

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

NEPR

Received:

Nov 14, 2024

10:57 AM

IN RE: 10-YEAR PLAN FEDERALLY
FUNDED COMPETITIVE PROCESS

Case No.: NEPR-MI-2022-0005

Motion to Submit Monthly Report on the
Status of Emergency Generation and Black-
Start Generation Procurement in Compliance
with *Resolution and Order* of July 30, 2024

**MOTION TO SUBMIT MONTHLY REPORT ON THE STATUS OF EMERGENCY
GENERATION AND BLACK-START GENERATION PROCUREMENT IN
COMPLIANCE WITH RESOLUTION AND ORDER OF JULY 30, 2024**

TO THE ENERGY BUREAU:

COMES NOW, GENERA PR, LLC (“Genera”), through its undersigned counsel and, very respectfully, states and prays as follows:

1. On January 23, 2023, the Puerto Rico Energy Bureau (“PREB”) issued a *Resolution and Order* (“January 23 Order”) that conditionally approved PREPA’s RFP process for the procurement of emergency peaker generation systems at Jobos, Daguao, and Palo Seco (“the Projects”), subject to various conditions.

2. On November 8, 2023, the PREB issued another *Resolution and Order* (“November 8 Order”) approving the RFP package submitted by Genera for the procurement of black start and emergency generation services.

3. On February 29, 2024, Genera filed a document titled *Motion to Submit Bi-weekly Report on the Status of Emergency Generation and Black-Start Generation Procurement in Compliance with Resolution and Order Dated January 23, 2023* (“February 29 Motion”), in which Genera stated that initial award was scheduled for March 2024.

4. On July 1, 2024, Genera filed a document titled *Motion to Submit Bi-weekly Report on the Status of Emergency Generation and Black-Start Generation Procurement in Compliance with Resolution and Order Dated January 23, 2023* (“July 1 Motion”), in which Genera included as Exhibit A the Bi-Weekly report describing the status of the Emergency Generation and Black-Start Generation Procurement. Genera also informed that starting on July 1, 2024, pursuant to Footnote 16 of the January 23 Order, reports would be submitted on a quarterly basis, consistent with the fiscal year’s quarters (*e.g.*, July 1 to September 30 for Q1, October 1 to December 31 for Q2, and so forth), and that their next report was due by October 9, 2024.

5. On July 30, 2024, the PREB issued a *Resolution and Order* (“July 30 Resolution”) in which, in relevant part, denied Genera’s request to submit quarterly reports instead of bimonthly reports, and ordered Genera to submit monthly reports beginning on August 15, 2024.

6. In compliance with the July 30 Resolution, Genera respectfully submits its monthly report on the status of Emergency Generation and Black-Start Generation Procurement for the month of September, included herein as Exhibit A.

WHEREFORE, Genera respectfully requests that the PREB **take notice** of the above; **accept** Genera’s report on the status of Emergency Generation and Black-Start Generation Procurement for the month of October, included herein as Exhibit A; and **deem** Genera in partial compliance with the July 30 Resolution.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of November 2024.

It is hereby certified that this motion was filed using the electronic filing system of this Energy Bureau, and that electronic copies of this Motion will be notified to the following attorneys who have filed a notice of appearance in this case: **Lcdo. Alexis Rivera**, arivera@gmlex.net;

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s/Luis R. Román Negrón
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Exhibit A – Monthly Progress Report - October 2024

Docket Number: NEPR-MI-2022-0005

In Re: 10 YEAR PLAN FEDERALLY FUNDED COMPETITIVE PROCESS

Re: Monthly Progress Report – October 2024

In the July 30th Resolution and Order the Energy Bureau ordered Genera to submit monthly reports instead of bi-weekly reports on the status of Emergency Generation and Black-Start Generation Procurement, commencing August 15, 2024. Additionally, the Energy Bureau ordered Genera to include, as part of the next and subsequent monthly progress reports, at a minimum, the following:

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a.breakdown of each task, estimated cost, cost amount consumed, and timeline for completion of such task.

Response:

Timelines are provided in responses #1(b). Tasks, estimated costs, cost amount consumed are provided in the following chart.

	Budget	Costs Incurred	Remaining
Equipment Purchase	\$ 432,920,000.00	\$ -	\$ 432,920,000.00
Site Development & Construction			
Project Development		\$ 10,868,267.49	
Permitting		\$ 157,452.18	
Decommissioning & Demolition	\$ 478,420,000.00	\$ -	\$ 467,394,280.33
Construction		\$ -	
Commissioning		\$ -	
Interconnection		\$ -	
	\$ 911,340,000.00	\$ 11,025,719.67	\$ 900,314,280.33

Activity	Scope	Cost
Project Management	Project Development	\$ 410,770.00
Design	Project Development	\$ 10,328,118.49
Permitting	Permitting	\$ 157,452.18
Site Surveys	Project Development	\$ 129,379.00
		\$ 11,025,719.67

Genera continues to explore ways to improve the project's timeline by engaging in negotiations with proponents and revisiting the construction sequences. The goal is to identify areas where adjustments can be made to optimize construction efficiency without compromising quality. By collaborating closely with equipment proponents, Genera aims to streamline processes, eliminate bottlenecks, and reconfigure certain phases of construction. This approach will help potentially exceed the original project deadlines while ensuring smooth and responsible workflow.

Furthermore, although attempts are made to comply with deadlines required by PREB, and also Genera's established milestones, to complete the installation of the Peaker units, unforeseen conditions are frequently encountered when working on this type of project. While Genera may encounter internal circumstances that could affect the anticipated completion deadlines, delays may also result from third parties or external factors. These include the necessity for approval from relevant authorities for the retirement of units located within the project footprint or at interconnection points where new units, balance of plant, auxiliary equipment, fueling infrastructure, or other equipment will be situated. Additionally, delays could arise from the issuance of a Decommissioning Notice by the Administrator as per LGA OMA Section 16.12(a), or from the need for PREB's approval of the Decommissioning Plan, among other factors. As such, Genera may experience situations similar to those listed in the Force Majeure dispositions of the LGA OMA or in the following

chart that are not subject to its control and may delay the completion of projects, including the Peakers project.

Issue	Description
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.
Regulatory Compliance	<ul style="list-style-type: none"> • Denial or delay in obtaining necessary permits or approvals (including, but not limited to, those needed from the T&D System Operator) • 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.

Issue	Description
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.
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.
Weather and Natural Events	<ul style="list-style-type: none">• Adverse weather conditions impacting demolition activities.• Natural disasters (e.g., earthquakes, floods) causing delays.

Issue	Description
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.
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.

Issue	Description
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.
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.

Issue	Description
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.
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 (including delivery times¹). • Delays caused by contractor and its subcontractors performance issues.

¹ These could range from, but are not limited to, delays in delivery time, defective or non-conforming equipment, and incomplete documentation. Supply chain issues and customs or import delays also fall under the seller's responsibility. Quality control failures, lack of necessary parts or components, and incorrect specifications can cause significant setbacks. Warranty issues, delays in technical support, and non-compliance with regulatory standards add to the seller's accountability. Packaging and shipping issues, inadequate training or installation support, and intellectual property disputes further complicate project timelines. Additionally,

Issue	Description
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.

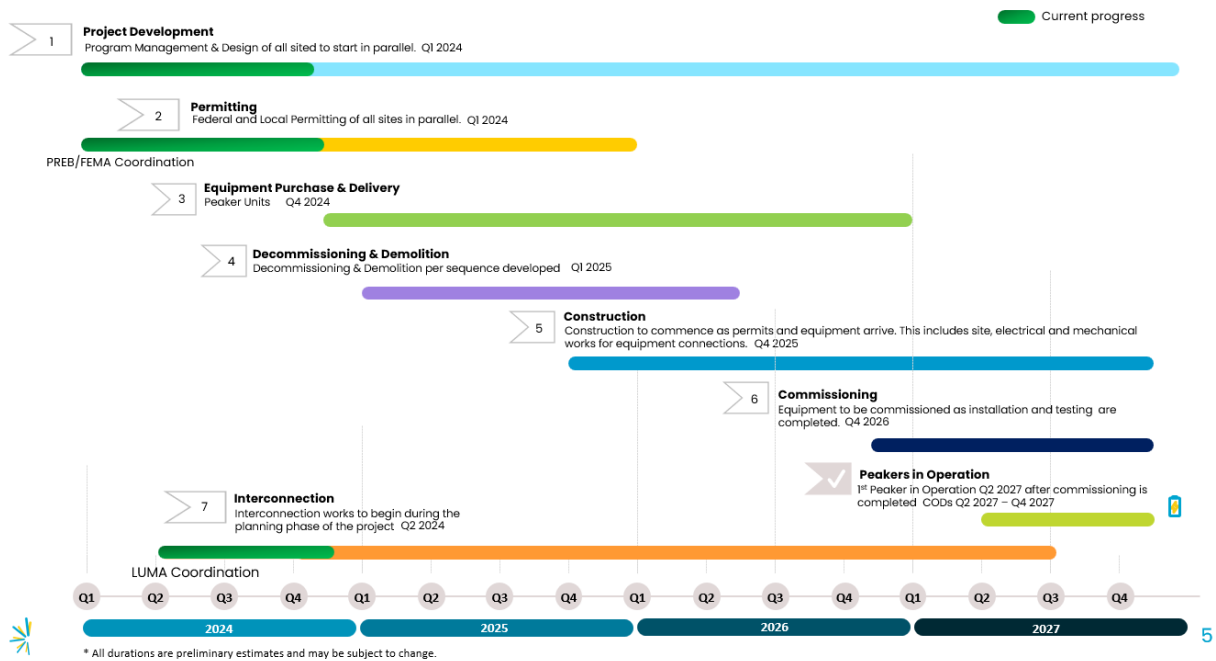
any delays in custom modifications to the equipment requested by the buyer are the seller's responsibility. All other conditions listed in the purchase agreements.

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b. The stages of each task, timeline, present status and estimated time for completion.

Response:

Peakers Project Timeline



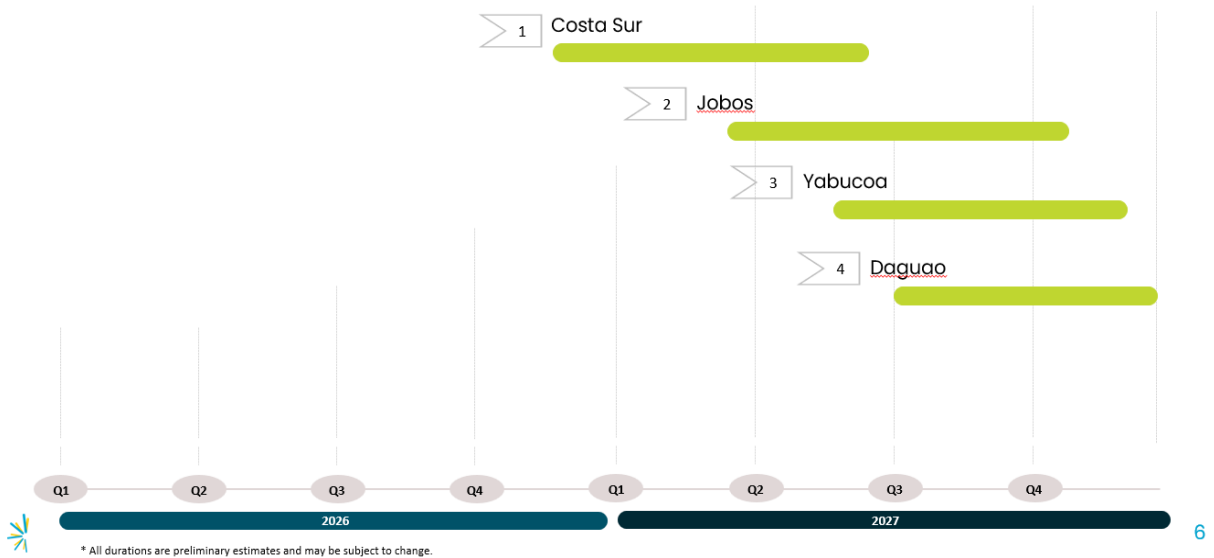
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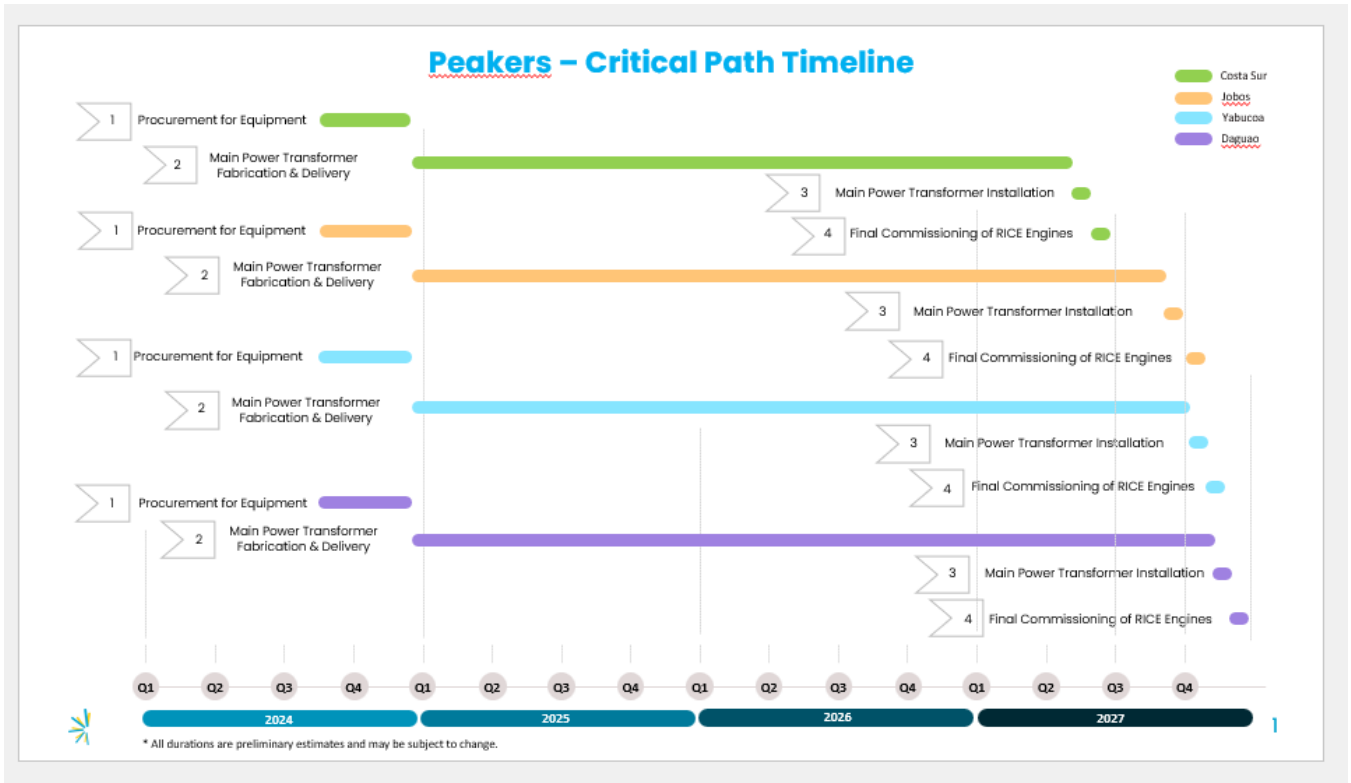
c. Project timeline chart (e.g. Gantt Chart) with critical path for the Commercial Operation Date ("COD") of the project.

Response:

Peakers – Commissioning Timeline

From Precommissioning Start to Commissioning Completion





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d. Permit list, permits obtained, estimated timeline for each permit and status of such permit.

Response:

NEPA Permit Status

Permit	Applicable Sites	Status	Submittal Date	Estimated Approval
EHP NEPA Review (Record of Environmental Consideration expected)	All Peaker projects	DSOW submitted 9/18/24. Originally an EA was expected to be required. In recent talks, FEMA has indicated they think an EA will not be needed, and that the Peakers could be processed under a REC.	18Sep24	Dec 2024-Jan 2025
Coastal Zone Consistency Certification	Costa Sur	Peakers expected to be covered under FEMA and PRPB's existing blanket Coastal Certification (in effect until 2028)	18Sep24	N/A
Biological Resources Endangered Species Act (ESA) Section 7	All Peaker projects	Information submitted with DSOW.	18Sep24	N/A *if FEMA agrees with no effects determination no USFWS consultation required
National Historic Preservation Act Consultation	All Peaker projects	Archaeological reports submitted with DSOW	18Sep24	Dec 2024-Jan 2025



Note: All dates are preliminary estimates and are subject to change

Federal Permit Status – Yabucoa, Dagua and Jobs

Permit	Applicable Sites	Status	Submittal Date	Estimated Approval
Non-PSD Applicability Determination	All Peaker projects (except Costa Sur)	Application submitted to EPA for <u>Dagua/Yabucoa/Jobs</u> .	4Nov24	May 2025
NPDES Construction General Permit (CGP) for Storm Water	All Peaker projects (except Costa Sur)	Will be filed by Contractor	Q2 2025	Q2 2025
Determination of No Hazard to Air Navigation (FAA)	All Peaker projects (when applicable)	Information submitted with DSOW.	Q1 2025	Q2 2025



Note: All dates are preliminary estimates and are subject to change

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Federal Permit Status – Costa Sur

Permit	Applicable Sites	Status	Submittal Date	Estimated Approval
Air Modeling and PSD Application	Costa Sur Peaker	Will be filed by Genera.	April 2025	Feb 2026
NPDES Construction General Permit (CGP) for Storm Water	Costa Sur Peaker	Will be filed by Contractor	Q2 2026	Q2 2026
Determination of No Hazard to Air Navigation (FAA)	All Peaker projects (when applicable)	Information submitted with DSOW.	Q4 2025	Q1 2026



Note: All dates are preliminary estimates and are subject to change

Local Permit Status – Yabucoa, Dagua and Jobs

Permit	Status	Estimated Submittal	Estimated Approval
DNER Rule 141 – Environmental Impact Documentation	Submitted on Oct. 18, 2024.	18Oct24	December 2024
PRFC File Review	Will be filed by Genera upon receiving final design plans.	Q2 2025	60 days after submission
Permiso Unico Incidenta (PUI)	Will be filed by Contractor	Q2 2025	30 days after submission
DNER Asbestos/Lead Removal	Will be filed by Contractor	Q1 2025	30 days after submission
Air Emissions Permit (PFE) for Construction	Will be filed by Genera after receiving Rule 141 approval.	Q1 2025	Q3 2025
Air Emissions Permit (PFE) for Operation	Will be filed by Genera after receiving PFE for Construction approval and installation of emission sources completed.	Q3 2025	Q4 2025



Note: All dates are preliminary estimates and are subject to change, based on Non-PSD Applicability process.

Local Permit Status – Costa Sur

Permit	Status	Estimated Submittal	Estimated Approval
DNER Rule 141 – Environmental Impact Documentation	Will be filed by Genera upon finishing air emissions modeling.	April 2025	June 2025
PRFC File Review	Will be filed by Genera upon receiving final design plans.	Q2 2025	60 days after submission
Permit Unico Incidental (PUI)	Will be filed by Contractor	Q2 2025	30 days after submission
DNER Asbestos/Lead Removal	Will be filed by Contractor	Q1 2025	30 days after submission
Air Emissions Permit (PFE) for Construction	Will be filed by Genera after receiving Rule 141 approval.	Q3 2025	Q2 2026
Air Emissions Permit (PFE) for Operation	Will be filed by Genera after receiving PFE for Construction approval and installation of emission sources completed.	Q3 2026	Q4 2026



Note: All dates are preliminary estimates and are subject to change, based on PSD permit process

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e. Tasks required in preparation for each site where the project shall be installed. Details on any demolition and permits required in preparation for the installation of the project.

Response:

See responses to questions a through d.

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f. Permit and cost for each site to accommodate the project.

Response:

NEPA Permit Costs

Permit	Applicable Sites	Estimated Cost
EHP/NEPA Review	All Peaker sites	\$150,000 for all sites. Includes EHP Review coordination
Coastal Zone Consistency Certification	San Juan Costa Sur	\$8,000/site
Biological Resources Endangered Species Act (ESA) Section 7	All Peaker projects	\$15,000/site
National Historic Preservation Act Consultation	All Peaker projects	\$15,000/site



Note: All costs are preliminary estimates and are subject to change

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Federal Permit Costs

Permit	Applicable Sites	Estimated Cost
Non-PSD Applicability Determination	Yabucoa, <u>Daguao</u> & <u>Jobos</u>	\$12,000/site
Air Modeling and PSD Application	Costa Sur	\$180,000
NPDES Construction General Permit (CGP) for Storm Water	All Peaker projects	\$21,000/site
Determination of No Hazard to Air Navigation (FAA)	All Peaker projects (when applicable)	Included in DSOW



Note: All costs are preliminary estimates and are subject to change

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Local Permit Costs

Permit	Applicable Sites	Estimated Cost
DNER Rule 141 – Environmental Impact Documentation	All Peaker projects	\$35,000/site
PRFC File Review	All Peaker projects	\$3,000/site
Permiso Unico Incidental (PUI)	All Peaker projects	\$25,000/site
DNER Asbestos/Lead Removal	All Peaker projects	\$15,000/site
Air Emissions Permit (PFE) for Construction	All Peaker projects	\$20,000/site
Air Emissions Permit (PFE) for Operation	All Peaker projects	\$10,000/site



Note: All costs are preliminary estimates and are subject to

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Additional notes:

To advance the Battery Energy Storage System (BESS) and Peaker Project, Genera must decommission several units within its portfolio. This includes both units currently in operation and those that have been non-operational for an extended period. The following narrative outlines Genera's understanding of the procedural framework for obtaining approval for decommissioning services, along with the current status of the decommissioning request processes.

A. Genera's contractual responsibilities under Legacy Generation Assets – Operation and Maintenance Agreement

According to the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (LGA OMA)² dated January 24, 2023, between the Puerto Rico Electric Power Authority, the Puerto Rico Public-Private Partnerships Authority, and Genera, the responsibility for decommissioning the legacy generation assets falls to Genera. Puerto Rico's goal is to meet energy demand with cleaner energy. To achieve this goal, the existing generation assets must be gradually decommissioned, allowing the land to be utilized for the installation of new generation units. The following sections of the LGA OMA specifically outline Genera's responsibilities regarding the decommissioning of the units.

As defined in Section 1, of the LGA OMA, "Decommissioning Services" means services provided under the LGA OMA in order to complete the dismantlement and removal of the structures comprising the Legacy Generation Assets, and all other activities indispensable for the retirement, dismantlement, Decontamination or storage of the Legacy Generation Assets, including the

² Capitalized terms not defined in this document shall be ascribed the meaning provided in the LGA OMA.

services contemplated by the Decommissioning Plan, in each case in compliance with Applicable Law and in accordance with the Integrated Resource Plan; provided that the Decommissioning Services shall not include O&M Services or Demobilization Services.³

The LGA OMA has specific provisions on how the Decommissioning Services are rendered. Below the most relevant to this report.

Article 16. DECOMMISSIONING –

Section 16.1 Notice and Approval for Retirement of Legacy Generation Assets and Commencement of Decommissioning Services.

(a) Generally. After the Service Commencement Date (i) Administrator (acting on behalf of Owner and taking into account the Integrated Resource Plan, and in consultation with PREB and T&D Operator) may deliver to Operator a decommissioning notice to commence Decommissioning Services for one or more of the Legacy Generation Assets or (ii) in the event that Operator determines in accordance with Prudent Industry Practice and taking into account the Integrated Resource Plan, and in consultation with PREB and T&D Operator that, due to an Emergency Event, Extended Event or other critical developments at the applicable Legacy Generation Asset, all or a portion of the Legacy Generation Asset cannot continue to be safely operated and maintained, Operator may deliver to Administrator and PREB (with copy to Owner and T&D Operator) a request to commence Decommissioning Services for the applicable Legacy Generation Asset, which request Administrator and PREB shall approve or deny within thirty (30) days of receipt. The date on which Operator receives the notice referenced in clause (i) above or the date on which Operator receives the approval from Administrator

and PREB referenced in clause (ii) above shall be the "Decommissioning Notification Date" for the respective Legacy Generation Asset. Operator shall not commence any Decommissioning Services under clause (ii) above until it has provided T&D Operator at least two (2) years advance written notice of the commencement of such Decommissioning Services, **unless mandated by PREB to commence such Decommissioning Services on a specific earlier date.**

(b) Decommissioning Plan. No later than one hundred twenty (120) days after the Decommissioning Notification Date for a Legacy Generation Asset, Operator shall prepare and submit to Administrator and PREB (with copy to Owner and T&D Operator), for their review and approval, a decommissioning plan for such Legacy Generation Asset (the "Decommissioning Plan") consistent 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 Administrator and PREB may designate, as applicable, of the Legacy Generation Asset, and waste disposal, for achievement of end -state conditions within a prescribed time (provided that Operator does not have any obligation to perform Decommissioning Services after the expiration of the Term unless the Agreement is extended by Owner and Administrator to allow Operator 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 Operator 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 Owner) for any Operator Employees not hired into a successor job or industry, which arrangements Operator, Owner and Administrator 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").

(Emphasis added)

B. T&D Operator's Role in Decommissioning of Legacy Generation Assets

The Decommissioning Services must be undertaken in accordance with the System Operation Principles, thus in close collaboration with the T&D Operator.

The Transmission and Distribution Operation and Management Agreement as entered into on June 22, 2020, among PREPA, Administrator and the T&D Operator. This agreement plays a crucial role in the Decommissioning Services for the Legacy Generation Assets. Mainly, the requirement for the T&D Operator to have System Operating Principles approved by PREB in place.

For facilities that will be retired and that are interconnected to the system, the Interconnected Facility Retirement Procedure, part of the System Operating Principles, submitted to PREB on December 9, 2021, must be followed. The Interconnected Facility Retirement Procedure defines the preparatory steps necessary to retire existing Interconnected Facilities, including proper scheduling and notifications in accordance with prudent utility practices and the Integrated Resource Plan. The procedure establishes that an

Interconnected Facility Owner, or designated agent, who wishes to retire a unit from T&D Operator's operations must initiate a retirement request in writing no less than 2-years in advance of the planned retirement date. Pursuant to section 3.3.4 of the procedure, the T&D Operator shall inform the Interconnected Facility Owner, or designated agent, of the full details of the transmission upgrades that shall be required of the Interconnected Facility as a pre-requisite to allow the unit to retire. Such communication shall be provided within 90 days of the original retirement request.

C. Units Retirement Checklist and Timelines

On August 23, 2024, Genera formally submitted a request to the T&D Operator to initiate the retirement process for both Operational and Non-Operational Gas Turbine Generators situated at various locations. This request was made in accordance with Article 16 of the LGA OMA.

During a conference call on October 10, 2024, between representatives of Genera and the T&D Operator, there was a consensus on the necessity for Genera to present an updated timeline for the Unit Retirement Checklist. In compliance with this agreement, the revised document was submitted to the T&D Operator on October 11, 2024, along with inquiries regarding the procedures that the T&D Operator would employ to formally declare units as retired and taken offline.

Subsequent to this submission, an additional update was sent to the T&D Operator, addressing an oversight in which several units were inadvertently excluded from the initial evaluation list. On October 23, 2024, Genera emailed an updated timeline that included these previously omitted units, ensuring a comprehensive approach to the retirement process.

The following list, the most recent list submitted to the T&D Operator, delineates the generation units earmarked for decommissioning, alongside the timelines

established for their retirement that allow meeting the currently projected commercial operation dates.

Project	Milestone	Quarter	MW Per Project	Total MW
Units to be Retired (MW)	Daguao - GTG #1	Q2 2025	-20	-148
	Daguao - GTG #2	Q2 2025	-20	
	Palo Seco - GTG #1-1	Q2 2025	-18	
	Palo Seco - GTG #1-2	Q2 2025	-18	
	Palo Seco - GTG#2-1	Q2 2025	-18	
	Palo Seco - GTG #2-2 (Non-Operational)	Q2 2025	0	
	Palo Seco - GTG #3-1 (Non-Operational)	Q2 2025	0	
	Palo Seco - GTG#3-2 (Non-Operational)	Q2 2025	0	
	Jobos - GTG#2	Q2 2025	-20	
	Jobos - GTG#1 (Non-Operational)	Q2 2025	0	
	Yabucoa - GTG #2	Q2 2025	-16	
	Yabucoa - GTG #1 (Non-Operational)	Q2 2025	0	
	Aguirre GTG #1 (Non-operational)	Q2 2025	0	
	Aguirre GTG #2 (Non-operational)	Q2 2025	0	
	Costa Sur - GTG #1 (Non-Operational)	Q2 2025	0	
	Costa Sur - GTG #2 (Not-reliable)	Q2 2025	-18	

The objective of this retirement request and accompanying sequence is to align with the current operational targets established by Genera. This initiative is vital for advancing the development of our projects within a footprint that is already in use, which currently houses inefficient units that the PREB has mandated for retirement. The primary aim of this effort is to optimize our brownfield Generation Sites, ensuring that we enhance efficiency and sustainability while contributing to the overall goals of our energy generation strategy, as approved by PREB. By focusing on retiring outdated infrastructure, we can facilitate the integration of more modern, efficient technologies and bolster our commitment to a cleaner energy future.

The following chart shows the correlation between the operational unit retirement requested and the peaking (in this case RICE) equipment to be installed. Unit Currently Operating and to be Retired	Project to be Installed and Capacity	Current Projected COD
Yabucoa 1-2	RICE 36MW	Q4 2027
Daguao 1-1	RICE	Q4 2027

Daguao 1-2	36MW	
Jobos 1-2	RICE 36MW	Q4 2027

On November 4, 2024, the T&D Operator formally responded to Genera’s retirement request (Annex A). In their communication, the T&D Operator articulated significant concerns regarding the potential decommissioning of the operating units. It was indicated that retiring these generation assets without operational replacement capacity could jeopardize the T&D Operator’s capability to meet peak demand and uphold system resilience. This is particularly critical during periods of elevated load or unforeseen thermal generation outages, which could strain the integrity and reliability of the overall energy system.⁴

⁴ Genera shares LUMA’s concern regarding the lack of capacity to meet current demand when the peaking units that are currently in service are retired. However, as Genera has previously pointed out, this issue can be addressed by the PREB ordering the procurement and integration of temporary supplemental generation into the Electric System. This position has been consistently communicated by Genera to PREB and the public, including in the matter of *In Re: Plan Prioritario para la Estabilización de la Red Eléctrica*, docket no. NEPR-MI-2024-0005.

It is important to note that Genera is not responsible for adding new sources of generation to the system beyond what can be provided with the fleet Genera administers. Genera’s responsibilities are limited to those outlined in the T&D OMA, which, relevant to the current discussion, include the administration, operation, and decommissioning of the units listed in Annex I of the LGA OMA. Nonetheless, considering the critical situation facing Puerto Rico’s energy system, Genera has been an outspoken advocate for the addition of temporary generation.

The integration of additional temporary generation could help mitigate challenges such as the inability to retire operational units to install new ones and the impending retirement of the AES units 1 and 2 power plant in 2027. According to LUMA’s August 2024 monthly report, the AES power plant was available 92% of the time in August 2024, with a reported nameplate capacity

Genera is actively developing an alternative decommissioning sequence that is designed to ensure the projected commercial operation dates for each project remain unaffected. Upon completion of this initiative, the revised plan will be submitted to the T&D Operator for thorough evaluation and assessment. This proactive approach underscores our commitment to optimizing operational efficiency while maintaining regulatory compliance within the energy generation sector.

of 508 MW. This report is accessible using the following link: [September 2024 Monthly Generation Performance Report](#).
