incorporating mechanisms for ongoing community involvement throughout the decommissioning process.
- iv. The identification of communication channels including websites and local newspapers to disseminate information and gather feedback. Relevant information regarding the size of the Subject Property, its location, and any environmental or community considerations will be provided.

4. Permitting

4.1. EXISTING PERMITS

Phase 1 of the decommissioning work requires the pre-demolition work to begin. As part of this work, and prior to protective measures, decommissioning, demolition, or remediation activities an evaluation of existing local, state, and federal-level environmental permits will be performed. This evaluation is to identify permits or activities that must be modified, revised, or closed, as applicable. An evaluation of permit conditions will likewise be performed to ensure that the facility maintains compliance with any post-closure conditions.

A decision to modify or extend the existing air permit will be made some time in the future.

4.2. NEW PERMITS

Any new permits required for the decommissioning will be obtained before decommissioning activities begin. A preliminary list of permits expected to be applicable to decommissioning and demolition activities is included below in Table 4-1. Compliance with permits, and local, state, and federal worker safety regulations will be maintained throughout decommissioning and demolition.

Table 4-1 — Vega Baja Demolition-Related Permits

ID	Agency	Permit or Approval
1	Federal Emergency Management Agency (FEMA), and any other involved federal agencies	NEPA Document Preparation and Approval (Categorical Exclusion expected)
2	United States Fish and Wildlife Services (USFWS)	Endangered Species Act (ESA) Section 7 Endangered Species Consultation or Determination of No Effect
3	State Historic Preservation Office (SHPO/OECH)	National Historic Preservation Act Consultation (Section 106)
4	Department of Natural and Environmental Resources (DNER)	Rule 141 - Environmental Impact Documentation
5	DNER	Asbestos/Lead Removal Permit
6	DNER	Unique Incidental Permit (PUI)

5. Pre-Demolition

5.1. METHODOLOGY FOR PROTECTIVE MEASURES

Phase 2 of the decommissioning work consists of pre-demolition activities and initiates site preparation and protective measures needed by Genera PR prior to the physical dismantling and demolition work. The objective of this section is to provide suitable site preparation work and protective measures, along with safe working conditions before any physical work of dismantling, demolition, and remediation work of the Subject Property starts. The protective measures for the Subject Property will focus on the following topics:

- Equipment Preparation for Demolition.
- Safe disconnection of existing site utilities and modifications to support the decommissioning activities.
- Identification and removal of hazards.
- Ground penetrating radar, safety, and physical site surveys
- Protective measures for preservation of key plant features.
- Decommissioning activities (pre-demolition work).

5.2. EQUIPMENT PREPARATION AND PROTECTIVE MEASURES FOR DEMOLITION

The following equipment and/or surveys shall be prepared / performed before any physical demolition work starts at the Subject Property:

- Ground Penetrating Radar, safety, and physical site surveys
 - Survey work shall be performed to identify the extent of underground features, safety hazards, and property boundaries.
- Stormwater curbs other protection
 - Stormwater drains shall be protected near the Work against debris, rust, sediment, and erosion caused by the demolition activities.
 - Protection measures, including, but not limited to, personnel barriers, concrete barricades, fire blankets, construction fencing, construction cones, wire rope, and debris.
- Main Power Transformer
 - To remain in place. A welded steel cage or scaffolding with welded wire mesh steel screen will be built around the disconnected transformer and securely anchored to concrete before

demolition activities begin to protect the main transformer equipment and auxiliaries from falling or storm/wind-blown debris. Protective bollards or concrete barriers are planned around the cage to prevent inadvertent damage from operating trucks, forklifts, cranes, or other construction equipment.

- Provisions for long term Main Power Transformer storage shall be initiated and put in place, including the application of construction power for the transformer to remain heated and free of water. The transformer auxiliary power feed shall be maintained to keep fans, pumps, and heaters operational with the control panel intact. Long-term preservation instructions from the manufacturer shall be implemented.
- Pad-Mounted Auxiliary Power Transformer
 - The Auxiliary Power Transformer will be disconnected and removed from the site for use elsewhere.
- Fuel Oil Storage Tank (276,000 gallons)
 - Storage tank contents to be emptied, residual liquids and sludge to be removed. The storage tank is to be decontaminated and surfaces shall be left clean of all substances. Tanks shall be certified gas free before any demolition work commences.
- Two (2) Fuel Oil Auxiliary Storage Tanks (10,000 and 15,000 gallons)
 - Storage tank contents to be emptied, residual liquids and sludge to be removed. The storage tank is to be decontaminated and surfaces shall be left clean of all substances. Tanks shall be certified gas free. The tank will be demolished, and metal recycled.
- Fuel Unloading Truck Station
 - Decontaminate, remove, and discard fuel unloading skid. Demolish fuel unloading truck station shelter.
- Emergency Diesel Generator
 - Disconnect and removal generator and associated feeder/wiring. Genera PR to relocate and repurpose.
- Gas turbines
 - Genera PR will conduct a field inspection of the Frame 5 gas turbine equipment to determine if any components or assemblies are repairable or salvageable for use on other Frame 5 units within the fleet. Genera PR staff, or other industry experts, will conduct this assessment prior to proceeding with Phase 3, Dismantling, Demolition, and Preparation for Restoration, and release a site inspection summary prior to proceeding to the next Phase of work. If needed, Genera PR will proceed with the safe removal of salvageable components.

5.3. SAFE DISCONNECTS AND MODIFICATIONS FOR SITE UTILITIES

The following site utilities will be disconnected and/or modified to suit construction activities by the Contractor:

- **Potable Water:** Potable water services will be disconnected from the power station back to the municipality's main isolation valve. The contractor will modify the downstream system as needed, and per local codes, to provide potable service to support the demolition activities.
- **Fire Water:** Fire water services will be disconnected from the power block station back to the main isolation valve or adjusted to suit the new fire water service. The Contractor will modify the downstream system as needed and per local codes, to provide fire water service for the demolition activities.
- **Sanitary Services:** Sanitary water services will be disconnected from the power block station, capped, protected, marked, and identified for future tie-ins. Temporary restroom facilities will be setup for the site in accordance with the decommissioning Contractor's needs.
- **Power Disconnect and Construction Power:** De-energization and verification of de-energization of all electrical utilities shall be made prior to the start of demolition work. The contractor shall confirm de-energization of equipment is suitable for the work to be performed and sign on to necessary LOTOs/Clearances. Genera PR's temporary electrical supply will be three phase 60-Hz, 120 and 208 volts. The contractor shall transform the power to 208/480V to energize Main Power Transformer heating and auxiliary equipment service, power lighting, and Stormwater Sump Pumps.

The following preparatory activities related to site security will be taken:

- **Site Security:** It is required of all personnel to cooperate with the Owner's site security personnel and comply with all Owner's necessary security rules, policies, or procedures.
 - General area security is ensured by fencing the Plant's perimeter and controlling access through the gate is managed by the Owner.
 - The Contractor shall take precautions against the loss of its material, tools, equipment and be responsible for the safety thereof.
 - In addition to other identification requirements listed herein, Contractor's employees or visitors shall be required to wear a company logo or other identification supplied by the Contractor. These logos shall always be visible.
 - Any structures that are not part of the demolition shall be considered as restricted areas.
 - All ladders, staging materials, equipment, and tools shall bear Contractor's identification mark and shall be checked by Contractor to ensure proper function before being carried into the site.

- No personal cars shall be permitted on the plant property beyond the designated parking lot at the gate, except for one personal vehicle for the superintendent. Contractor vehicles such as pickup trucks, etc., can enter the property grounds.
- All vehicles, personnel, storage containers, boxes, etc., may be searched by Owner upon leaving the station property.

5.4. PROTECTION AND HAZARD REMOVAL

The Subject Property will need an environmentally regulated material survey to identify and quantify universal waste, hazardous waste, and radiological waste. Survey to verify current local, state, and federal regulations prior to conduction of the survey. Regulated materials are removed/or controlled, included but not limited to the following:

- Hazardous chemicals, gases, and liquids to be removed and properly disposed of.
- Mercury containing instruments and equipment to be removed and properly disposed of.
- Oils and fuels to be removed and properly disposed of (if applicable).

The Contractor will complete the following activities prior to start of demolition activities:

- Secure all necessary permits and authorizations to conduct the demolition, disposal of the materials and coordinate with disposal sites (landfills) to receive the material. Perform abatement of existing facilities and equipment, which may include the following actions:
 - a. Asbestos-containing material (ACM), universal waste, hazardous waste, and any other regulated waste to be removed and properly disposed of offsite (as applicable).
 - b. Friable and nonfriable insulation on mechanical systems and equipment, piping, heating, ventilation and air conditioning, electrical components and equipment, switchgear protection and electrical conduit to be removed, abated, and properly disposed of offsite.
 - c. Lights, ballasts, and universal waste (e.g., mercury-containing equipment, radiation point sources) will be removed and disposed of offsite.
- Begin decontamination process to the extent possible by removal of all remaining liquids, gas and solids from piping, tanks, vessels, equipment, and components. Decontamination will involve accessing or opening the systems to allow liquid, gas, and solids to be removed.
- Take soil / ground water samples prior to any demolition activities such as excavation to remove underground equipment or structures.
- Residual waste will be managed, stored, transported, and disposed of in accordance with local, state, and federal regulations.

- Develop a detailed abatement plan for materials identified in the environmental regulated materials survey (if applicable) that will address methodologies and procedures, site preparation, required containment setup, engineering and work practice controls, PPE, and worker exposure assessment.
- Locate underground structures and utilities that could present a safety hazard during demolition activities or cause service interruptions if damaged. The use of Ground Penetrating Radar equipment is required to aid in the discovery of underground equipment due to the lack of as-built drawings and other information. Features shall be marked, and the extent of discoveries shall be utilized to finalize estimates for their removal, as necessary for the decommissioning work and intended future use.
- Conduct pre-demolition engineering survey by a competent person per OSHA 29 CFR 1926.850 (a) prior to start of demolition activities. The purpose of the survey is to determine the condition of framing, floors, and walls and possibility of unplanned collapse of any portion of the structure. Adjacent buildings and structures where employees may be exposed shall also be similarly checked.
- Measures, including temporary bracing and shoring of walls and floors, shall be taken to protect workers and any adjacent structures.
- Develop Environmental, Health, Safety and Security Plan. This includes, but is not limited to:
 - a. Provisions for Hot Work
 - b. Air Monitoring Plan
 - c. Noise Monitoring Plan
 - d. Environmental Protection Plan

5.5. TEMPORARY FACILITIES AND PREPARATION WORK

The demolition contractor chosen for each phase will be responsible for the supply, installation, provision, maintenance, repair and final removal of all temporary facilities and utilities, necessary for full and complete performance of the work. Such items include, but are not limited to:

- Ensure all permits and signage are in place.
- Coordination of all transportation services, including proper transport and disposal of all hazardous materials and regulated waste materials not already removed by Genera PR personnel.
- Connections to and disconnections from water supply including distribution supply lines and storage facilities.
- Temporary facility and laydown area, including the maintenance of contractor's laydown storage and work areas, as well as roads within such areas.

- The provision, operation and maintenance of sanitary systems, industrial systems, storm drainage and utility sewage systems.
- Adequate storage of materials tools and equipment.
- Construction power.
- Temporary facility area power and lighting.
- Potable water.
- Compressed air and gases.
- Material handling and rigging.
- Supply, erection, maintenance and dismantling of scaffolding and/or other means of access to the work.
- Weather protection of the work and any methods required to allow continuation of the work during periods of inclement weather.
- Small tools and all standard expendable or consumable construction items and supplies.
- Personal protective equipment.
- Permits for temporary facilities.
- First aid facilities.

Stormwater runoff management controls are required to prevent surface water from exiting the work area. Before beginning demolition activities, the existing stormwater receptors will be protected to prevent release into them, and any other applicable demolition-related water. The Contractor should plan for demolition activities that will require water for dust control.

5.5.1. Decommissioning Activities (Pre-Demolition)

Genera PR will complete the following decommissioning activities prior to the start of demolition:

- Execute Community Engagement and Communication plans as outlined in Section 4 of this report.
- Notify Grid Operator (LUMA) of upcoming decommissioning activities.
- Prepare and issue a Request for Proposal (RFP) for solicitation of bids to perform the dismantling and demolition of the Subject Property. Prequalification of contractors should include a review of contractor experience, resource availability, safety, and environmental compliance records. The contracts for demolition services will be signed following a rigorous evaluation process and after the decommissioning plan is approved.
- Perform a safe shut down of the plant. Typical activities include, but are not limited to:

- a. Facility and equipment are isolated from the transmission/distribution system by opening of breakers and removal of links.
- b. All electrical stored energy removed. (i.e., station batteries disconnected and removed)
- c. All mechanical energy removed.
 - Piping systems depressurized, drained, purged and cleaned (as required).
 - Aboveground storage tanks drained.
- d. Install required isolation devices and facilities as required to prove absence of energy. The systems will be secured through lockout/tagout procedures.

6. Dismantling, Removal, and Demolition

6.1. METHODOLOGY FOR DISMANTLING, REMOVAL, DEMOLITION, AND PREPARATION FOR RESTORATION

The objective of Phase 3 work is to provide a roadmap for the dismantling, removal, and demolition of the Subject Property in compliance with applicable laws and regulations in effect at the time of this report.

6.1.1. Demolition

After all necessary pre-demolition activities have been completed, dismantling, removal, and demolition activities can start. Refer to Figure 6-1 for a site legend regarding dismantling, removal, and demolition.

Scope: Removal and demolition of materials, equipment and structures located above the top of concrete (TOC).

End Use: The property will retain concrete slabs, foundations, parking areas, and underground structures to avoid the need for temporary measures for erosion control, containment, and potential treatment of runoff water during the interim period.

Figure 6-1 — Vega Baja Site Legend



6.1.1.1. Scope of Work

The scope of work for dismantling, removal, and demolition is summarized in Table 6-1 and in Figure 6-1 through Figure 6-6 below.

Table 6-1 — Summary of Phase Above Ground Demolition Scope.

Item	Equipment/Structure	Scope
1	Gas Turbine Controls Enclosure	To be removed. Structure to be demolished to top of concrete level (TOC).
2	Main Power Transformer (MPT)	To remain in place.
3	Switchgear	Equipment to be removed and discarded. Enclosure to be demolished to TOC level.
4	Emergency Diesel Generator (EDG)	To be relocated
5	Pad Mounted Auxiliary Transformer	To be relocated.
6	Battery Room	Batteries to be removed and recycled. Structure to be demolished to TOC level.
7	Fuel Oil Storage Tank (276,000 gallons)	To be demolished.
8	Two (2) Auxiliary Storage Tanks (10,000 and 15,000 gallons)	To be demolished.
9	Fuel Unloading Truck Station	To be demolished.
10	Telecommunications Steel Pole	To be removed. Genera PR to coordinate removal and relocation in future phase of the project.
11	Administration Building (2-Story Building)	To be demolished.
12	Wheel Mounted Trailer	To be removed.
13	Security Building	To be demolished. Temporary air-conditioned security building with sanitary facilities to be provided by the contractor.
14	Plant Area Lighting	To be demolished.
15	Underground Cable Vaults	Cut and abandon cables. Underground vaults and conduits to be demolished during Phase 2.
16	Property Fence	To remain in place.

Figure 6-2 — Plant Materials, Equipment and Structures to be Demolished

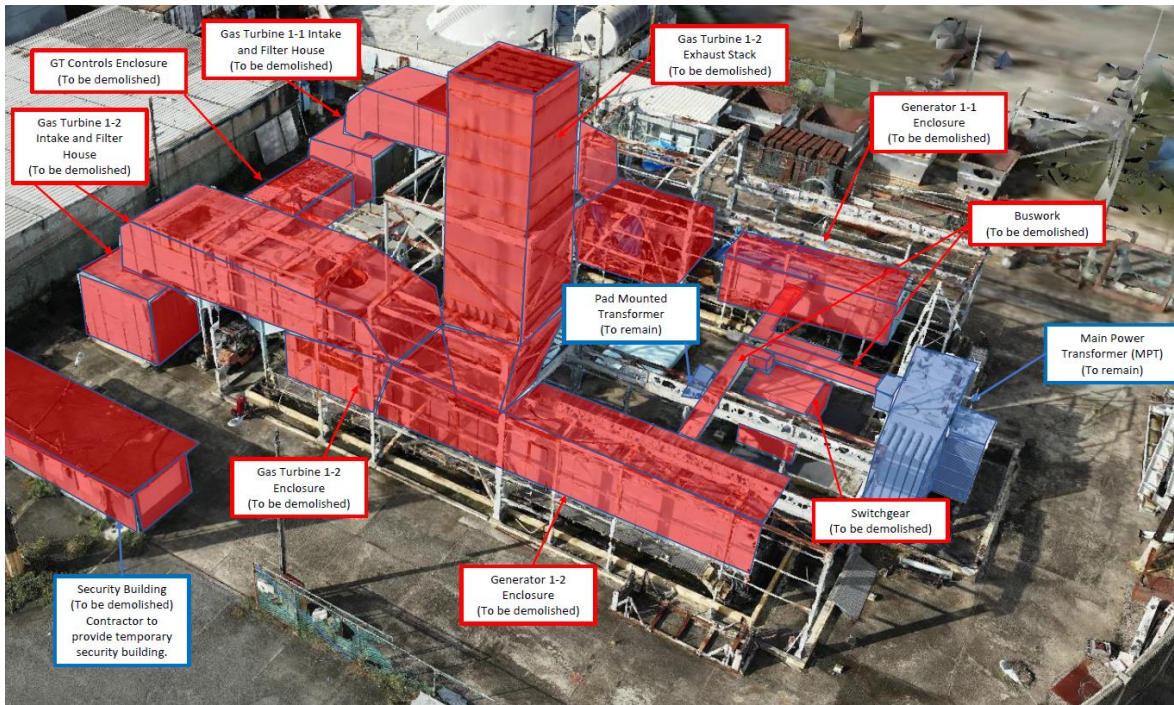


Figure 6-3 — Plant Materials, Equipment and Structures to be Demolished

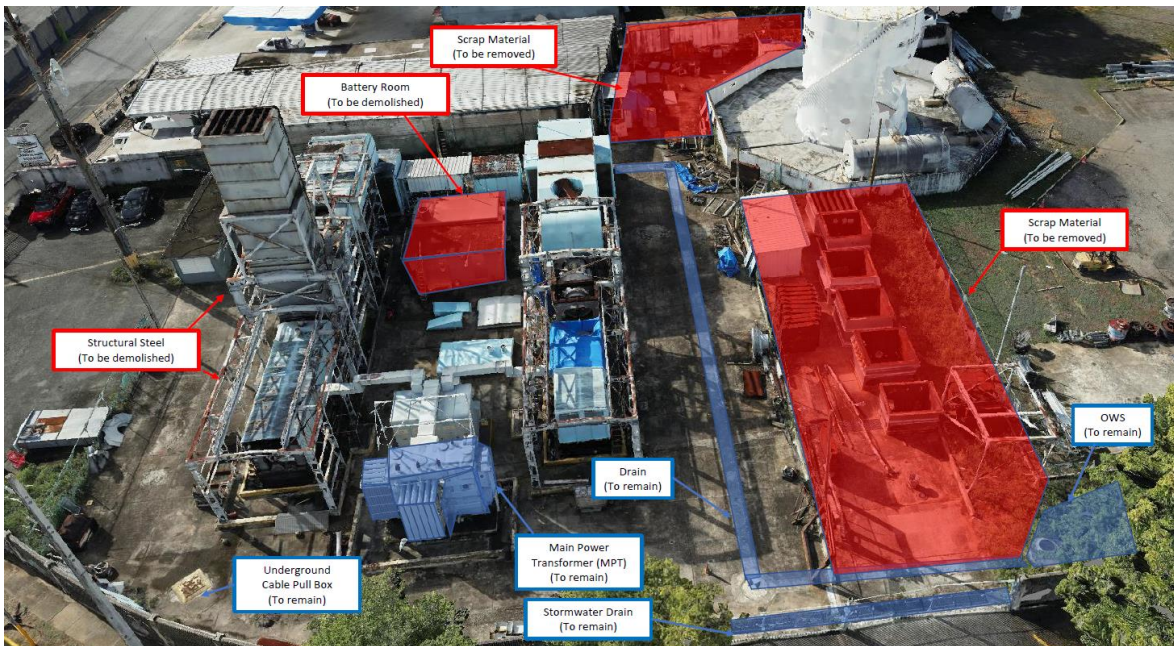


Figure 6-4 — Plant Materials, Equipment and Structures to be Demolished

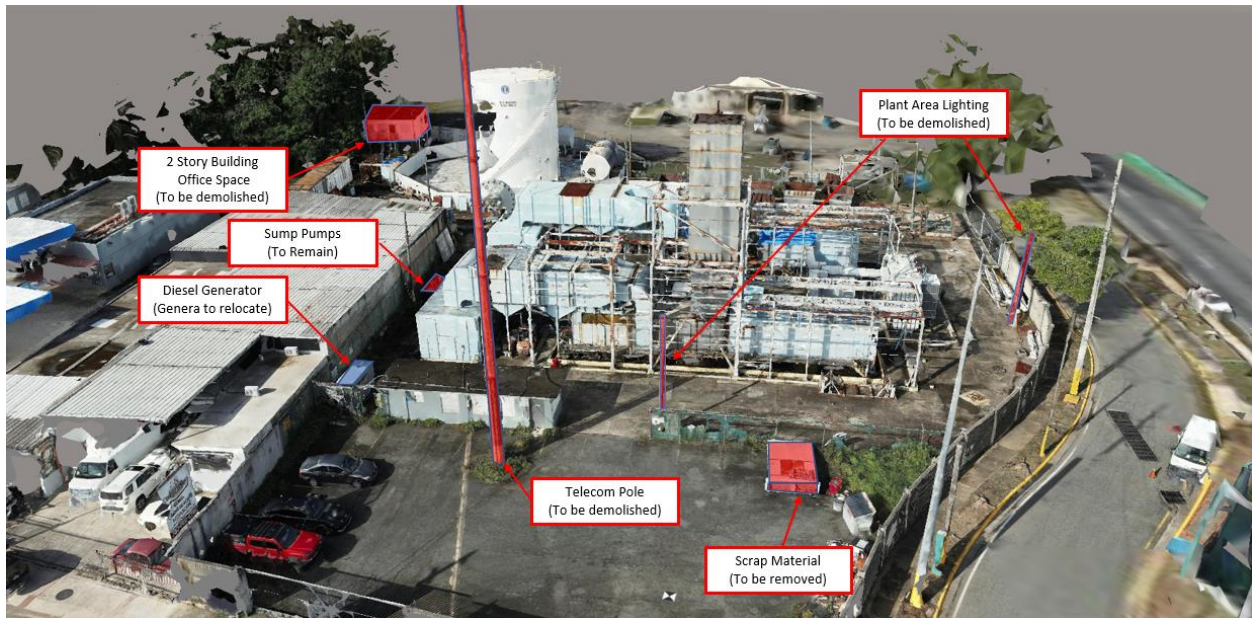


Figure 6-5 — Plant Materials, Equipment and Structures to be Demolished

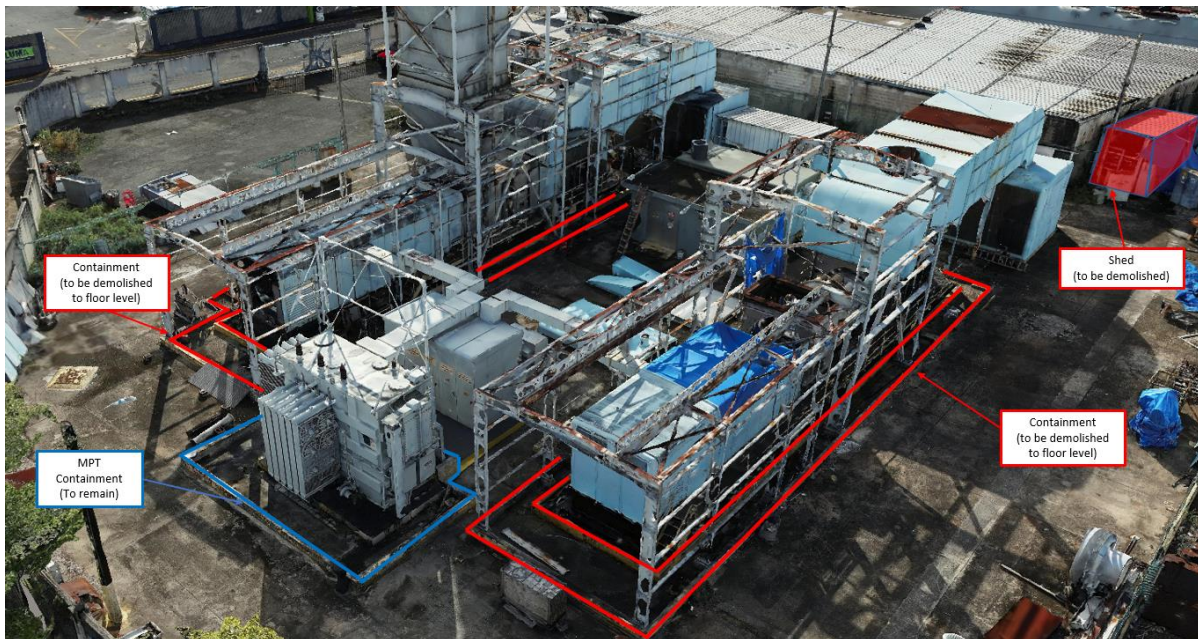
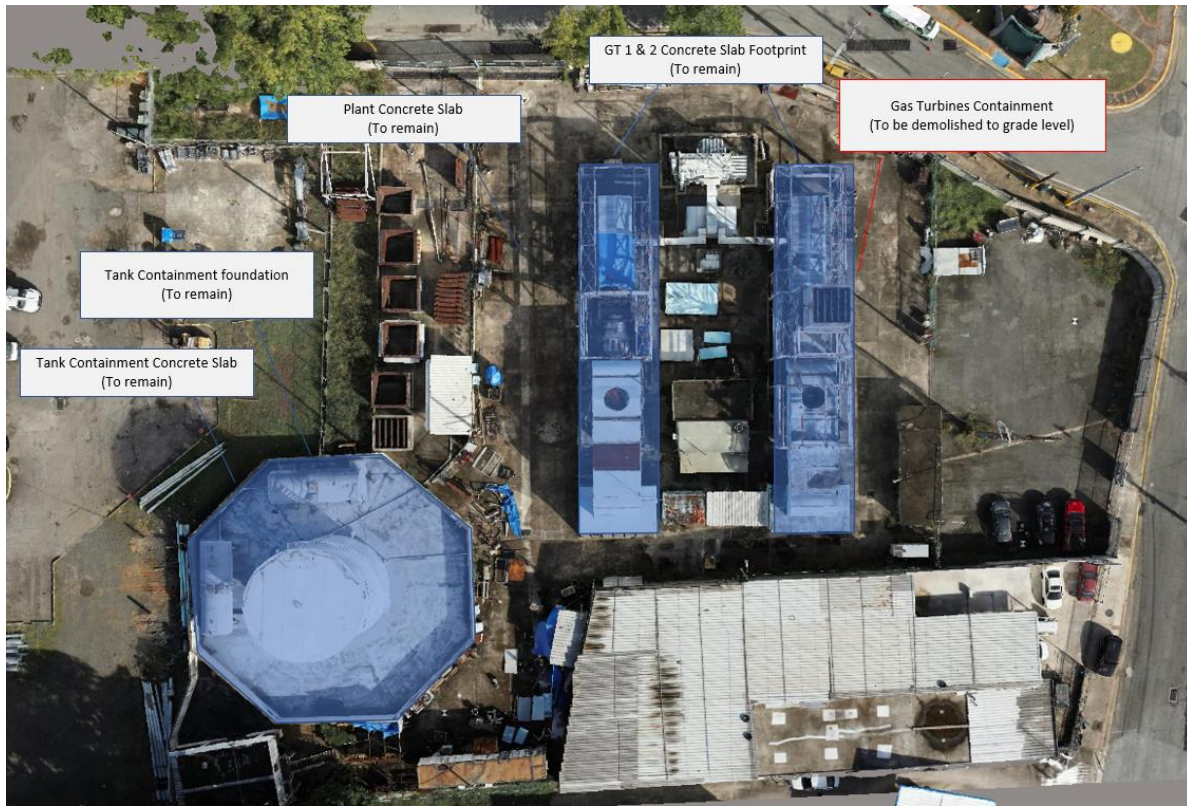


Figure 6-6 — Plant Materials, Equipment and Structures to be Demolished



6.2. DECONTAMINATION, WASTE DISPOSAL AND RESTORATION

6.2.1. Site Restoration

Phase 3 of the work includes site restoration activities, primarily consisting of the following:

- a. The project site will be cleaned of any materials and debris left over from demolition activities.
- b. Stormwater runoff management controls required to prevent surface water from exiting the work area shall be removed after completion of demolition activities and cleanup of the project site areas.
- c. If evidence of contamination has been identified, environmental subcontractors will be engaged to formally investigate the type and extent of contamination, propose remediation activities and to work with the relevant agencies to execute those activities.
- d. Restoration of the surface can begin in outer areas after remediation, if necessary, and can be started in the power block area as soon as the above and below grade buildings, structures, and equipment are removed, the area is backfilled, and is safe for surface grading.
- e. Temporary areas developed by the contractor shall be re-graded to maintain storm water runoff patterns. The entire disturbed site should be graded, covered with a nominal 6" to 12" layer of clean soil, compacted to ensure positive drainage and restored to a condition that matches with the original landscape.
- f. All contractor equipment and temporary structures shall be removed from the project site.

6.2.2. Potential Contaminants

This section provides a high-level description of the major decontamination, hazardous waste disposal, and remediation activities that are potentially required for the demolition and renovation of the 1.3-acre Vega Baja Power Station. Additionally, the following discussion takes asbestos-containing materials (ACM) and lead-based paint into consideration.

The USEPA Asbestos and the NESHAP regulations (40 CFR Part 61, Subpart M) specify asbestos work practices for demolition and renovation of structures, installations, and buildings, excluding residential buildings that have four or fewer dwelling units. The federal and the related state regulations require notification of the Department of Natural Resources (DRNA) and appropriate permits before any demolition, or before any renovations of buildings that could contain a certain threshold amount of asbestos or asbestos-containing material. Contractors testing for ACM and handling ACMs must be approved or certified by the DRNA.

The Occupational Safety and Health Administration (OSHA) has regulations that protect workers involved in construction activities from the hazards of lead exposure. The OSHA Lead Standard establishes a

permissible exposure limit and includes requirements that employers use engineering controls and work practices, where feasible, to reduce worker exposure, provide protective clothing and, where necessary, respiratory protection accordance with 29 CFR 1910.134, and enroll employees exposed to high levels of lead in a medical surveillance program. Employees are required to observe good personal hygiene practices, such as washing hands before eating and taking a shower before leaving the worksite. Permits from the DRNA may also be required for lead-based paint mitigation activities.

6.2.3. Asbestos and Lead Based Paint

Vega Baja began operating as an electric power generating station in 1972. Given the age of the facility, it is possible that existing equipment has been coated in lead-based paint or is composed of ACM, as lead-based paints and asbestos were not banned until 1978 and 1989, respectively. The equipment and structures scheduled to be decommissioned or demolished and possible contaminants of concern are shown below in Table 6-2.

Table 6-2 — Contaminant Profile of Equipment Scheduled for Demolition

Equipment Type	Description	Contaminants of Concern (COCs)
15,000-gallon Auxiliary Storage Tank	Non-operational diesel fuel tank	Lead-based paint
10,000-gallon Auxiliary Storage Tank	Non-operational diesel fuel tank	Lead-based paint
276,000-gallon Storage Tank	Non-operational diesel fuel tank	Lead-based paint
Aboveground Fuel Oil Piping	N/A	ACM
Secondary Containment	Secondary containment for fuel oil tanks and beneath gas turbines and generator enclosures	Lead-based paint
21 MW Gas Turbine (GT) 1-1	General Electric Frame 5000 single-shaft GT	ACM
21 MW GT 1-2	General Electric Frame 5000 single-shaft GT	ACM
GT Exhaust Stack	Connected to GT and approximately 30' in height	ACM
Fuel Unloading Truck Station	N/A	Lead-based paint
Oil-Water Separator	N/A	N/A
Security Building	N/A	ACM and Lead-based paint
GT Controls Enclosure	Houses the controls equipment for both GTs	ACM and Lead-based paint

Equipment Type	Description	Contaminants of Concern (COCs)
Battery Room	N/A	ACM and Lead-based paint
Wheel Mounted Trailer	N/A	N/A
Storage Area	N/A	N/A
15KV Switchgear and Electrical Bus Duct	Includes any associated underground feeders and wiring	ACM
13.2KV/480V Pad-Mounted Distribution Transformer	Includes any associated underground feeders and wiring	ACM
Structural Steel	N/A	Lead-based paint
Scrap Material	N/A	ACM and Lead-based paint
Curbs and painted concrete pavement	N/A	Lead-based paint
Steel stairs and railings	N/A	Lead-based paint

Identification and removal of lead contamination may be required before workers can safely begin equipment and building dismantling and demolition activities at the Subject Property. Any flakes of lead paint must be removed prior to worker activities, and the area should be monitored periodically for new accumulations during dismantlement. Genera PR can either treat all paint and painted materials as lead-based paint and take all required actions to protect workers and to dispose of the materials as lead-contaminated materials, or undertake a testing program to determine if all, some, or none of the painted materials contain lead.

In addition to lead abatement, the removal of ACM is required for worker safety prior to the dismantling and demolition of equipment and buildings at the Subject Property. The ACM abatement effort should begin with a survey of ACM at the Subject Property to estimate the scope of the task. ACM must be evaluated prior to disposal, and the removal of ACM should be conducted by a qualified contractor. Additionally, oversight of asbestos abatement compliance and air monitoring should be conducted by a qualified contractor or third party.

Lead-based paint and/or ACM testing is recommended for the equipment and structures listed in Table 6-2. If lead-based paint and ACM are identified through analytical testing, licensed lead-paint handlers and ACM handlers should be used for the removal and disposal of equipment and buildings slated for demolition and decommissioning. Both lead-based paint and ACM removal can be scheduled to occur prior to dismantling activities in affected areas rather than being completed at one time for the entire facility. Testing results

from lead-based paint and/or ACM will be used to obtain the PUI (Permiso Unico Incidental). This permit is required to guarantee compliance with applicable regulations.

6.2.4. Polychlorinated Biphenyls (PCBs)

Among their many uses, PCBs were used in transformers, hydraulic oils, cutting oils, capacitors, and light ballasts. The USEPA banned the manufacture of PCB in 1979. During the 1980s, electric utilities were required to remove PCBs from transformers by replacing or reconditioning them. As required by the USEPA through a Consent Decree, between 1990 and 2000, PREPA completed sampling and analysis for PCBs within the oil contained in applicable transformers that were connected and in-service. As part of the Consent Decree, PREPA retired all oil-filled transformers from service that contained a concentration above 49 parts per million of PCB ("Regulated Concentration," according 40 CFR Part 761).

PREPA finished these activities by 2001. Based on these prior remediation activities, further PCB testing on existing equipment that is to be decommissioned is not warranted. See Section 5.2.10, Polychlorinated Biphenyls, of the Phase I Environmental Site Assessment completed in November 2023 for the Subject Property for more information. However, planned soil sampling would include analysis for PCBs if any leaks occurred from PCB-containing equipment in the past. Further details about the planned sampling are included Section 6.2.5.

6.2.5. Soil and Groundwater

The USEPA oversees the standards for contaminated site cleanups across the United States, including territories like Puerto Rico, through programs such as the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund, and the Resource Conservation and Recovery Act (RCRA). These programs have provisions for corrective actions to remediate or manage contaminated soils. Under the RCRA, facilities that treat, store, or dispose of hazardous waste are required to investigate and remediate if contamination is found. This process involves setting corrective action objectives based on risk assessments, which consider factors such as the level of contaminants present, the potential for human exposure, and the characteristics of the local environment.

The Puerto Rico Department of Natural and Environmental Resources (DNER) is responsible for establishing and enforcing environmental standards, including those for soil remediation. The requirements for soil remediation may vary depending on the specifics of the contaminated site, such as the type and concentration of contaminants, the land use, and the potential for human exposure. The Phase I Environmental Site Assessment completed in November 2023 for the Subject Property identified the

following environmental conditions as recognized environmental conditions (RECs) in connection with the Subject Property:

- The Subject Property has operated as an electric power generating station for over 50 years. Due to the longevity of operations and limited historical records and regulatory oversight throughout the entire life of the power station, the historical operations at the Subject Property are considered a REC due to the presence of hazardous substances or petroleum products at the Subject Property under conditions that pose a material threat of a release to the environment.
- During the site reconnaissance, approximately five monitoring wells were identified at the Subject Property. PREPA could not provide further information related to the motive, extent, purpose of this network, or to a release event associated with it, source material, or released quantities that would result in the installation of said wells. This is considered a REC in connection with historical potential for soil and groundwater impacts to the Subject Property that warrants further investigation.

Based on the RECs identified above, a Geotechnical Investigation will be conducted at the Subject Property and will include the collection of soil samples for environmental testing. Analytical testing for samples collected shall include:

- a) VOCs: EPA SW-846 Test Method 8260D
- b) SVOCs: EPA Method SW-8270E
- c) PCB testing: EPA Method SW-846 9078
- d) Pesticides: EPA Method 8081
- e) TCLP Metals: EPA SW-846 Test Method 1311, Method 6020B (SW-846) and EPA Method 7473 (SW-846).

The results of the soil and groundwater sampling and analysis can be used to determine the appropriate remedial activities and waste disposal requirements for the site. The results of the soil and groundwater sampling and analysis should be evaluated by a person meeting the qualifications of an Environmental Professional / Phase II Assessor as provided Section 3.1.32 of ASTM Standard Practice E1903, and possessing sufficient education, professional training, and relevant experience to conduct or be in responsible charge of environmental investigations and other activities in accordance with the ASTM practice, and to interpret the resulting data to develop opinions and conclusions regarding the presence of target analytes in environmental media in connection with the property in question.

6.2.6. Hazardous and Non-Hazardous Waste Handling

All waste materials must be classified, managed, and disposed of according to applicable regulations. This includes both hazardous and non-hazardous waste. Hazardous waste, characterized by its flammability, reactivity, corrosivity, or toxicity, should be identified and segregated to prevent further contamination. It is

packaged according to regulatory standards and stored in designated secure areas, awaiting disposal by licensed hazardous waste handlers. Non-hazardous waste, while not posing immediate health or environmental risks, is also carefully managed to minimize its impact.

Prior to the initiation of decommissioning and demolition activities for the equipment and structures detailed in Table 6-2, it is imperative to engage certified professionals specializing in lead-based paint and ACM. These experts should conduct comprehensive surveys to assess the extent of any potential contamination and subsequently devise protocols to facilitate the secure and compliant removal and disposal of such hazardous substances.

If evidence of contamination is found, environmental subcontractors will be engaged to formally investigate the type and extent of contamination, propose remediation activities and to work with the relevant agencies to execute those activities.

7. Execution Timeline

7.1. EXECUTION TIMELINE

The detailed Development Timeline for the Vega Baja Decommissioning Plan is provided in Appendix C, outlining the submittal and approval milestones for both the Decommissioning Notice and the Decommissioning Plan.

A well-rounded plan for managing each phase of the Vega Baja Decommissioning Project is included in Appendix D–The Decommissioning Timeline. This timeline includes all essential phases required by the OMA for a comprehensive decommissioning process. These phases cover permitting, environmental assessments, procurement, decontamination, dismantling, demolition, waste disposal, and the preparation of the Legacy Generation Asset for potential future use.

The project timeline commences on February 1, 2024, and extends through July 31, 2025, establishing an estimated timeframe for the complete decommissioning of the Subject Property. Before issuing a Notice to Proceed (NTP) for demolition, several permitting and procurement steps had to be completed to obtain FEMA grant approval, as outlined below:

1. Federal Permitting: Essential federal permits, including the National Environmental Preservation Act (NEPA) Review and/or Environmental and Historic Preservation (EHP) Review, Endangered Species Act Section 7 Consultation, and National Historic Preservation Act Section 106 Consultation from State Historic Preservation Office (SHPO) had to be obtained. These approvals were prerequisites for FEMA grant award and were worked together between Genera, COR3 and FEMA teams.
2. Site studies, such as Geophysical, Topographic, Geotechnical, and Lead & Asbestos Assessments as well PR Department of Natural and Environmental Resources Rule 141 were needed to obtain a favorable FEMA review to make proposed works eligible under FEMA Public Assistance grant.

After FEMA's award, subject to Puerto Rico Energy Bureau's approval, decommission actions are scheduled to start on January 8, 2025:

1. Regulatory Approvals: The Energy Bureau must approve the Decommissioning Plan, and the Puerto Rico Public Private Partnerships Agency must approve the Demolition Contract.
2. Demolition Permit and Start Date: Upon finalization of the demolition contract, the contractor will apply for a Lead & Asbestos Removal permit. Following permit approval, the contractor will initiate survey and abatement activities, marking the official start date of decommissioning as January 8, 2025.

The demolition and decommissioning activities are anticipated to conclude within 29 weeks after the NTP, targeting July 31, 2025, as the completion date.

7.1.1. Potential Delays and Conditional Project Duration Risk

External approval requirements, highlighted in light red within the timeline, present potential delay risks. These approvals, not within Genera's control, have been allocated conditional project duration risks; any delays in these activities will warrant additional time for Genera to complete the remaining decommissioning tasks.

7.1.2. Asbestos and Lead-Based Paint Removal

An estimated 13 weeks is allocated for removing asbestos-containing materials (ACM) and lead-based paint (LBP), pending initial site assessments. This estimate allows for flexibility in addressing these materials should they be confirmed on-site, though actual duration may vary.

This refined version maintains the timeline's structure while enhancing clarity and focus on key milestones, potential risks, and considerations for hazardous materials.

7.2. DECOMMISSIONING TIMELINE

Vega Baja decommissioning effort, including pre-decommissioning, includes the following activities:

1. Pre-Decommissioning:

- a. The decommissioning of the site will involve an extensive permitting process involving various agencies such as FEMA, United States Fish and Wildlife Service (USFWS), and the State Historic Preservation Office (SHPO/OECH).
- b. Each stage involves the preparation and submission of permit applications, followed by thorough reviews and subsequent approvals.
- c. Wildlife consultation, historic preservation review, and environmental impact documentation are among the additional activities outlined in the timeline.
- d. Receipt of FEMA Decision on Required Level of NEPA Review is required before the start of the National Environmental Policy Act (NEPA) Review - Categorical Exclusion permit application.
- e. Preparation of the Environmental and Historic Preservation (EHP) Review permit application is required before the start of the Environmental Protection - Rule 141 - Environmental Impact Documentation permit application.
- f. Preparation of the National Environmental Policy Act (NEPA) Review - Categorical Exclusion permit application is required before the start of the Biological Resources - Endangered Species Act (ESA) Section 7 Endangered Species Consultation permit application.

- g. Data from the National Environmental Policy Act (NEPA) Review - Categorical Exclusion permit application is required before the completion of the National Historic Preservation Act Consultation (Section 106) permit application.
- h. Environmental Protection - Asbestos/Lead Removal Permit is the responsibility of the Demolition contractor.
- i. Receipt of permits are tied to the start of the Decommissioning work.
- j. Pre-decommissioning owner activities including an assessment by the owner of assets to be salvaged or removed; provision of temporary site services, including power, security, water, admin, etc.

The pre-decommissioning permitting process is outside the control of the project team after submitting initial permit applications. The permitting activities are included in the timeline in Appendix D. The pre-decommissioning permitting process presents a risk of project delay if the process becomes prolonged, wherein the project team will have little to no ability to influence the permitting timeline.

2. Contracting and Procurement:

- a. Contracts are allocated for lead and asbestos testing, as well as for geotechnical and geophysical investigations, and ultimately for demolition services. These investigations will help inform the anticipated decommissioning and demolition scope and assist in the selection of the appropriate decommissioning and demolition contractors.
- b. Detailed field surveys and final reports are generated based on the outcomes of these investigations.
- c. Requests for proposals (RFPs) are issued. and contracts for demolition services (above and below ground) are signed following a rigorous evaluation process. and after the decommissioning plan is approved.
- d. The selected aboveground demolition Contractor will perform their own surveys to determine the existence of LBP, ACM, and other hazardous materials to manage their liability.
- e. The aboveground demolition Contractor will apply for the necessary permits for the decommissioning and demolition work.

The aboveground demolition Contractor will perform their own site assessment to determine the existence, and extents, of lead-based paint and asbestos containing materials in addition to the preliminary hazardous materials survey as a way of managing their liability. Additional permits will be needed for the site activities during the decommissioning and demolition work that can only be made after the contractor has been selected. One week has been allocated in the Decommissioning Timeline for mobilization, which includes the site work permitting process. The project team has little control of the time frame and outcomes of this activity, and this duration may vary.

3. Demolition:

- a. The Decommissioning Timeline provides a breakdown of the step-by-step process for physically demolishing the plant.
- b. Mechanical and electrical disconnections precede the removal of equipment and structures.
- c. Strict safety measures, such as the isolation of energy sources and certification of site readiness, are enforced before commencing demolition activities.
- d. Various structures and equipment, including turbines, storage tanks, and buildings, are demolished in accordance with the established timeline.

Although attempts will be made to fully understand the present conditions of the site, unforeseen conditions are frequently encountered when working on existing sites. The project team has no control over the existence or impact of these unforeseen conditions, which may pose a risk to the overall project duration. The Decommissioning Timeline in Appendix D excludes work that addresses unforeseen conditions as well as any event constituting Force Majeure under the OMA or the Demolition Agreement, for which more time will be granted.

Table 7-1 — Conditional Project Duration Risks

No.	Issue	Description
1	Environmental Assessments and Permits	<ul style="list-style-type: none"> Changes in environmental law and environmentally related permits. Denial or delays in obtaining necessary environmental permits or approvals. Unforeseen environmental contamination requiring additional remediation efforts.
2	Regulatory Compliance	<ul style="list-style-type: none"> Denial or delay in obtaining necessary permits or approvals. Changes in applicable law or regulatory requirements, or additional compliance measures imposed by authorities. Changes in regulatory interpretation. Changes in regulatory enforcement. Extended review periods by regulatory agencies.
3	Site Conditions	<ul style="list-style-type: none"> Need of additional space for any reason, including project development entailing an acquisition process. Unforeseen technical difficulties in dismantling equipment or infrastructure. Unanticipated structural issues or site conditions that complicate demolition. Unforeseen site conditions whether subsurface or otherwise concealed. Changes in the site conditions due to weather or otherwise.
4	Technical Challenges	<ul style="list-style-type: none"> Unforeseen technical difficulties in decommissioning or dismantling equipment or infrastructure. Delays due to the unforeseen need for specialized equipment or expertise.

No.	Issue	Description
5	Weather and Natural Events	<ul style="list-style-type: none"> Adverse weather conditions impacting demolition activities. Natural disasters (e.g., earthquakes, floods) causing delays.
6	Contractor and Resource Availability	<ul style="list-style-type: none"> Limited availability or delay in obtaining qualified contractors or specialized personnel for whatever reason. Limited availability or delays in the delivery of necessary equipment or materials, or other supply chain constraints. Exceeding capacity limits of approved dumps for disposal of debris. Unavailability of labor or subcontractors.
7	Health and Safety Concerns	<ul style="list-style-type: none"> Unanticipated health and safety risks requiring additional precautions. Implementation of HSE measures by a governmental authority for whatever reasons. Incidents or accidents on-site necessitating work stoppages or investigations.
8	Stakeholder and Community Engagement	<ul style="list-style-type: none"> Delays due to the need for additional stakeholder consultations or community engagement. Public opposition to the project. Interference from environmental, community, or social justice organizations. Legal challenge seeking to contest the validity of the RFP, the demolition agreement, any permits, or any other transaction contemplated in the demolition contract.
9	Change Order Risk / Financial Constrains	<ul style="list-style-type: none"> Unexpected cost overruns requiring additional financial planning and consulting with regulatory agencies to have budget and funding increases. Change Order risk.
10	Logistical Issues	<ul style="list-style-type: none"> Unforeseen changes with respect to the transportation permits and the means of transportation of debris. Transportation, logistics or access issues affecting the movement of materials, equipment, and labor. Issues that affect the availability and condition of roads, bridges or other transportation infrastructure required to mobilize equipment, materials, and labor in and out of the site. Coordination challenges with other ongoing projects or site activities.
11	Contractor Delays	<ul style="list-style-type: none"> Failure of contractors and their subcontractors to execute tasks within the timeframes established in their contracts or subcontracts. Delays caused by contractor and its subcontractors performance issues.
12	Labor-Related Issues:	<ul style="list-style-type: none"> Delays due to labor strikes, work stoppages, or other union-related actions. Negotiation challenges with unions affecting the availability of labor or the timeline for project execution. Delays due to reduced productivity caused by labor disharmony.

4. Completion and Finalization:

- a. The demolition activities conclude with minor site restoration, ensuring the site is entirely cleared and safe.
- b. Final reports and certifications are meticulously prepared, marking the formal completion of the decommissioning and demolition project.

In summary, the decommissioning services timeline offers a plan for effectively managing the process of dismantling and demolishing the Subject Property. It prioritizes regulatory compliance, environmental safety, and the efficient execution of the Project.

8. Decommissioning Budget

8.1. DECOMMISSIONING BUDGET SUMMARY

Project decommissioning will incur costs associated with removal of facilities and disposal of components not recycled or sold for salvage, including materials which will be disposed of at a licensed facility, as required. The purpose of the estimate is to provide capital cost information for project planning and budgeting evaluations. It is expected that the estimate be used in a manner where the end usage takes into consideration the estimate's classification and accuracy of the represented costs.

Appendix E summarizes the estimates associated with the major activities of the Vega Baja Decommissioning Plan. A more detailed estimate is provided in Appendix F. The estimated decommissioning budget is expected to be entirely federally funded.

Appendix G contains proposed monthly expenditure budgets and cash flow projections during which the decommissioning activities are anticipated to take place.

8.2. BASIS OF DECOMMISSIONING COST ESTIMATE

The cost estimates were developed utilizing engineering scope information. They are primarily based on experience on similar projects, contractor quotes, conceptual design layout and configuration, equipment and system component sizing, and material take-offs. Detailed engineering has not been performed to firm up the project details, and specific site characteristics have not been fully analyzed. Allowances have been assigned where necessary to cover issues that are likely to arise but are not clearly quantified at this time.

Based on a 1% to 15% maturity level of project definition deliverables and estimating methods used, this estimate can be categorized as a Class 4 estimate with a probable accuracy range of -15% to -30% on the low end and +20% to +50% on the high end, as established by the Association for the Advancement of Cost Engineering (AACE) International. The +/- values represent typical percentage variation at an 80% confidence interval of actual costs from the cost estimate after application of contingency (typically to achieve a 50% probability of project overrun versus underrun) for given scope. Depending on the technical and project deliverables (and other variables) and risks associated with each estimate, the accuracy range for any estimate is expected to fall into the ranges identified, although extreme risks can lead to wider ranges.

8.2.1. Estimate Development Methodology

The methodology used for developing the cost estimate was a mix of semi-detailed unit costs with assembly level line items and detailed unit cost with forced detailed takeoff (i.e., detailed takeoff quantities generated from preliminary drawings and incomplete design information). As such, it can be said that this estimate is generated using a deterministic estimating method based on the quantity and size of equipment (e.g., type of equipment, the number of foundations, linear feet of cable) and through cost estimates provided by contractors (e.g., lead & asbestos testing). Stochastic methods were also used (Stochastic means statically analyzed but not precisely predicted) for quantification of the materials based on representative projects of this type and scaled from aerial photos for quantification of the materials onsite if quantity information (e.g., miscellaneous items, electrical equipment) was unavailable.

The inventory of plant equipment, materials, and other items was developed based on review of drawings of the facility. This information was used with unit cost factors based on industry data and experience to estimate the demolition costs. Unit cost factors for concrete removal, steel removal, and other tasks were developed from labor and material cost information. No scrap value was assumed for any equipment.

The cost estimate considers all known scope of physical facilities to decommission the facility. There are no known intentional omissions. The decommissioning cost estimate provides a conceptual estimate to dismantle and remove the structures and equipment from the site and restore the site to near-greenfield conditions. The basis for the cost estimate is provided in the following sections.

8.2.2. General Assumptions

Given the facility constraints, some assumptions and allowances have been made, as described below, since detailed engineering analysis was not performed to capture all details and site-specific characteristics. Listed below is a summary of the main scope of facilities included in the decommissioning estimate:

- All above-ground structures and buildings will be demolished along with the equipment, such as those described above in Section 6, except the main power transformer.
- Dismantle and remove all mechanical and electrical equipment.
- Remove any items and obstacles, including concrete foundations, conduits, and cables.
- Loading, hauling, and disposal costs for removal of non-recycled materials by demolition contractor.

The decommissioning cost estimate includes the following:

- The demolition will be performed by a demolition contractor who is responsible for providing adequate staff and equipment to complete the dismantling in a safe manner.
- Stores, spare parts of value, laboratory equipment, office furniture, etc., will be removed by the Owner prior to dismantlement.
- Genera will remove all chemical and hazardous materials prior to dismantlement.
- All fuel oil will be consumed or removed prior to dismantlement.
- All electrical equipment and wiring are de-energized prior to start of dismantlement.
- No extraordinary environmental costs for demolition have been included.
- FEMA funded permitting expenses are not included (discussed in Section 4).
- Asbestos and lead paint abatement costs are included.
- Oils used in the transformers will be removed by Genera.
- All items above grade will be demolished including concrete foundations, conduits, and cables.
- All foundations and pavement will be removed.
- The extent of required underground demolition is unknown. At this time, foundations have been taken to grade. Subsurface features may be reevaluated after performing ground penetrating radar surveys to determine additional demolition work that may be required.
- All non-recyclable demolished materials are to be disposed offsite in a licensed landfill.
- No credit for the scrap value of metals is included and any such value is assumed to be by the demolition contractor.
- No resale of equipment or material is included.
- No site restoration or landscaping is included.

The basic presentation of the overall estimate hierarchy follows:

- Direct Costs
- General Conditions Costs
- Project Indirect Costs
- Contingency
- Escalation

Within the direct cost group, the costs are segregated into the following five sub-categories:

- Subcontract Cost
- Material Cost
- Equipment Cost
- Labor Cost
- Construction Equipment Cost

8.2.3. Direct Costs

The direct field costs represent the permanently installed facilities and include subcontract costs, material costs, process equipment costs, labor costs and construction equipment costs. Each line item in the estimate may have any combination of these cost categories. The process equipment and material cost categories include the pricing for permanently installed equipment, vendor catalogs, industry publications and other related projects. Construction equipment costs include costs for rental of all construction equipment, fuel, oil, and maintenance. Equipment operators are included with direct labor costs.

Subcontract costs included in the estimate are all inclusive costs. It includes equipment, building, batteries, fence, and concrete hauling and waste disposal costs, geophysical survey costs, removal, and cleaning of fuel in fuel oil storage tanks, and permit costs.

8.2.4. Labor Wage Rates

Craft labor rates for the cost estimate are based on the prevailing wages for Puerto Rico as published in *R.S. Means Labor Rates for the Construction Industry*, 2024 Edition. These prevailing rates are representative of union or non-union rates, whichever is prevailing in the area. Costs have been added to cover social security, workers' compensation, and federal and state unemployment insurance. The resulting burdened craft rates were then used to develop typical crew rates applicable to the task being performed.

8.2.5. Labor Work Schedule and Other Costs

The labor estimate is based on a 40-hour workweek with no per diem or other labor incentives. Labor supervision costs were included as an additional pay over that of a journeyman. An allowance (show-up time) is included if workers show up and are then sent home due to inclement weather or some other reason (estimated to be 2% of labor).

8.2.6. General Conditions Cost

Allowances included in the cost estimate as a percentage of the direct costs are noted for the following:

- Additional Labor Supervision (an additional 6% of direct labor compensation will be allocated for foremen/supervisors) and show-up time (~2% of direct labor).
- Construction Management (estimated to be 6.65% of labor, material, equipment, and subcontracts).
- Field Office Expenses
- Safety¹
- Temporary Facilities¹
- Mobilization / Demobilization¹
- Decommissioning Contractor Legal Expenses / Claims¹
- Small Tools & Consumables¹
- General Liability Insurance (estimated to be 1% of labor cost)
- Construction Equipment Mobilization / Demobilization (estimated to be 10% of equipment cost)
- Freight on Material (estimated to be 5% of material cost)
- Contractor's General and Administrative Costs (estimated to be 7.84% of labor, material, equipment, and subcontracts)
- Contractor's Profit (estimated to be 11.22% of labor, material, equipment, and subcontracts)

8.2.7. Indirect Expenses

Project indirect costs are Genera PR costs for a variety of preparation and support activities, including the preparation of a specification for the demolition project and performing the items listed below as Owner's costs. In the electric power industry, the process of closing a power plant is sometimes referred to by the steps of the process, such as "decommissioning, decontamination, and demolition." Some publications include "deactivation" as one of the steps and refer to them as the "four Ds" of plant closure. In this report, the decommissioning and decontamination steps refer to activities performed by Genera PR prior to a contractor's arrival onsite to demolish and complete the overall process. Genera PR executes the activities that include deactivating the plant and disconnecting it from the grid. Hazardous material and environmental evaluations, safety planning, and coordination with the demolition contractor are completed by Genera PR during decommissioning and decontamination.

8.2.8. Escalation Rates

Escalation rates are excluded from this cost estimate.

8.2.9. Contingency

The decommissioning plan includes three (3) months and a 30% contingency allowance to address potential delays and cost overruns due to unforeseen environmental issues, such as the discovery of hazardous materials or contamination (i.e., lead, asbestos, water contamination, fuel spills, etc.) that were not identified prior to the commencement of the project. These caveats will help safeguard against financial penalties and ensure that any delays caused by such unforeseen environmental issues are managed in a fair and reasonable manner

Contract Strategy

The contract strategy selected to mitigate the risks of budget overruns is a firm lump sum price. The decommissioning services timeline includes an estimated time for the removal of asbestos containing materials (ACM) and lead-based paint (LBP). The existence of ACM and LBP and other hazardous materials has not yet been fully determined. Determination of the existence of these materials will be made before site work begins. The reason for this activity is to consider the estimated decommissioning and demolition work, related to hazardous materials and other labor, where time duration and abatement related costs may vary significantly.

8.3. COST ESTIMATE SUMMARY

The decommissioning cost estimate summary for the Subject Property is available in Appendix E. All costs are in 2024 U.S. dollars and is subject to the same adjustments and exclusions described in Section 10.1 of this report.

9. Health, Safety, Security, and Quality Management

9.1. GENERAL REQUIREMENTS

9.1.1. Staffing Requirements

The demolition contractor shall designate staff to maintain health, safety, security, and quality management. The Owner shall plan appropriate staff to monitor and support these activities, as appropriate for the services required.

9.1.2. Health and Safety Plan

The Health and Safety Plan will be prepared by the selected demolition contractor as part of the work plan documents. The Health and Safety Plan provides safe work practices and control measures used to reduce or eliminate potential hazards. These practices and controls are to be implemented by the party in control of either the site or the hazard.

Contractors and employees must remain aware of the hazards affecting them regardless of who is responsible for controlling the hazards. The contractor is expected to perform the applicable pre-emergency planning tasks before starting field activities and will also coordinate emergency response with local emergency-service providers for all onsite parties and the facility, as appropriate.

These planning tasks include:

- Contractor will establish, publish, and enforce a site-specific safety program that meets federal, state and Genera PR requirements.
- Contractor will provide worker orientation, supply, and maintain contractor and worker-supplied safety equipment, and provide and maintain adequate equipment related to fire protection within work zones.
- Contractor will perform jobsite administration including submittals, record keeping, licenses, safety, drug and alcohol testing, medical surveillance programs, and all other requirements to maintain a safe and efficient project.
- Contractor will take appropriate measures to avoid accumulating dust in work areas. Contractor will be responsible for keeping haul roads and work areas watered to prevent dust from accumulating on the plant facilities during the contract.
- Contractor is responsible to notify Genera PR if contact is made with any hazardous materials that may impact the safety of employees or that may provide an environmental hazard. Contractor is not to proceed with work until authorized.

- Review the facility emergency and contingency plans where applicable. Determine what onsite communication equipment is available (e.g., two-way radio, air horn).
- Determine what offsite communication equipment is needed (e.g., nearest telephone, cell phone).
- Confirm and post emergency telephone numbers, evacuation routes, assembly areas, and route to hospital; communicate the information to onsite personnel.
- Post “Exit” signs above exit doors, and post “Fire Extinguisher” signs above locations of extinguishers in the Field Trailers. Keep areas near exits and extinguishers clear.
- Review changed site conditions, onsite operations, and personnel availability in relation to emergency response procedures.
- Where appropriate and acceptable to the client, inform the emergency room, ambulance, and emergency response teams of anticipated types of site emergencies.
- Designate one vehicle as the emergency vehicle; place hospital directions and map inside; keep keys in ignition during field activities.
- Take inventory and check site emergency equipment, supplies, and potable water.
- Communicate emergency procedures for personnel injury, exposures, fires, explosions, and releases.
- Rehearse the emergency response plan before site activities begin, including driving route to hospital.
- Brief new workers on the site safety and emergency response plan.
- Contractor will establish, publish, and enforce a site-specific safety program that meets federal, state, and Genera PR requirements.
- Provide training, personal protective equipment (PPE), and emergency response procedures to all personnel involved in the project.
- Conduct regular inspections, audits, and reviews to monitor compliance with HSSEQ standards and identify areas for improvement.
- Immediately inform Genera PR in the event of a near miss, accident, injury, incident, fire, or property damage. A near-miss, or incident report shall be completed once the near-miss or incident is under control and before the end of the shift. A copy of the report shall be routed to the Genera PR Safety Coordinator.

9.2. AIR MONITORING PLAN

The Air Monitoring Plan (AMP) will be implemented to ensure that air emission control measures used onsite are effective, and to monitor the air quality concentrations of the pollutants resulting from the proposed demolition project.

9.3. NOISE MONITORING PLAN

The Noise Monitoring Plan (NMP) will address project-specific information for noise control relating to the field activities at the Vega Baja. The purpose of the NMP is to provide guidelines and procedures for noise control and monitoring on and around the Vega Baja site while demolition activities are in progress. Demolition activities will include demolition, excavation, grading, decontamination, waste treatment, waste hauling, and restoration, all of which will generate noise and require monitoring. Noise will be monitored, and engineering controls implemented as required. The proximity of adjacent homes and business requires that noise controls be implemented, in accordance with existing noise restrictions. These controls might include limiting work during certain hours, days, or months as stated by Regulation of the environmental Quality board for the control of Noise Pollution.

9.4. ENVIRONMENTAL PROTECTION PLAN

The Environmental Protection Plan (EPP) presents information regarding the environmental management program to be conducted for this project. The purpose of this plan is to present the environmental regulatory requirements for the construction activities. The EPP will help ensure that activities associated with the environmental management program at the facility are conducted in a systematic and well-documented manner. The EPP also details environmental compliance procedures and waste management, as well as regulatory, procedural, and training requirements associated with conducting demolition activities.

9.5. QUALITY CONTROL PLAN

The Quality Control (QC) Plan will be required to establish the basic objectives of the Contractor's Quality Control System. These objectives include the following:

- Ensure that all work adheres strictly to the requirements of the contract and governing agencies where the work is being performed.
- Maintain QC procedures to ensure that tasks performed will comply with the contract.
- Prevent deficiencies through preconstruction quality control coordination.
- OSHA CFR 29 1926.850 - Preparatory operations.

Prior to permitting employees to start demolition operations, an experienced professional shall conduct an engineering survey. The survey will examine the structure to determine the condition of the framing, floors, and walls, and determine the possibility of an unplanned collapse of any portion of the structure. All adjacent structures where employees may be exposed shall also be similarly checked. The employer shall have in writing evidence that such a survey has been performed:

- 1926.850(b) When employees are required to work within a structure to be demolished which has been damaged by fire, flood, explosion, or other cause, the walls or floor shall be shored or braced.
- 1926.850(c) All electric, gas, water, steam, sewer, and other service lines shall be shut off, capped, or otherwise controlled, outside the building line before demolition work is started. In each case, any utility company which is involved shall be notified in advance.
- 1926.850(d) If it is necessary to maintain any power, water or other utilities during demolition, such lines shall be temporarily relocated, as necessary, and protected.
- 1926.850(e) It shall also be determined if any type of hazardous chemicals, gases, explosives, flammable materials, or similarly dangerous substances have been used in any pipes, tanks, or other equipment on the property. When the presence of any such substances is apparent or suspected, testing and purging shall be performed, and the hazard eliminated before demolition is started.
- 1926.850(f) Where a hazard exists from fragmentation of glass, such hazards shall be removed.
- 1926.850(g) Where a hazard exists to employees falling through wall openings, the opening shall be protected to a height of approximately 42 inches.
- 1926.850(h) When debris is dropped through holes in the floor without the use of chutes, the area onto which the material is dropped shall be completely enclosed with barricades not less than 42 inches high and not less than 6 feet back from the projected edge of the opening above. Signs, warning of the hazard of falling materials, shall be posted at each level. Removal shall not be permitted in this lower area until debris handling ceases above.
- 1926.850(i) All floor openings, not used as material drops, shall be covered over with material substantial enough to support the weight of any load which may be imposed. Such material shall be properly secured to prevent its accidental movement.
- 1926.850(j) Except for the cutting of holes in floors for chutes, holes through which to drop materials, preparation of storage space, and similar necessary preparatory work, the demolition of exterior walls and floor construction shall begin at the top of the structure and proceed downward. Each story of exterior wall and floor construction shall be removed and dropped into the storage space before commencing the removal of exterior walls and floors in the story next below.
- 1926.850(k) Employee entrances to multi-story structures being demolished shall be completely protected by sidewalk sheds or canopies, or both, providing protection from the face of the building for a minimum of 8 feet. All such canopies shall be at least 2 feet wider than the building entrances or openings (1 foot wider on each side thereof) and shall be capable of sustaining a load of 150 pounds per square foot.

The following security measures are employed at the Subject Property:

The Subject Property is fully fenced, and all entrances are gated with key card access only. The Subject Property is also staffed 24 hours a day, 7 days a week. The fuel unloading piping is capped within the truck unloading station when not actively being used.

9.6. GEOTECHNICAL INVESTIGATION

A Geotechnical investigation will be executed on site to perform soil borings, electrical resistivity, and seismic survey tests. The investigation will be performed within the limits of the site perimeter wall. Minimal ground disturbances are expected in the locations of the proposed testing points.

9.7. GEOPHYSICAL INVESTIGATION

A Geophysical investigation will be executed on site to perform Ground Penetrating Radar underground surveys. The investigation will be performed within the limits of the site perimeter wall. Ground disturbances are not expected as part of this investigation.

9.8. SECURITY AND ADMITTANCE TO SITE

It is required of all personnel to cooperate with the Owner's site security personnel and comply with all Owner's necessary security rules, policies, or procedures. General area security is provided in that the plant perimeter is fenced and access through the gate is controlled by Owner. Contractor shall take precautions against the loss of its material, tools, equipment and be responsible for the safety thereof.

In addition, Contractor's employees or visitors shall be required to wear company logo or other identification supplied by the Contractor. These logos shall be always visible. The outer buildings that are not part of the demolition shall be considered as restricted areas. All ladders, staging materials, equipment, and tools shall bear Contractor's identification mark and shall be checked by Contractor to ensure proper function before being carried into the site. No personal cars shall be permitted on the plant property beyond the designated parking lot. Contractor vehicles such as pickup trucks, etc., can enter the property grounds. All vehicles, personnel, storage containers, boxes, etc., may be searched by Owner upon leaving the Subject Property.

9.9. ACTIVITIES LIST

Table 9-1 below explains the Activities List developed to track items that will be salvaged or preserved throughout the Vega Baja decommissioning plan.

Table 9-1 — Activities List

Item	Description	Comments	Action
1	U1 Battery	Batteries and charger to be removed. Inspection shows batteries and charger appear to be in good condition. Place batteries and charger in surplus. The cost estimate provided in the decommissioning plan includes the removal, hauling, and disposal of the batteries.	Genera PR to remove
2	Control Room/Control System	Genera PR to identify and remove from site any operational equipment. The cost estimate provided in the decommissioning plan assumes complete demolition of these items.	Genera PR to remove
3	Owner retained equipment	Genera PR to identify and remove from site any operational equipment, including but not limited to the unit auxiliary transformer, diesel generator, and other items determined by Genera PR to be salvaged prior to demolition activities. The cost estimate provided in the decommissioning plan assumes complete demolition of these items.	Genera PR to identify the equipment that will be retained.
4	Lube Oil Pumps	The plan is for these pumps to be used as surplus. The cost estimate provided in the decommissioning plan assumes complete demolition of these items.	Genera PR to remove
5	Fuel Oil Tank	All existing tanks will be demolished by the contractor. The cost estimate provided in the decommissioning plan includes the contractor estimate to remove and dispose of the tank. The contractor will also remove any existent fuel in the tank.	This work must be done prior to mobilizing any machinery to site, performing any dismantlement or demolition work.
6	Site sumps	Genera PR to identify and remove from site any operational equipment. The cost estimate provided in the decommissioning plan assumes complete demolition of these items.	By Genera PR
7	Fire Protection	Demo Contractor shall isolate and depressurize the system if needed.	Demo Contractor to observe

Item	Description	Comments	Action
8	Loose Barrels	Genera PR to identify and remove from site. Not included in the cost estimate provided in the Decommissioning Plan.	By Genera PR
9	Project Management, Engineering / IT, and Admin Support	Owner's expense during demolition.	By Genera PR
10	Temporary Power and utilities	Genera PR to reconfigure site utility services to suit contractor's needs.	Genera PR to reconfigure
11	Main Power Transformer	This transformer will be preserved for future use in-situ.	Demo Contractor shall conduct long-term preservation activities for 3-year storage in-situ. Temporary power and protective barriers and cage shall be installed prior to mobilizing any machinery to site, performing any dismantlement or demolition work.
12	Gas Turbine Equipment	Genera PR to conduct a field inspection of the Frame 5 gas turbine equipment to determine if any components or assemblies are repairable or salvageable for use on other Frame 5 units within the fleet.	Genera PR staff, or other industry experts, will conduct this assessment prior to proceeding with Phase 3, and release a site inspection summary prior to proceeding to the next Phase of work. If needed, Genera PR will proceed with the safe removal of salvageable components.
13	De-energization of electrical equipment and/or utility reconfigurations	Prior to demolition activities.	By Genera PR
14	Site security costs	Genera PR to identify site security services required during demolition.	By Genera PR
15	Site services	Genera PR to identify site services required during demolition such as telephone, electricity, potable water, sewage, garbage collection, etc.	By Genera PR

10. Employee Transition

10.1. EMPLOYEE TRANSITION

An employee transition plan is not needed as there are no Genera PR employees that will be affected by the decommissioning of the Subject Property.

11. Documentation and Knowledge Management

11.1. REPORTING REQUIREMENTS

Genera PR will provide quarterly reports to the Energy Bureau and P3A on the progress of the decommissioning project, beginning from the date of the Plan's approval by the Energy Bureau. The quarterly reports on the decommissioning project will include, at a minimum, the following information:

- (i) Detailed updates on the completion of key project milestones and any deviations from the original schedule.
- (ii) An overview of the expenditures to date, including a comparison with the budgeted amounts and an explanation of any variances.
- (iii) A description of the work completed during the reporting period, including a summary of decommissioning activities and any issues encountered.
- (iv) An outline of planned activities for the next reporting period, including anticipated challenges and strategies for addressing them.
- (v) Confirmation of compliance with all relevant regulatory requirements during the reporting period.

11.2. DOCUMENT CONTROL PROCESS

Document control is a critical component of quality management for the pre-Decommissioning, Decommissioning, and post-Decommissioning processes of the Subject Property. It involves the systematic governance of creating, reviewing, modifying, issuing, distributing, and accessing documents. This process ensures that documents are accurate, dependable, and accessible to authorized individuals while being protected from unauthorized access or alteration. Effective document control is foundational to maintaining the integrity of documents, ensuring compliance with industry standards and regulations, and supporting efficient and error-free operations.

11.3. DOCUMENTS

The following is a list of project-related documents that will be managed by this document control process. Maintaining a centralized document control repository ensures that all relevant stakeholders have access to essential information, as applicable, throughout the decommissioning process and beyond.

- **Decommissioning Plan:** This is a comprehensive document outlining the strategies, procedures, and timeline for the decommissioning process.
- **Regulatory Permits and Approvals:** Any permits and approvals obtained from regulatory bodies for the decommissioning process.

- Environmental Impact Reports and Assessments: Documents detailing the environmental impact of decommissioning and strategies for mitigation.
- Engineering Design Documents: Schematics, blueprints, and technical drawings related to the decommissioning process.
- Safety Procedures and Manuals: Manuals outlining safety protocols, emergency procedures, and hazard assessments during decommissioning.
- Contract Agreements: Any contracts, agreements, and subcontracts related to decommissioning activities with contractors, vendors, and suppliers.
- Financial Records: Budgets, cost estimates, and financial reports associated with the decommissioning project.
- Health and Safety Records: Records of health monitoring, safety inspections, incident reports, and employee training related to decommissioning.
- Waste Management Plans and Records: Plans for managing and disposing of hazardous and non-hazardous waste generated during decommissioning, including manifests and disposal certificates.
- Equipment Inventory and Maintenance Records: Inventory lists of equipment used during decommissioning, maintenance logs, and inspection records.
- Quality Assurance and Quality Control Documents: Procedures, audits, and documentation ensuring the quality and integrity of decommissioning activities.
- Community Relations and Communications: Records of community meetings, public notices, and communications regarding decommissioning activities.
- Training and Certification Records: Records of training programs attended by decommissioning personnel, as well as certifications and qualifications.
- Closure and Post-Closure Plans: Plans for site closure and post-closure monitoring, including long-term stewardship commitments.
- Documentation of Stakeholder Engagement: Records of stakeholder meetings, feedback received, and responses to concerns raised by stakeholders.
- Legal and Regulatory Correspondence: Correspondence with regulatory agencies, legal counsel, and stakeholders related to decommissioning activities.

- Emergency Response Plans: Plans outlining procedures for responding to emergencies and unplanned events during decommissioning.
- Final Decommissioning Report: A comprehensive report summarizing the decommissioning process, outcomes, lessons learned, and any residual risks.

11.4. TIMELINE

- Creating Folder Structure and File Naming Convention
 - Establish a standardized folder structure reflecting the organizational hierarchy.
 - Define a consistent file naming convention to ensure easy retrieval and understanding.
- ID Historical Files and Documents to be stored.
 - Digitize all historical files and documents.
 - Upload digitized files to the designated platform.
 - This phase constitutes the largest lift in the process.
- ID Current and Future Files and Documents to be stored.
 - Identify current files and documents for storage.
 - Anticipate future document needs based on project requirements and organizational goals.
- Establish User Access
 - Define user roles and permissions.
 - Implement access controls to safeguard sensitive information.

11.5. BUDGET

- Locating, Digitizing, Renaming, and Filing Historical Files and Documents
 - Task: Locate, digitize, rename, and file historical documents according to the established structure and naming convention.
- Implementing the Document Management Flowchart Firm-wide
 - Objective: Roll out the document management flowchart across the organization to ensure consistency.

Appendix A.Vega Baja Decommissioning Notice

Vega Baja Proposed Decommissioning Plan

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GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

May 16, 2024

BY ELECTRONIC MAIL

Brannen McElmurray

President and CEO

Genera PR LLC

brannen@genera-services.com

with copy to:

Genera PR LLC

Attention: General Counsel

legal@genera-pr.com

Re: Decommissioning Notice

Dear Mr. McElmurray,

Reference is made to the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("LGA O&M Agreement")¹ dated as of January 24, 2023, by and among the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A") and Genera PR LLC ("Genera").

As pursuant to Section 16.1 of the LGA O&M Agreement, this letter serves as notice to Genera, as operator, for the retirement of two Legacy Generation Assets (Vega Baja Gas Turbine 1-1 and 1-2) and the commencement of decommissioning services at these two peaking units. P3A, as Administrator, acting on behalf of PREPA, as Owner, has considered the Integrated Resource Plan and has consulted with both (i) PREB and (ii) T&D Operator ("LUMA") before delivering such notice for the decommissioning of these two combustion turbines, which were commissioned in 1971 and have been out of service since September 2021 and July 2020, respectively.

¹ Terms not defined in this letter shall have the meanings ascribed to them in LGA O&M Agreement.

The decommissioning of these units is aligned with PREB's order² and the 2020 Integrated Resource Plan, which plans to retire all eighteen of the existing units including Vega Baja. Genera's plan to repurpose the Vega Baja site, deploying Battery Energy Storage Systems ("BESS") to create an energy storage facility to provide ancillary services to the grid, has been approved by PREB via resolution and order on February 1, 2024.³

Furthermore, LUMA is responsible for reviewing retirement requests as established by Section 3.3 of LUMA's System Operation Principles.⁴ LUMA has notified Genera and P3A of its review and agrees 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.

Given the above, P3A hereby (i) provides notice for the retirement of the two gas combustion turbines as Vega Baja, (ii) kindly requests that Genera conduct inspections on the Frame 5 units to determine if any are repairable or salvageable for use on other Frame 5 sites and (iii) asks Genera to confirm that this plan includes the retirement of the air permits for the decommissioned Vega Baja units 1-1 and 1-2.

However, P3A would like to remind Genera that although Genera submitted its Decommissioning Plan to PREB¹ on April 17, 2024, Section 16.1(b) requires that Operator also submit the plan to P3A for its approval and provide a copy to Owner and T&D Operator within one hundred twenty (120) days after receiving this notice.

As per Section 16.2(a)(ii), the Decommissioning Plan shall provide the development of the Decommissioning Budget. It is P3A's understanding that these decommissioning expenses will be covered by federal funding.⁵ Once these plans have been submitted to P3A and P3A has reviewed them, P3A will provide feedback for approval. As outlined in the LGA O&M Agreement, Genera is the sole entity responsible for procuring and administering federal funds, and P3A expects that all the federal funding received will be used to cover the Decommissioning Budget. In the event federal funding is not received, P3A will revisit the Decommissioning Budget funding with Genera pursuant to the terms of the LGA O&M Agreement.

Similarly, under Annex II(B) of the LGA O&M Agreement, Genera is entitled to the O&M Fixed Fee Adjustment on the first day of Contract Year 6. As per the LGA O&M Agreement, when Legacy Generation Assets are decommissioned prior to Contract Year 6, the Adjustment Date shall be the first day of Contract Year 6.

² PREB Docket CEPR-AP-2018-0001 Final Resolution and Order, August 24, 2020.

³ PREB Docket NEPR-MI-2021-0002

⁴ Approved by PREB through docket NEPR- MI-2021-0001

⁵ PREB's March 26 Resolution, pp. 18-19

* * *

P3A is available to discuss any questions or comments you may have. Please do not hesitate to contact me at gerardo.loran@p3.pr.gov or (787) 722-2525 if you have any questions.

Sincerely,



Gerardo Lorán
Director Project Monitoring
Puerto Rico Public-Private Partnerships Authority

Appendix B.Vega Baja Community Relations Plan

Vega Baja Community Relations Plan v1.3



Marzo 2024

Prepared for

Vega Baja communities, local government, and news media

Prepared by



Genera PR LLC

250 Av. Luis Muñoz Rivera, Suite 1200

San Juan, PR 00918

www.genera-pr.com

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1.0 OVERVIEW OF THE COMMUNITY RELATIONS PLAN

Background

The Vega Baja site consists of approximately 1.3 acres of land, located at PR-2, km 39.4, Monte Carlo sector, Barrio Algarrobo, Bega Baja, Puerto Rico. The site is currently developed as an electric power generating station, consisting of two 22 MW diesel generating units, each with a 3,000 KVA transformer. In addition to power generating activities, ancillary activities conducted at the site include limited equipment and machinery maintenance, electric power transmission, and associated plant operations.

The site has operated as an electric power generating station for over 50 years. The two diesel generators are not currently in operation, with one of the units was last in operation in 2022 and the other unit last in operation in 2019.

Genera plans to decommission and demolish the diesel generating units, and associated infrastructure beginning December 2024. The site will be repurposed to serve as a future Battery Energy Storage System (BESS), with installation of the new BESS starting as early as June 2025.

1.1 Purposes of the Plan

The purpose of this Community Relations Plan (Plan) is to establish a framework for communications relating to the Project on the Vega Baja LGA between Genera PR and the community.

Through implementation of the measures set forth in this Plan, Genera PR will disseminate of information relating to the Project to the community to keep the community informed and to provide for meaningful public participation in connection with the decommissioning, decontamination, demolition, corrective action, and construction activities that will occur at the Site. Under the Plan, Genera PR will host forums for information exchange and public comment on Project activities at the Site in coordination with (parties involved) and the City. The Plan is designed to facilitate timely communications among Genera PR and the public; local, state, and federal officials; and other parties interested in the Project.

The specific objectives of this Plan are to:

1. Engage with local communities, government agencies and media to initiate open communication and to inform them about the decommissioning process.

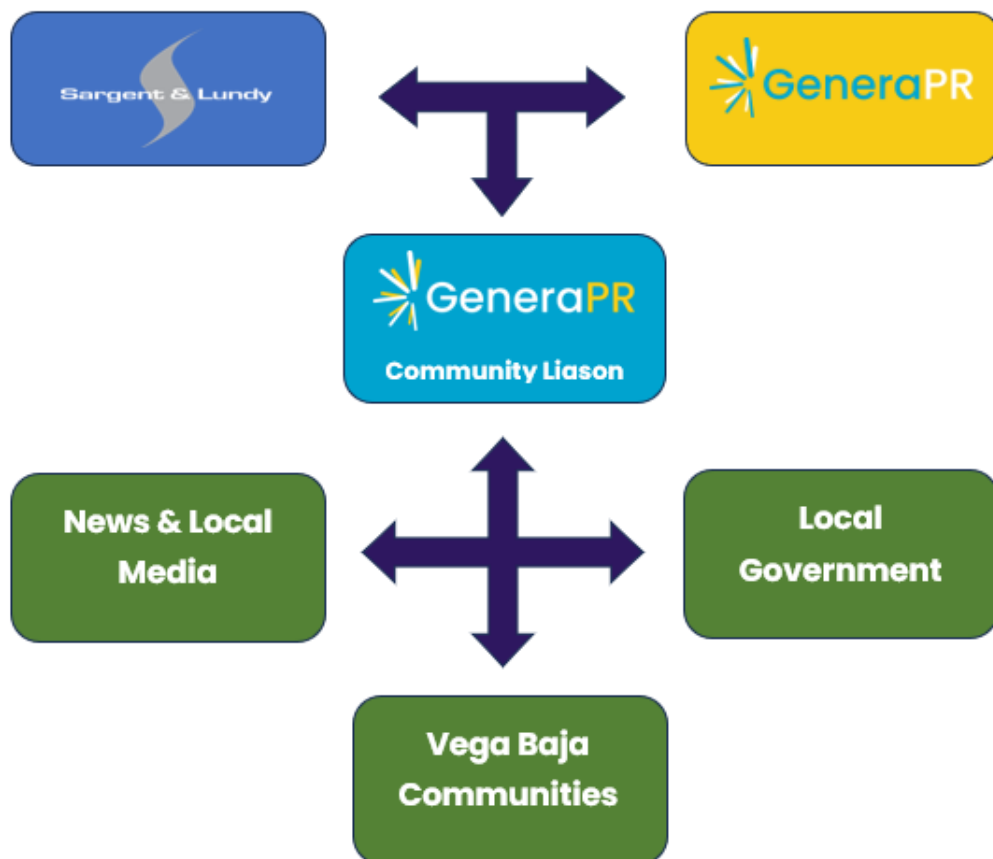
2. Address concerns, answer questions, and gather feedback from residents and local authorities to facilitate ongoing dialogue and transparency.
3. Consider incorporating mechanisms for ongoing community involvement throughout the decommissioning process, and new BESS project such as community advisory boards.
4. Utilize various communication channels including social media, websites, and local newspapers to disseminate information and gather feedback. Include information on the size of the LGA, its location, and any environmental or community considerations.

Genera PR welcomes suggestions regarding the processes and tools for communication laid out in this Plan. This Plan will be reviewed periodically and may be modified to better achieve the Plan objectives.

1.2 Roles and Responsibilities

Genera PR will manage all aspects of the Project. Genera PR has hired Sargent and Lundy as the Engineering consulting firm to provide Project oversight as the decommissioning contractor.

Lines of Communication



1.3 Sources of Information for Community Relations Plan

This Plan was developed based on publicly available information and discussions with state and local officials. It is also based on the Company's knowledge and historical records and demographic information for neighborhoods around the Site. Demographic information was provided by the U.S. Census Bureau.

1.4 Organization of this Community Relations Plan

This Plan is organized as follows:

- The Site and its history.
- Current and planned Site activities; and
- Description of specific community relations activities planned during the Project.

2.0 SITE BACKGROUND

This section provides a brief description of the Site and a summary of current and planned Site activities.

2.1 Site Location and Description

The Site is located within the municipality of Vega Baja at PR-2, km 39.4, Monte Carlo sector, Barrio Algarrobo, Vega Baja, Puerto Rico. The Site is located within an urban area and encompasses approximately 1.3 acres surrounded by commercial facilities and residences. The site is bounded to the north by State Road PR-2 and commercial establishments. South of the site are commercial businesses. East of the site is a LUMA transmission center. West of the site is LUMA technical division warehouse. The nearest residential properties are located across State Road PR-2, in the Monte Carlo sector and Las Flores residential community.

A Site Location Map and Site Overview are presented in Figure 1.

The site is currently developed as an electric power generating station, consisting of two 22 MW diesel generating units, each with an associated 3,000 KVA transformer. In addition to power generating activities, ancillary activities conducted at the site include limited equipment and machinery maintenance, electric power transmission, and associated plant operations (e.g., controls and bulk storage). Maintenance of the electric power generating equipment is performed onsite, which includes welding, electrical work, repair, servicing, and refueling. Solid waste produced from these operations (e.g., scrap metal, trash, used oil, and oil contaminated materials) is stored in designated areas throughout the site before being disposed of offsite. Diesel fuel is received at the site in a designated area from tanker trucks, which unload fuel into a diesel storage tank.

The site is not currently in operation, as the two diesel generating units last operated in 2019 and 2022. Decommissioning and demolition of the diesel generator units, and associated infrastructure, is planned to prepare for the repurposing of the site to support a BESS.

2.2 Site History

The site has operated as an electric power generating station for over 50 years. Since at least the late 1970s, the site has been bounded to the north by present day PR-2 and surrounded by mostly commercial and residential properties. By 1989, a warehouse structure was constructed adjacent to the west of the site, which is currently operated by LUMA. Overall, the

surrounding area has included commercial establishments, mostly along and near PR-2 since the late-1970s. The surrounding area is generally in its current configuration dating back to the mid-1980.

2.2.1 Site Environmental Investigations

The U.S. EPA oversees the standards for contaminated site cleanups across the United States, including territories like Puerto Rico, through programs such as the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund, and the Resource Conservation and Recovery Act (RCRA). These programs have provisions for corrective actions to remediate or manage contaminated soils. Under RCRA, facilities that treat, store, or dispose of hazardous waste are required to investigate and remediate if contamination is found. This process involves setting corrective action objectives based on risk assessments, which consider factors such as the level of contaminants present, the potential for human exposure, and the characteristics of the local environment.

In Puerto Rico, the Environmental Quality Board (Junta de Calidad Ambiental or JCA) is the agency responsible for establishing and enforcing environmental standards, including those for soil remediation. The requirements for soil remediation may vary depending on the specifics of the contaminated site, such as the type and concentration of contaminants, the land use, and the potential for human exposure.

If evidence of contamination is found, environmental subcontractors will be engaged to formally investigate the type and extent of contamination, propose remediation activities and to work with the relevant agencies to execute those activities, resulting in closure of the issues to the extent appropriate for the area remediated.

2.2.2 *Agency Inspections*

Throughout the course of its operations, the Vega Baja LGA site has been subject to various inspections by environmental agencies but due to its long service life, comprehensive records are not available. The most recent inspection performed was a Phase I Environmental Site Assessment in June 2023.

2.3 Work in Progress

As decommissioning takes place, other activities will be underway at the site. Activities associated with the decommissioning of the site may include:

- Geotechnical and Geophysical surveys
- Waste material identification, and disposal.
- Hazardous and contaminants material testing, removal, and disposal
- Demolition and dismantling of buildings and structures.
- Preparation for site restoration

3.0 COMMUNITY BACKGROUND AND INVOLVEMENT

3.1 Demographics

According to the U.S. Census Bureau, the following are an overview of key demographics for the Municipality of Vega Baja, Puerto Rico:

- The population of Vega Baja is approximately 53,684 people.
- Households approximately 20,098
- Nearly 76.7 percent of the adult population (25+) are high-school graduates.
- Households with a computer 82.8%
- The median household income is approximately \$23,701.

QuickFacts Vega Baja Municipio, Puerto Rico; Puerto Rico	Vega Baja Municipio, PR	Puerto Rico
Population Estimates, July 1, 2022, (V2022)	53,684	3,220,113
Population estimates base, April 1, 2020, (V2023)	NA	3,285,874
Population estimates base, April 1, 2020, (V2022)	54,414	3,285,874
Population, percent change - April 1, 2020 (estimates base) to July 1, 2023, (V2023)	NA	-2.4%
Population, percent change - April 1, 2020 (estimates base) to July 1, 2022, (V2022)	-1.3%	-2.0%
Population, Census, April 1, 2020	54,414	3,285,874
Population, Census, April 1, 2010	59,662	3,725,789
Age and Sex		
Persons under 5 years, percent	3.3%	3.1%
Persons under 18 years, percent	16.1%	16.1%
Persons 65 years and over, percent	23.2%	23.5%
Female persons, percent	52.4%	52.7%
Race and Hispanic Origin		
White alone, percent	40.5%	43.6%
Black or African American alone, percent(a)	4.5%	8.8%
American Indian and Alaska Native alone, percent(a)	0.0%	0.2%
Asian alone, percent(a)	0.0%	0.2%
Native Hawaiian and Other Pacific Islander alone, percent(a)	0.0%	0.0%
Two or More Races, percent	36.8%	23.3%
Hispanic or Latino, percent(b)	97.9%	98.7%
White alone, not Hispanic or Latino, percent	1.8%	0.8%
Population Characteristics		
Veterans, 2018-2022	1,076	69,744
Foreign born persons, percent, 2018-2022	0.7%	2.7%
Housing		
Housing units, July 1, 2022, (V2022)	X	X
Owner-occupied housing unit rate, 2018-2022	75.5%	68.0%
Median value of owner-occupied housing units, 2018-2022	\$115,900	\$121,800
Median selected monthly owner costs -with a mortgage, 2018-2022	\$895	\$935
Median selected monthly owner costs -without a mortgage, 2018-2022	\$166	\$170

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable racecategories.

(c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

Source: [U.S. Census Bureau QuickFacts: Vega Baja Municipio, Puerto Rico; Puerto Rico](#)

3.2 Community Concerns

Genera PR will host public meetings, open houses, small neighborhood meetings, and have contact with local community organizations, and discussions with local and state officials. Genera PR recognizes that the level of community interest in the Site and the Project is high. The measures to be implemented pursuant to this Plan are designed to facilitate communications between Genera PR and the community concerning Genera PR's plans and establish channels for Genera PR to keep members of the community informed of activities and developments on the Site. Further, the communication lines established by this Plan are intended to provide an opportunity for meaningful input by the public and to enable Genera PR to understand and respond to community concern.

4.0 COMMUNITY INVOLVEMENT ACTIVITIES

The primary objectives of the community involvement activities to be undertaken by Genera PR are to keep the community informed of what's going on at the Site and to provide a forum for public input. This section outlines the actions that Genera PR will take to facilitate a successful two-way communication process.

"Community" means residents, businesses, schools, elected officials, local and state agencies, environmental groups, service organizations, and anyone else who has an interest in the Site.

4.1 Communication Tools

Genera PR is committed to keeping the public informed and providing an opportunity for meaningful public comment throughout the Project. As part of this commitment, Genera PR will utilize the tools presented below.

4.1.1 *Genera PR Website*

Genera PR has a public website (www.genera-pr.com) to provide Site-related information and information on current Site activities. This website will provide Site information such as:

- a description and projected timeline for completion of each of the stages of the Project.
- draft and final work plans.
- deadlines for submitting comments on draft work plans.
- progress reports for plans being implemented.
- Site data.
- questions submitted by the public through the website and Genera PR's responses to those questions; and
- notices of public meetings and copies of documents, slides and information presented at public meetings.

As noted, the website provides a convenient forum for individuals to provide comments on and to ask questions relating to the Project. It also allows Genera PR a single forum to respond to the public's comments and questions.

Genera PR has established this section of the website for community input and to receive and respond to questions and comments that are directly about the Project and the activities that are being initiated in conjunction with the decommission of the Vega Baja LGA power plant. Not all website questions or comments meet these criteria. For example, Genera PR could receive questions unrelated to the Project, as it has happened before. Genera PR will commit to post all questions and comments related to the Project criteria

4.1.2 Fact Sheets

Genera PR will prepare and periodically publish fact sheets regarding Project progress. The fact sheets will address technical milestones; the current list of contacts and information repositories; public comment periods for draft work plans and other documents; and other issues. Fact sheets will be available in both English and Spanish and located in the website link located on the main page of the website. Fact sheets may also be distributed at public meetings and will be available at the designated information repository.

4.1.3 Public Information Meetings

Genera PR will host, at a minimum, quarterly public information meetings during the Project decommissioning, decontamination, demolition, corrective action, and construction activities to provide information to the public about the process and activities. The typical meeting format is expected to consist of a structured information session followed by an informal opportunity for members of the public to meet with Genera PR representatives to ask questions and provide input. As previously noted, the public website will serve as the forum for formal questions and comments. All public meetings will be held at an accessible facility in the community. Notices for each public meeting will be posted on Genera PR's website and published in local media sources. Genera PR's goal is to provide a 30-day notice for all public meetings, however given the Project timeline and Genera PR's commitment to keeping the public informed, some meeting notifications may fall short of the 30-day notice period. Representatives from the communities, local govt and news media will be invited to each public meeting.

The format of the meetings will allow Genera PR to present relevant information and updates and member of the public to have an opportunity to dialogue with Genera

PR representative. Each meeting will follow an agenda that will be posted on the website and made available at the meeting.

4.1.4 *Response to Comments*

Genera PR will respond in writing on the Genera PR website to written questions and comments that meet the community input/Project activity criteria (whether posted on the website or provided in writing at the public meeting), www.genera-pr.com. As noted, questions and comments that do not meet the community input/Project activity criteria will be posted and Genera PR will state the reason it is not providing a response. Questions asked during a public meeting formal question and answer period that meet the community input/Project activity criteria will be answered, to the extent possible, at the time of the meeting.

Genera PR has established a section of their website for community input and to receive and respond to questions and comments that are directly about the Project and the activities that are being initiated in conjunction with decommission of the Vega Baja LGA plant. Not all website questions or comments meet these criteria. For example, Genera PR could receive questions unrelated to the Project, as it has happened before. Genera PR will commit to post all questions and comments related to the Project criteria. Genera PR commits to post all questions and comments and for those that do not meet the community input/Project activity criteria, to state the reason it is not providing a response.

4.1.5 *Local Media Sources*

Public notices, such as ads in newspapers, will also be used to announce public information meetings. These notices will be in English and Spanish. Examples of newspapers that serve this community are the following: El Nuevo Día, El Vocero, Primera Hora & San Juan Star. Additional media such as both English and Spanish broadcasted radio and TV may occasionally be used.

4.1.6 *Briefings for Elected Officials*

Genera PR will hold briefings with elected officials and candidates to keep them informed of the Project status, timelines and any significant developments or events related to the demolition, decommission and construction of BESS project, as

requested.

4.2 Project Contacts

Questions and comments should be submitted through the website: www.genera-pr.com This centralized system will generally expedite responses to the public.

Genera PR welcomes community inquiries and input relating to the Project throughout the Project. Questions will be addressed in the order they are received.

For all other purposes including reporting concerns and/or complaints regarding Project the community relations contacts are:

Genera PR:

Full contact information

Sargent and Lundy:

Full contact information

Municipality of Vega Baja:

Full contact information

Add others if needed.

4.3 Timetables

Genera will be using a third-party agency as well as the production of fact sheets and leave-behind materials for meetings with the communities.

Preliminary timetables:

ACTIVITY	DATES
FACT SHEET AND Q&A	August 2024
Meetings with local government officials, municipal legislators, and community leaders	September 2024
Genera Website project tab	September 2024
Public information Meetings	September/October 2024
Groundbreaking Ceremony	November/December 2024
Inauguration Event	March/ April 2025

August: Fact sheets about the project progress (4.1.2) as well as FAQ to be used as leave behind Material should be completed by August 2024

September 2nd, 2024: initial meetings with local government officials (Mayor and his team), municipal legislators and community leaders.

September: Genera website project tab (4.1.1) where the public can access the information regarding the project progress should come online by this due date.

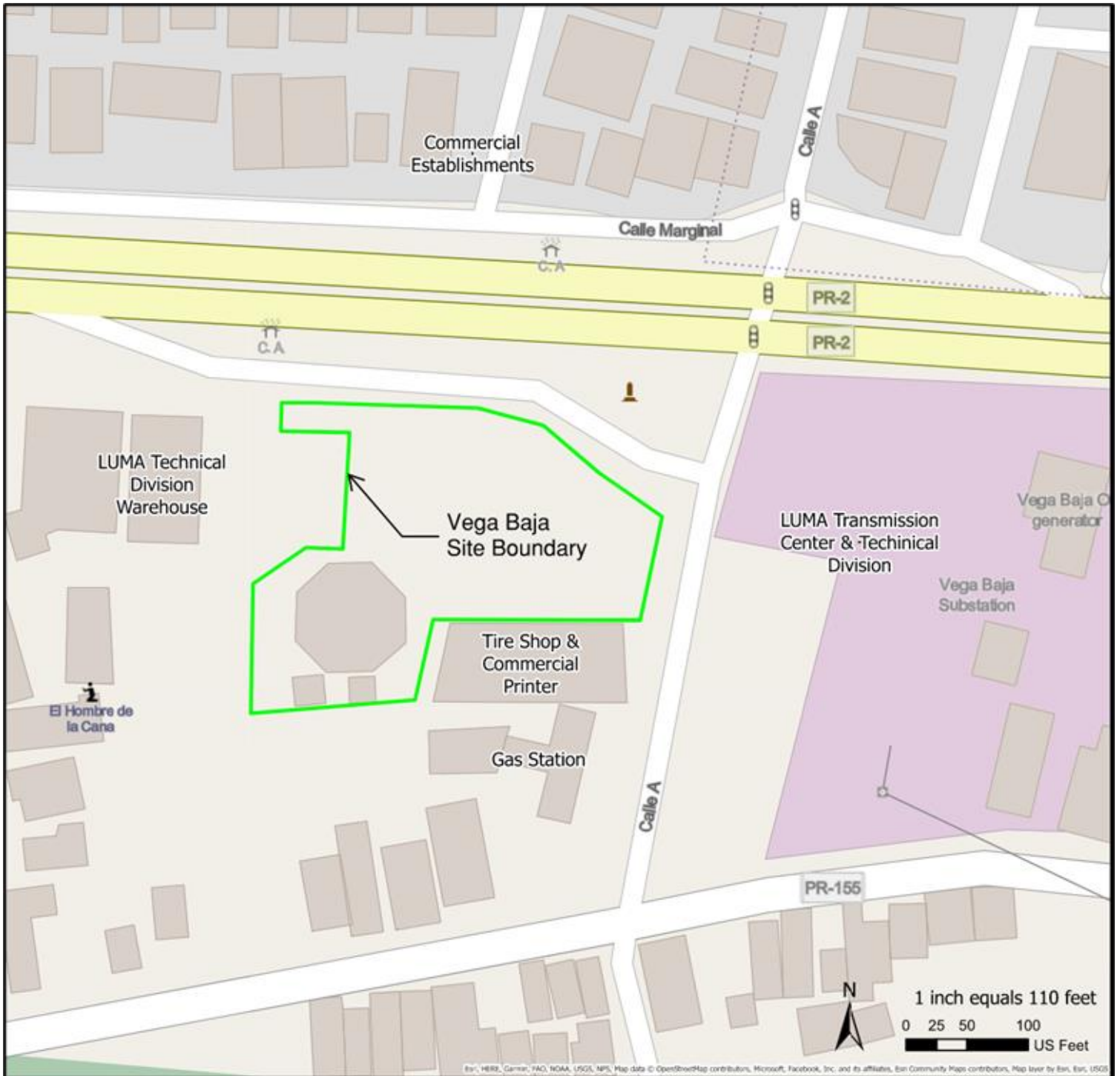
September/October Public information meetings (4.1.3)

November/December: start of decommissioning process. Groundbreaking event on site with elected officials, community leaders and media.

March/April 2025: Inauguration event on site with elected officials, community leaders and media.

Figures

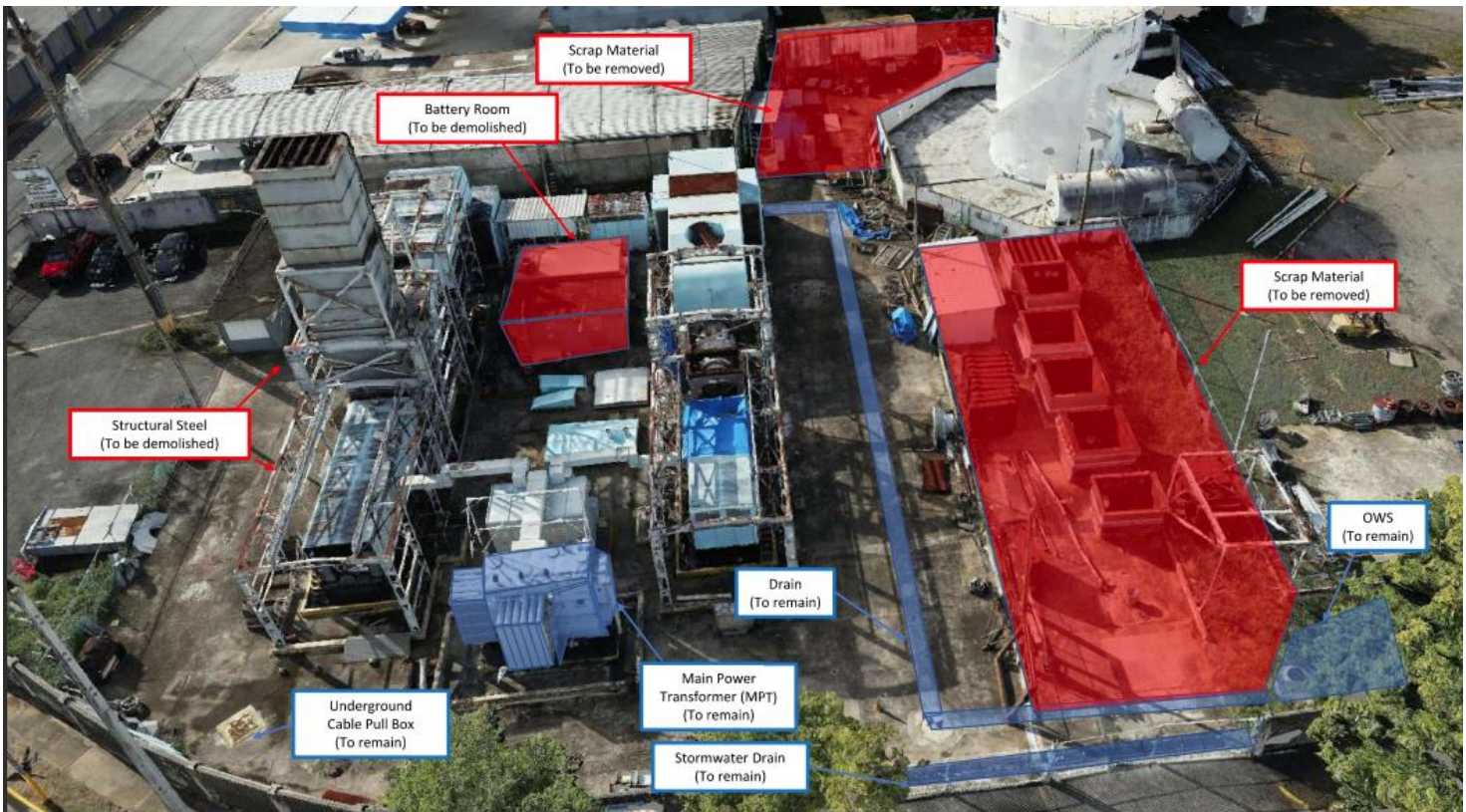
Site Location

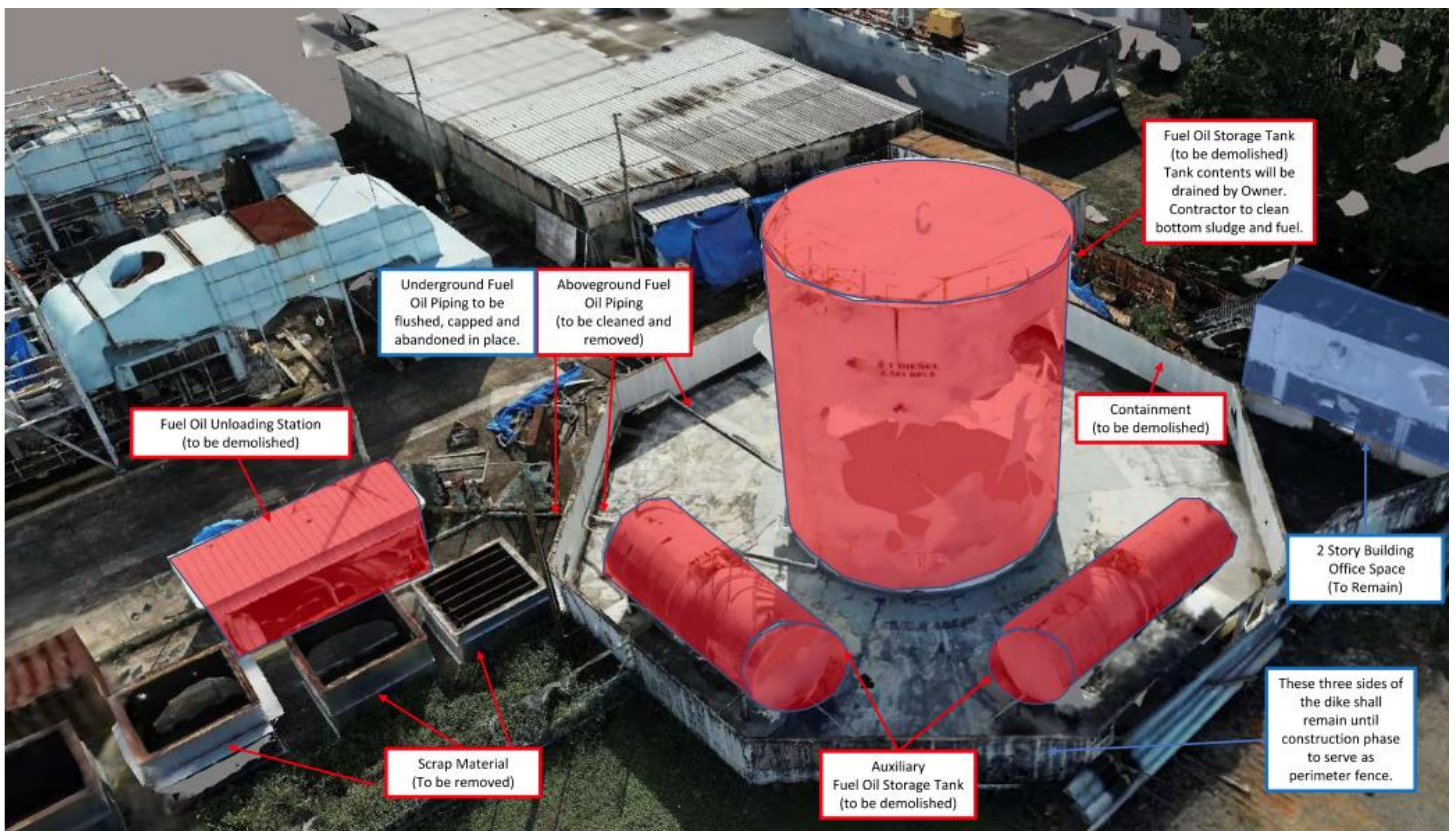
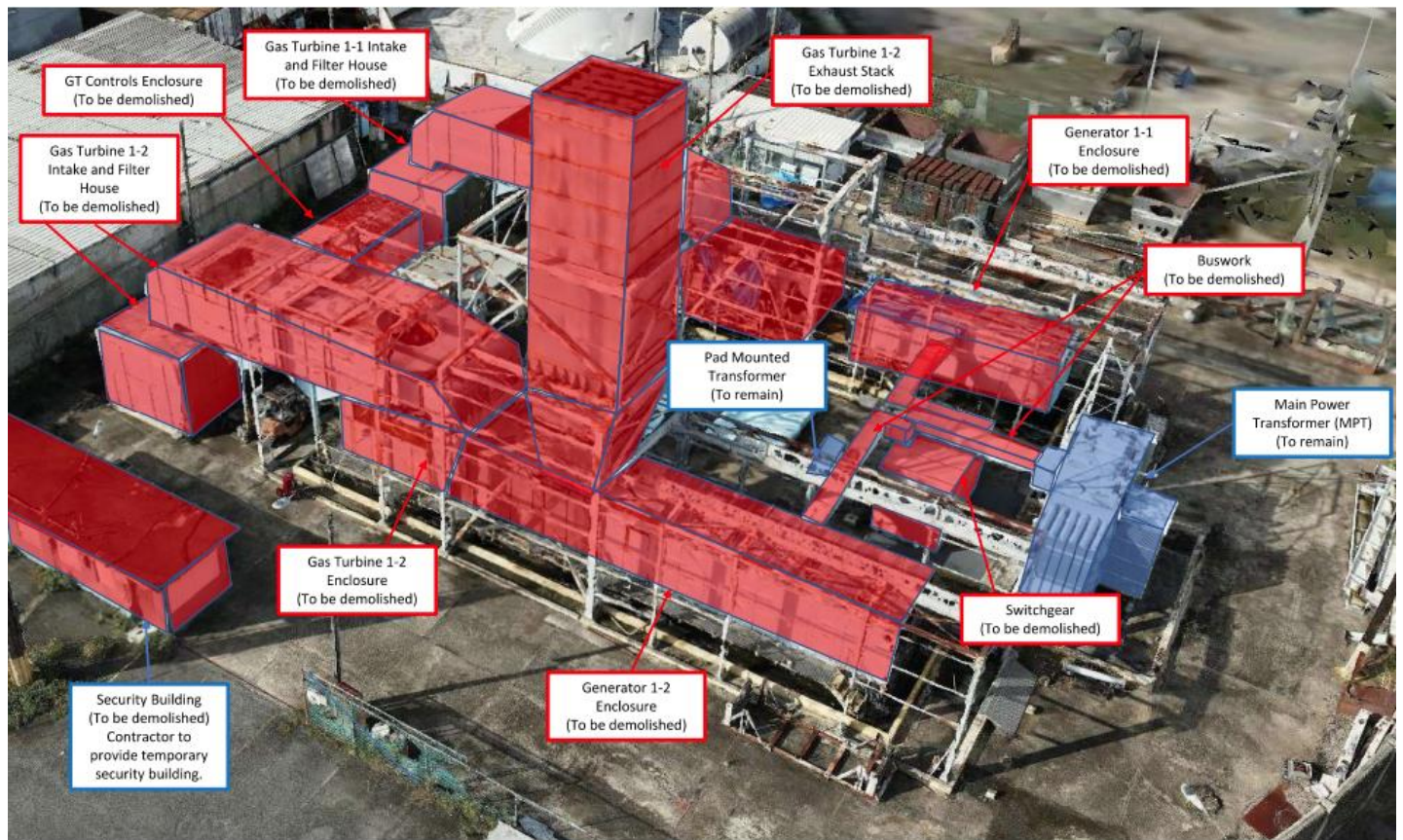


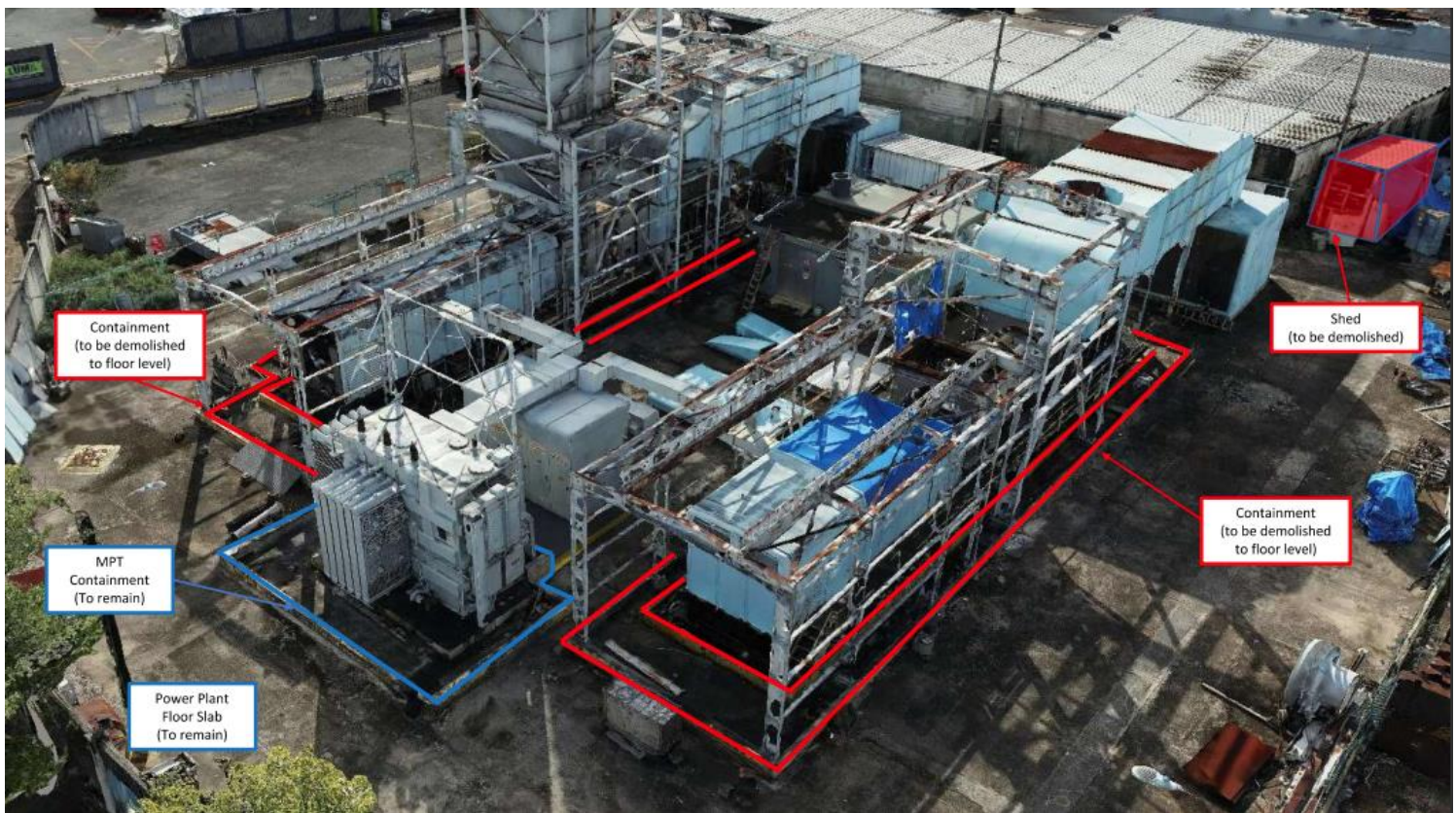
Overview of Vega Baja Power Plant

- All identified above Top of Concrete (TOC) equipment and structures within the property line are to be removed.
- All scrap material is to be removed from plant site. The Contractor shall have ownership of the material once after it is removed from the site.
- Prior to commencement of demolition activities, the Owner shall empty contents from the Fuel Oil, Lubricating Oil storage tanks and Closed Loop Cooling Water Systems.
- The Contractor shall clean all equipment, components and structure surfaces in contact with liquid fuels, lubricating oils and other chemicals (if applicable) prior to disposal.
- Contractor shall confirm with the Owner the de-energization of all equipment.
- Contractor shall test for lead and asbestos.
- Contractor shall remove liquid fuels, lubricating oils, and other chemicals (if applicable) for all exposed surfaces to remain. Surfaces shall be left clean of all these substances.

DDR-001 Decommissioning and Dismantling of Vega Baja Power Plant







MARCH 2024



GeneraPR BATTERY BUZZ

At Genera, we are working on a short-term plan to create a resilient power generation system for Puerto Rico. One important component of this plan is the development of a battery energy storage system (BESS) that can help stabilize the grid by absorbing excess power during periods of high production and releasing it during periods of high demand. The operation of these batteries will significantly reduce load relays triggered by generation issues, offer ultra-fast generation reserve, and provide cost-effective energy storage. This will minimize reliance on expensive and polluting fuels and contribute to overall grid stability and efficiency. Genera plans to install 430 MW of battery energy storage systems across 7 existing facilities, and we have already started!



PURCHASING EQUIPMENT

On January 5, Genera released a request for proposals for the purchase of the battery energy storage system needed for this project. Over 95 participants from all over the world registered interest in this event. These companies have until March 22nd to submit a proposal to Genera who will decide on the technology that best aligns with the needs of the island's grid and unique conditions. By 2025, Genera expects to have the first site turned on.



FUNDING

Genera estimates that the BESS project will cost approximately \$700 million USD. This includes preparing the power plants that are going to be beneficiaries of this project, procuring the battery equipment, installing this equipment, and turning the sites on.



PROJECT BENEFITS

- Enhances the system's resiliency by co-locating batteries with conventional generation technology.
- Reduces forced outages.
- Reduces manual load shedding by 90%.
- Increases resiliency.
- Accelerates the integration of renewables.
- Optimizes federal funds.

Stay in Touch!



<https://genera-pr.com/>



@Genera_PR

PROJECT HIGHLIGHTS

 **ESTIMATED ANNUAL SAVINGS**
\$140M

 **TOTAL INSTALL CAPACITY**
430 MW

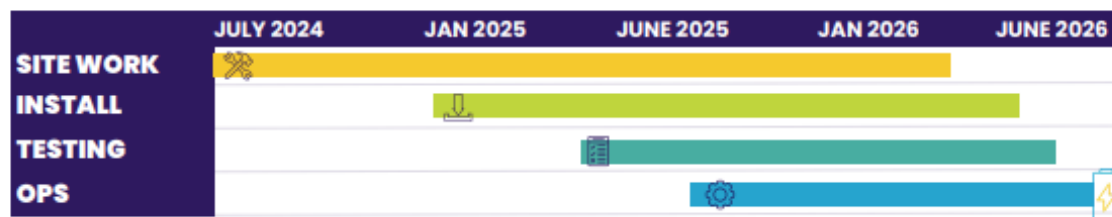
 **BESS WILL BE DEPLOYED ACROSS**
7 SITES

 **PROVIDE 1720 MWH OF ENERGY, EQUIVALENT TO**
4 HOURS

SERVICES PROVIDED

- ✓ Fast Spinning Reserve
- ✓ Frequency Regulation
- ✓ Load Balance
- ✓ Energy Storage
- ✓ Voltage Support
- ✓ Black Start

PROJECT TIMELINE



WHAT'S BUZZING AROUND THE WORLD?

Similar projects worldwide:

MOSS LANDING BESS

750 MW | 3,000 MWh
COD: 2020
Equipment: LG JH4 cells/Tesla
California, US

FPL MANATEE ENERGY STORAGE CENTER

409 MW | 900 MWh
COD: 2021
Equipment: 132 battery storage containers
Florida, US

WÄRTSILÄ QUANTUM HIGH ENERGY BESS

300 MW | 600 MWh
Expected COD: 2025
Equipment: 306Ah lithium-ion battery cells
Scotland, UK

Stay in Touch!



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Appendices

APPENDIX A

Glossary of Terms and Acronyms

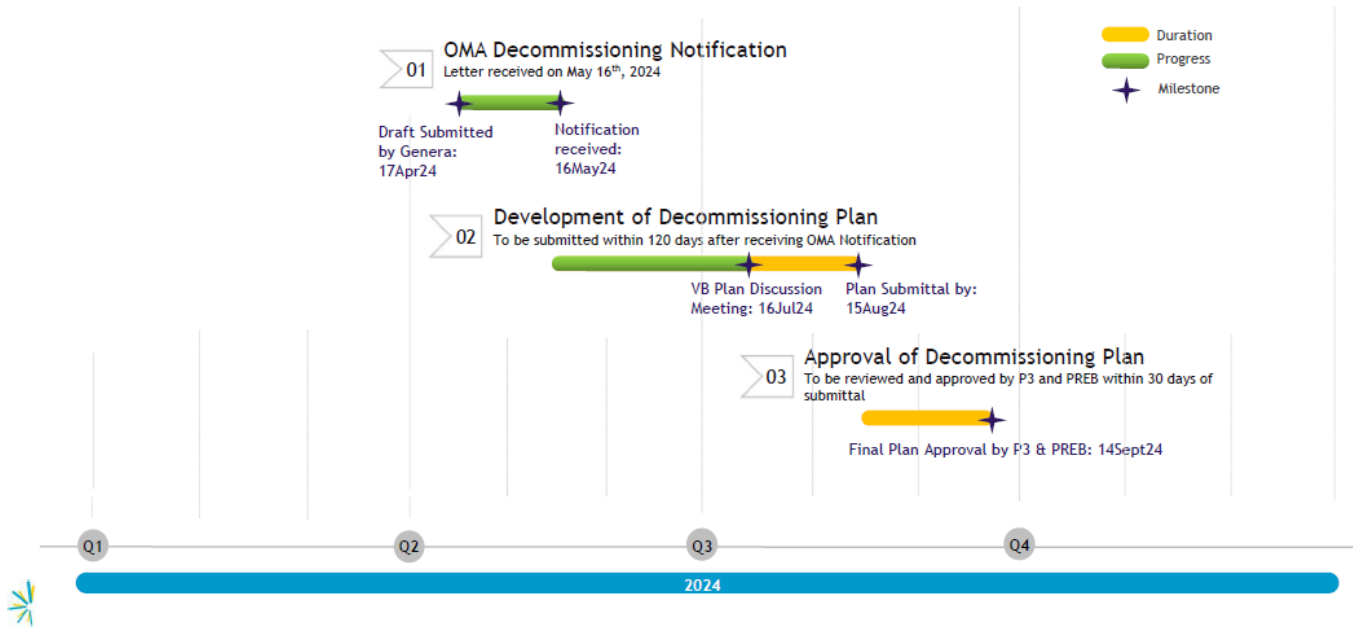
APPENDIX B

List of Contacts and Interested Parties

Appendix C. Plan Development Timeline

Vega Baja Decommissioning – Plan Development Timeline

This timeline assumes that Genera will submit a Final Decommission Plan by August 15th for PREB's revision and that it takes PREB 30 days to approve

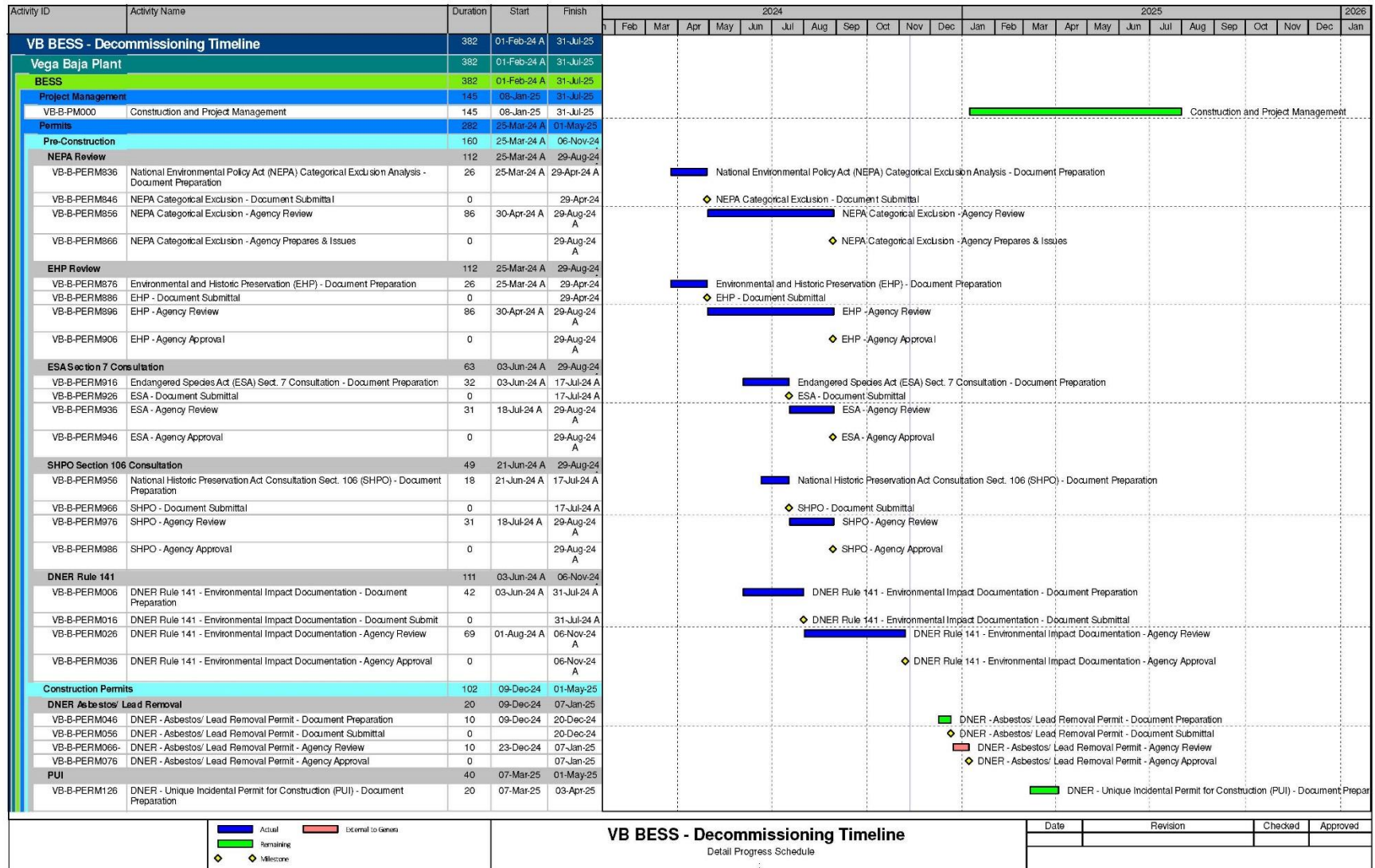


Appendix D. Decommissioning Timeline

Vega Baja Proposed Decommissioning Plan

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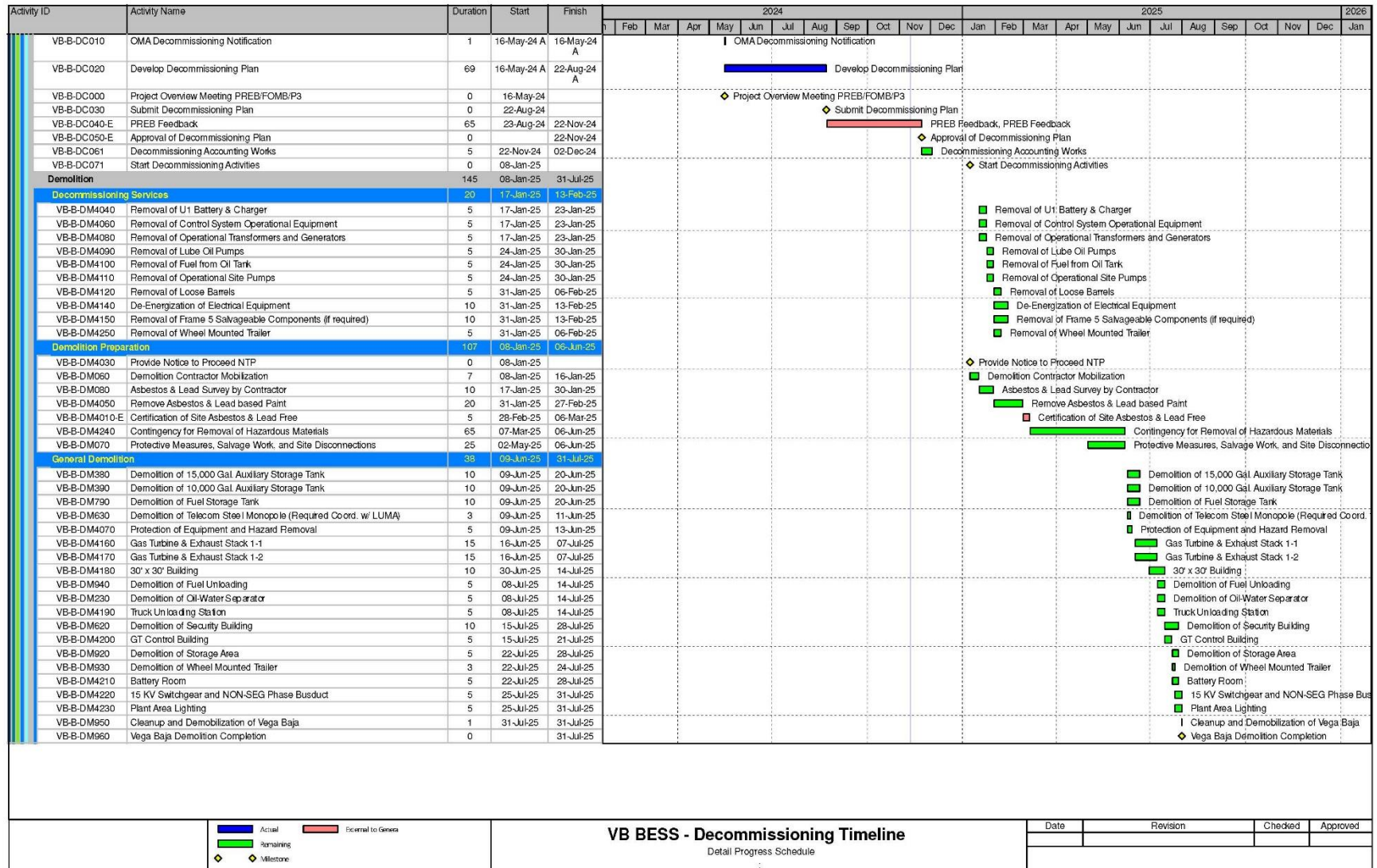


Vega Baja Proposed Decommissioning Plan

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Vega Baja Proposed Decommissioning Plan

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Appendix E. Budget Estimate Summary

Estimated Decommissioning Expenses Summary

Phase	Activity	Total (USD)
1	Permitting Application Fees	\$123,000
2	Geophysical Survey	\$18,350
2	Lead & Asbestos Testing (Cost for abatement is not included)	\$20,000
2	Protective Measures, Salvage Work, and Site Disconnections (20% of total decommissioning cost estimate)	\$330,890
2	Pre-Demolition Activities by Contractor	\$305,000
2	Pre-Demolition Activities by Genera	\$180,691
2	Contingency (environmental remediation activities, delays, etc.)	\$595,602
3	Above-Ground Dismantling and Demolition (Does not include costs for abatement and/or disposal of hazardous waste)	\$655,411
–	Project Management	\$332,000
Total		\$2,560,944

Notes:


- 1) Pre-Demolition Activities by Contractor include removal of batteries, transformers, generators, oil/fuel pumps and tanks, and wheel mounted trailer.
- 2) Pre-Demolition Activities by Genera PR includes de-energization of electrical circuits, removal of salvageable components, control systems, operational site pumps, and loose barrels.
- 3) Contingency allowance of 30% for potential delays and cost overruns due to unforeseen environmental issues, such as the discovery of hazardous materials or contamination (i.e., lead, asbestos, water contamination, fuel spills, etc.)

Appendix F. Detailed Budget Estimates

Vega Baja Power Plant Decommissioning Detailed Cost Estimate Summary

Decommissioning Plan Section	Description	Subcontractor Cost	Material	Labor Cost	Construction Equipment	Total Cost (USD)
3	Community Engagement	\$ -	\$ -	\$ -	\$ -	\$ -
3	<i>Section 3 Subtotal</i>	\$ -	\$ -	\$ -	\$ -	\$ -
4	Environment and Permitting	\$ 123,000	\$ -	\$ -	\$ -	\$ 123,000
4	<i>Section 4 Subtotal</i>	\$ 123,000	\$ -	\$ -	\$ -	\$ 123,000
5	Protective Measures, Salvage Work, and Site Disconnections by Genera	\$ -	\$ -	\$ 330,890	\$ -	\$ 330,890
5	<i>Section 5 Subtotal</i>	\$ -	\$ -	\$ 330,890	\$ -	\$ 330,890
6	<i>Dismantling, Demolition, & Site Restoration</i>					
6.1.1	Geotechnical and Geophysical Surveys	\$ 18,350	\$ -	\$ -	\$ -	\$ 18,350
6.1.1	Civil Work	\$ 71,308	\$ -	\$ 18,531	\$ 28,724	\$ 118,563
6.1.1	Concrete	\$ -	\$ -	\$ 43,199	\$ 31,874	\$ 75,073
6.1.1	Steel	\$ -	\$ -	\$ 1,785	\$ 1,106	\$ 2,891
6.1.1	Architectural	\$ -	\$ -	\$ 3,302	\$ 3,582	\$ 6,884
6.1.1	Structural Item Removals (including batteries)	\$ -	\$ -	\$ 37,500	\$ 36,780	\$ 74,280
6.1.1	Mechanical Equipment	\$ -	\$ -	\$ 24,321	\$ 23,854	\$ 48,175
6.1.1	Piping	\$ -	\$ 2,000	\$ 3,911	\$ 3,160	\$ 9,071
6.1.1	Electrical Equipment	\$ -	\$ -	\$ 891	\$ 874	\$ 1,765
6.1.1	Raceway, Cable Tray, & Conduit	\$ -	\$ -	\$ 313	\$ 306	\$ 619
6.1.1	Cable	\$ -	\$ -	\$ 500	\$ 490	\$ 990
6.1.1	Remove/Clean Fuel & Sludge in Fuel Oil Storage Tanks	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
6.1.1	Labor Supervision	\$ 8,300	\$ -	\$ -	\$ -	\$ 8,300
6.1.1	Show-Up Time	\$ 2,800	\$ -	\$ -	\$ -	\$ 2,800
6.1.1	Construction Management	\$ 30,100	\$ -	\$ -	\$ -	\$ 30,100
6.1.1	Field Office Expenses	\$ 3,300	\$ -	\$ -	\$ -	\$ 3,300
6.1.1	Safety	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000
6.1.1	Temporary Facilities	\$ 2,300	\$ -	\$ -	\$ -	\$ 2,300
6.1.1	Mobilization / Demobilization	\$ 2,400	\$ -	\$ -	\$ -	\$ 2,400
6.1.1	Legal Expenses / Claims	\$ 400	\$ -	\$ -	\$ -	\$ 400
6.1.1	Small Tools & Consumables	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
6.1.1	General Liability Insurance	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
6.1.1	Construction Equipment Mob/Demob	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500
6.1.1	Freight on Material	\$ 100	\$ -	\$ -	\$ -	\$ 100
6.1.1	Contractors G&A	\$ 35,500	\$ -	\$ -	\$ -	\$ 35,500
6.1.1	Contractors Profit	\$ 50,800	\$ -	\$ -	\$ -	\$ 50,800
6.1.1	Contingency (Labor, Material, Equipment, Subcontractor)	\$ 121,600	\$ -	\$ -	\$ -	\$ 121,600
6	<i>Section 6 Subtotal</i>	\$ 406,758	\$ 2,000	\$ 134,253	\$ 130,750	\$ 673,761
7	<i>Decontamination, Waste Disposal, and Remediation</i>					
7.1	Lead and Asbestos (Testing Only)	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
7.1	Contingency (environmental delays, remediation, etc.)	\$ 595,602	\$ -	\$ -	\$ -	\$ 595,602
7	<i>Section 7 Subtotal</i>	\$ 615,602	\$ -	\$ -	\$ -	\$ 615,602
8	Pre-DEMOLITION Activities by Genera	\$ -	\$ -	\$ 180,691	\$ -	\$ 180,691
8	Pre-DEMOLITION Activities by Contractor	\$ 305,000	\$ -	\$ -	\$ -	\$ 305,000
8	<i>Section 8 Subtotal</i>	\$ 305,000	\$ -	\$ 180,691	\$ -	\$ 485,691
9	Health, Safety, Security, and Quality Management (included in Section 6 costs)	\$ -	\$ -	\$ -	\$ -	\$ -
9	<i>Section 9 Subtotal</i>	\$ -	\$ -	\$ -	\$ -	\$ -
12	Construction and Project Management	\$ -	\$ -	\$ 332,000	\$ -	\$ 332,000
12	<i>Section 12 Subtotal</i>	\$ -	\$ -	\$ 332,000	\$ -	\$ 332,000
	Total Decommissioning Plan Cost	\$ 1,450,360	\$ 2,000	\$ 977,834	\$ 130,750	\$ 2,560,944

Appendix G. Monthly Decommissioning Cash Flow

 Strictly Confidential

Activity ID	Description	Duration (Months)	Cost	1-Nov-24	1-Dec-24	1-Jan-25	1-Feb-25	1-Mar-25	1-Apr-25	1-May-25	1-Jun-25	1-Jul-25
Administrative												
1	Construction and Project Management	7	\$332,000			\$41,213.79	\$45,793.10	\$48,082.76	\$50,372.41	\$48,082.76	\$48,082.76	\$50,372.41
	Total Administrative (A)		\$332,000	-	-	\$41,214	\$45,793	\$48,083	\$50,372	\$48,083	\$48,083	\$50,372
Phase 1: Environmental & Permitting												
2	NEPA Documentation Preparation	1	\$33,750	\$33,750.00	-	-	-	-	-	-	-	-
3	ESA Documentation Preparation	1	\$5,625	\$5,625.00	-	-	-	-	-	-	-	-
4	SHPO Documentation Preparation	1	\$5,625	\$5,625.00	-	-	-	-	-	-	-	-
5	DNER Rule 141 - Environmental Impact Documentation	1	\$35,000	\$35,000.00	-	-	-	-	-	-	-	-
6	DNER - Unique Incidental Permit for Construction (PUI)	2	\$28,000	-	-	-	-	\$23,800.00	\$4,200	-	-	-
7	DNER - Asbestos/ Lead Removal Permit	1	\$15,000	-	\$15,000.00	-	-	-	-	-	-	-
	Total Phase 1: Environmental & Permitting (B)		\$123,000	\$80,000.00	\$15,000.00	\$0.00	\$0.00	\$23,800.00	\$4,200.00	\$0.00	\$0.00	\$0.00
Phase 2: Pre-DEMOLITION Activities												
8	Geophysical Survey Cost	1	\$18,350	\$18,350.00	-	-	-	-	-	-	-	-
9	Lead & Asbestos Survey Cost	1	\$20,000	\$20,000.00	-	-	-	-	-	-	-	-
10	Removal of U1 Battery & Charger	1	\$20,000	-	-	\$20,000.00	-	-	-	-	-	-
11	Removal of Control System Operational Equipment	1	\$13,805	-	-	\$13,805.00	-	-	-	-	-	-
12	Removal of Operational Transformers and Generators	1	\$220,000	-	-	\$220,000.00	-	-	-	-	-	-
13	Removal of Lube Oil Pumps	1	\$25,000	-	-	\$25,000.00	-	-	-	-	-	-
14	Removal of Operational Site Pumps	1	\$22,329	-	-	\$22,328.74	-	-	-	-	-	-
15	Removal of Loose Barrels	2	\$2,108	-	-	\$421.56	\$1,686.25	-	-	-	-	-
16	De-Energization of Electrical Equipment	2	\$33,007	-	-	\$3,300.72	\$29,706.44	-	-	-	-	-
17	Removal of Frame 5 Salvageable Components (if required)	2	\$109,442	-	-	\$10,944.23	\$98,498.07	-	-	-	-	-
18	Removal of Wheel Mounted Trailer	2	\$20,000	-	-	\$4,000.00	\$16,000.00	-	-	-	-	-
19	Contingency for Removal of Hazardous Materials	4	\$595,602	-	-	-	-	\$155,772.83	\$201,588.37	\$192,425.26	\$45,815.54	-
20	Protective Measures, Salvage Work, and Site Disconnections	2	\$330,890	-	-	-	-	-	-	\$264,712.00	\$66,178.00	-
21	Removal of Fuel from Oil Tank	1	\$20,000	-	-	\$20,000.00	-	-	-	-	-	-
	Total Phase 2: Pre-DEMOLITION Activities (C)		\$1,450,533	\$38,350.00	\$0.00	\$339,800.25	\$145,890.76	\$155,772.83	\$201,588.37	\$457,137.26	\$111,993.54	\$0.00
Phase 3: Above-Ground Dismantling and Demolition Activities												
22	Demolition of 15,000 Gal. Auxiliary Storage Tank	1	\$51,043	-	-	-	-	-	-	-	\$51,042.50	-
23	Demolition of 10,000 Gal. Auxiliary Storage Tank	1	\$51,043	-	-	-	-	-	-	-	\$51,042.50	-
24	Demolition of Fuel Storage Tank	1	\$51,043	-	-	-	-	-	-	-	\$51,042.50	-
25	Demolition of Telecom Steel Monopole (Required Coord. w/ LUMA)	1	\$15,313	-	-	-	-	-	-	-	\$15,312.75	-
26	Protection of Equipment and Hazard Removal	1	\$25,521	-	-	-	-	-	-	-	\$25,521.25	-
27	Gas Turbine & Exhaust Stack 1-1	2	\$76,564	-	-	-	-	-	-	-	\$56,146.75	\$20,417.00
28	Gas Turbine & Exhaust Stack 1-2	2	\$76,564	-	-	-	-	-	-	-	\$56,146.75	\$20,417.00
29	30' x 30' Building	2	\$51,043	-	-	-	-	-	-	-	\$5,104.25	\$45,938.25
30	Demolition of Fuel Unloading	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
31	Demolition of Oil-Water Separator	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
32	Truck Unloading Station	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
33	Demolition of Security Building	1	\$32,693	-	-	-	-	-	-	-	-	\$32,692.50
34	GT Control Building	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
35	Demolition of Storage Area	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
36	Demolition of Wheel Mounted Trailer	1	\$15,313	-	-	-	-	-	-	-	-	\$15,312.75
37	Battery Room	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
38	15 KV Switchgear and NON-SEG Phase Busduct	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
39	Plant Area Lighting	1	\$25,521	-	-	-	-	-	-	-	-	\$25,521.25
40	Cleanup and Demobilization of Vega Baja	1	\$5,104	-	-	-	-	-	-	-	-	\$5,104.25
	Total Phase 3: Above-Ground Dismantling and Demolition Activities (D)		\$655,411	-	-	-	-	-	-	-	\$311,359	\$344,052
	Total Demolition Cost (A) + (B) + (C) + (D)		\$2,560,944	\$118,350	\$15,000	\$381,014	\$191,684	\$227,656	\$256,161	\$505,220	\$471,436	\$394,424

Vega Baja Proposed Decommissioning Plan

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Exhibit B

October 31, 2024 Order Section	PREB Order or Comment	Genera Action
Part III (G)1 – Proposed Decommissioning Budget	“Additionally, improvident sums, likely not covered by FEMA, have been included in the Proposed Decommissioning Budget, specifically \$10,000 for a <i>groundbreaking ceremony</i> and another \$10,000 for an <i>inauguration</i> event.” ¹	Genera removed the groundbreaking ceremony and inauguration event costs from the Decommissioning Plan Budget (Appendices E and F) and from the Community Relations Plan (Page 18).
Part III (G)1 – Proposed Decommissioning Budget	<p>“In addition, the Proposed Decommissioning Budget is based on the assumption that PREPA will be responsible for the removal of all <i>chemicals and hazardous materials</i> and oil used in the transformers prior to the dismantling phase. These items are presumed to be outside the scope of the current decommissioning budget. Since July 2023, Genera has been in charge of the operations at the Vega Baja Power Station, thereby assuming responsibility for all materials stored at the facility. The removal of these materials is an integral and inseparable part of the decommissioning activities.</p> <p><u>Accordingly, this removal must be undertaken by Genera as part of the decommissioning project and must be incorporated into the Proposed Decommissioning Budget .”</u></p>	Genera has clarified in the Decommissioning Plan that it plans to undertake the removal of all chemicals and hazardous materials and oil used in the transformers prior to the dismantling phase (Page 36). The cost estimates for these activities are already included in the proposed Decommissioning Budget.

¹ Footnotes in original have been removed.

October 31, 2024 Order Section	PREB Order or Comment	Genera Action
Part III (G) 3 - Incentive	<p>“Genera represents that the proposed decommissioning will be <u>entirely federally funded</u> meaning no funds will be required from Genera’s Operating Budget, nor will PREPA be obligated to fund any accounts to cover costs related to the proposed decommissioning. For the Vega Baja Decommissioning Project, <i>Genera may only receive a cost savings incentive if FEMA funds are available and permissible under federal guidelines.</i> According to FEMA procurement regulations under 2 C.F.R. Part 200, FEMA funds can be used for performance-based incentives, but only if such use complies with the allowable cost principles. If FEMA funds are not available or are not allowed to be used for the incentive, Genera will not be eligible to receive any incentive payments from other sources. In other words, if FEMA funds do not cover the cost savings incentive, <u>no alternative funding – whether from PREPA or other non-federal sources- can be used to pay the incentive.</u> The Proposed Decommissioning Plan, including the Decommissioning Budget discussion in the Executive Summary and any other relevant sections, shall be modified accordingly.</p>	<p>Genera understands that FEMA is legally prohibited from duplicating benefits from other sources. The fact that the LGA OMA provides for an incentive which, by the plain contract language, could be funded from non-federal funds or, said another way, has no specific requirement for the use of federal funds, means it’s unlikely that FEMA can be used to fund the incentive.</p> <p>Nonetheless, considering the paramount importance of commencing the decommissioning activities for the Vega Baja project, for which the final approval of the Decommissioning Plan is requisite, Genera respectfully requests that the PREB defer this matter for further discussion and decision. Genera respectfully submits that the implementation of the Vega Baja Decommissioning Plan does not need to be contingent upon the interpretation of contractual provisions concerning incentives or penalties related to decommissioning activities.</p>

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	In addition, any structure of incentives under FEMA regulations, including the 50% cost savings provision outlined in the Generation OMA, must be submitted to the Energy Bureau for evaluation and approval. The Energy Bureau must ensure that such incentives comply with both FEMA guidelines and local regulatory frameworks before any incentive payments can be authorized. This review process guarantees that any incentive arrangement aligns with federal funding requirements and local energy policies, ensuring transparency and accountability in the use of public funds.”	
Part III (G) 4 -Additional justifications not to allow the use of Genera’s Operating Budget or other PREPA’s funds to pay incentives	According to the Generation OMA, Genera is entitled to continue receiving compensation for Vega Baja GT Units 1 and 2 until contract Year 5, even if decommissioning begins before the end of that year and the units are ultimately decommissioned. Since the contract began in July 2023, compensation for Vega Baja GT Unit 1 and Unit 2 will continue until June 30, 2028. This applies even though in this case Decommissioning Services will begin by the end of 2024 and are expected to be completed by mid-2025. Therefore, payment will continue to be received for units that are no longer	The compensation Genera receives for operating and maintaining a unit (Service Fee), even if decommissioned, is a contractual obligation rather than a “reasonable financial benefit” or “significant compensation.” This compensation was mutually agreed upon by the parties to the LGA OMA, as confirmed by the Energy Compliance Certificate issued by PREB via the Resolution and Order on the January 20 Motion dated January 15, 2023 (docket no. NEPR-AP-2022-0001).

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	<p>operational. This results in approximately \$900,000,000 in compensation for the units after commencing decommissioning, which represents a reasonable financial benefit for Genera, considering that the decommissioning services were not expected to begin so early in the contract's life and, that according to Genera, the units were not operational in 2023 and 2024.</p> <p>Given this significant compensation already guaranteed to Genera, it further supports the conclusion that any additional incentive payments, especially those coming from Genera's FY 2026 Operating Budget or any other PREPA's funds, are not justified. Paying an incentive for unrealized or speculative cost reductions would impose an unnecessary financial burden on PREPA and the ratepayers, particularly when Genera will continue receiving substantial/ payments for assets that are no longer in service.</p>	<p>To provide further context, while it is true that Genera will decommission certain units and continue receiving contractually binding fee obligations, it is also true that the total amount of generation being decommissioned is less than the nameplate capacity of the new generation that Genera will install and manage throughout the contract's duration. While the parties to the LGA OMA may agree to amend the Service Fee in the future, Genera will not receive any additional compensation or an increase in the Service Fee for this expanded administration at this time.</p> <p>Furthermore, and to provide a specific example, since March 15, 2024, Genera has administered 14 additional units with a combined nameplate capacity of 340 MW. These units are not listed in the Legacy Generation Assets in Annex I of the LGA OMA, and Genera has not received an additional Service Fee for their management.</p> <p>To provide more context, below is a breakdown of the generation capacity to be decommissioned as part of the Peakers and BESS project, and the net generation capacity</p>

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		<p>Genera will manage without an increase in the Service Fee:</p> <p>Total nameplate generation to be decommissioned: <u>358.6 MW</u></p> <p>In service: 179.2 MW Out of Service: 179.2</p> <p>Total generation added: <u>1,014 MW</u></p> <p>Peakers: 244MW Bess: 430 MW TM2500 (former FEMA): 340 MW</p> <p>Net additional operating nameplate generation to be administered by Genera without an increase in Service Fee: <u>834.8 MW²</u></p> <p>Net additional operating nameplate generation to be administered by Genera without an</p>

² Formula: Total Nameplate in Service Decommissioned – Total Nameplate Generation Added: Net Nameplate Additional Generation. Units that are not currently in operation were not included in this formula with the purpose of showing generation in service currently administered to be decommissioned and generation in service not included in the LGA OMA being (or that will be) administered by Genera. The Service Fee may be modified in the future if mutually agreed upon by the parties, and/or in accordance with any provision in the LGA OMA or applicable laws.

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		increase in Service Fee when PREB retires TM2500 (former FEMA generation): 494.8 MW³
Part III (H) – Proposed Decommissioning Timeline	<p>The Decommissioning Plan shall include provisions for permitting, demolition, decontamination, waste disposal, and either dismantling or preparing the Legacy Generation Asset for future use. Additionally, the plan must outline a timeline for the Decommissioning Services, specifying the start and completion dates for the proposed decommissioning.</p> <p>The permitting and environmental processes, along with procurement, are essential phases in any decommissioning plan and must be included in the timeline. To accurately evaluate Genera’s capability to efficiently execute a decommissioning project, it is essential that <u>all relevant phases are incorporated into a comprehensive timeline.</u> While the Energy Bureau acknowledges that timelines may require adjustment for unforeseen circumstances -as allowed by the Generation OMA, omitting essential activities like permitting, environmental</p>	Genera added start and completion dates to the Decommissioning Timeline (Page 28 and Appendix D). Also, Genera included permitting, environmental processes, and procurement of decommissioning services in the Decommissioning Timeline (Appendix D).

³ Formula: Total Nameplate in Service Decommissioned – Total Nameplate Generation Added – TM2500 Nameplate (former FEMA generation) = Net Nameplate Additional Generation. The Service Fee may be modified in the future if mutually agreed upon by the parties, and/or in accordance with any provision in the LGA OMA or applicable laws.

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	<p>processes, and procurement from the timeline <u>is unacceptable, as it hinders the Energy Bureau's and P3 Authority's ability to assess Genera's effectiveness in executing the Proposed Decommissioning Plan.</u></p> <p>Based on the foregoing discussion, Genera MUST DEVELOP a new comprehensive timeline that includes permitting, procurement activities, and other relevant phases.</p>	
Part III (H) – Proposed Decommissioning Timeline	<p>Genera also outlined a series of conditions, designated Conditional Project Duration Risks, that allegedly pose a risk to the proposed timeline for demolition activities. It proposes that, should these conditions arise, additional time be granted for the completion of demolition activities. These conditions are outlined in Table 10-1 of the Proposed Decommissioning Plan. The Energy Bureau regards the proposed conditions as too general, excessively broad, and therefore unacceptable. The Generation OMA already provides parameters for the parties to consider timeline extensions for executing activities in the Proposed Decommissioning Plan. Allowing Genera's broad and general conditions would</p>	<p>The Decommissioning Timeline in Appendix D excludes work that addresses unforeseen conditions as well as any event constituting Force Majeure under the OMA or the Demolition Agreement, for which more time will be granted as necessary.</p> <p>The conditions previously listed in Table 10-1 have been moved to Table 7-1.</p>

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	<p>create excessive leeway for subpar execution of decommissioning activities.</p> <p>Based on the foregoing discussion, Genera MUST REMOVE the unacceptable conditions identified in Table 10-1 from the Proposed Decommissioning Plan. This is not to say that some situations listed in Table 10-1 may not warrant timeline extensions. However, <u>if and when these situations arise</u>, the parties will consider them in line with the parameters established in the contract.</p>	