

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

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| NEPR Received: Nov 14, 2024 3:02 PM |
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IN RE:

GENERA PR LLC FUEL OPTIMIZATION
PLAN

CASE NO.: NEPR-MI-2023-0004

SUBJECT: Third Restated Request for
Approval of Fuel Optimization Plan as
Submitted on February 21, 2024

**THIRD RESTATED REQUEST FOR APPROVAL OF FUEL OPTIMIZATION PLAN
AS SUBMITTED ON FEBRUARY 21, 2024**

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 February 21, 2024, Genera submitted to the Puerto Rico Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) the February 21st Motion, through which Genera included a revised Fuel Optimization Plan (“FOP”) as Exhibit A. This submission outlined strategies designed to achieve savings by reducing fuel costs through various initiatives. These included, but were not limited to, lowering premiums, enhancing the fuel reliability efficiency of Legacy Generation Assets, and transitioning from more polluting, costlier fuels to less polluting, more economical alternatives.²

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” or “Administrator”), Genera is the sole operator and administrator of the Legacy Generation Assets (as defined in the LGA OMA) and the sole entity authorized to represent PREPA before the Energy Bureau with respect to any matter related to the performance of any of the O&M Services provided by Genera under the LGA OMA.

² To wit, Fuel Cost Savings Initiatives, as defined in the LGA OMA, encompass any initiatives undertaken by Genera that aim to reduce Fuel Costs. These initiatives include, but are not limited to: (i) improving the fuel efficiency of any Legacy Generation Assets; (ii) converting any Legacy Generation Assets to operate on new alternative fuels (e.g.,

2. On September 19, 2024, Genera submitted a document titled *Restated Request for Approval of Fuel Optimization Plan as Submitted on February 21, 2024* (“September 19th Restated Request”). In this document, Genera noted that it had not received any orders from the Energy Bureau to address additional questions or fulfill other requirements. Consequently, Genera reiterated its request for the Energy Bureau to promptly decide on the approval of the revised FOP as presented in the February 21st Motion and endorsed by the P3A on February 16, 2024. The approval of the FOP is crucial for Genera to advance its strategic initiatives, which include innovative fuel change projects and asset enhancement efforts aimed at optimizing fuel usage and significantly reducing operational costs. Genera assured the Energy Bureau that all proposed measures were crafted with regulatory compliance, fiscal responsibility, and a commitment to the long-term energy security of Puerto Rico. Further, Genera stressed that prompt approval is essential to initiate the transformative processes outlined in the FOP, which are poised to bring substantial economic benefits to Puerto Rico.

3. On October 28, 2024, Genera submitted a document titled *Second Restated Request for Approval of Fuel Optimization Plan as Submitted on February 21, 2024* (“October 28th Second Restated Request”) urging the Energy Bureau to promptly approve its revised FOP initially submitted on February 21, 2024. Genera emphasized that despite previous submissions and compliance efforts—including detailed responses to bench orders issued after a May 23rd Technical Session—the FOP had not yet received the necessary approvals, delaying the implementation of strategic initiatives designed to optimize fuel usage, reduce operational costs, and enhance the

natural gas, hydrogen); (iii) supplementing Legacy Generation Assets with power generation equipment that is more fuel-efficient and/or operates on new alternative fuels, situated at or near the relevant Generation Site; (iv) reducing costs related to transportation, testing, delivery, or storage (including tank maintenance); and (v) pursuing savings opportunities related to credit and portfolio optimization. See Section 1.1 of the LGA OMA, p. 18.

financial and operational performance of PREPA's legacy assets. In the October 28th Second Restated Request, Genera highlighted the urgency due to impending deadlines outlined in Section 7.1(c) of the LGA OMA, noting that the Incentives and Penalties Report, which includes the Fuel Optimization Report, was submitted to the P3A on July 25, 2024, with a review period ending on November 22, 2024; any further delays could jeopardize compliance with contractual obligations and stall initiatives promising substantial economic benefits for Puerto Rico. Consequently, Genera requested the Energy Bureau to either approve the FOP as submitted on February 21, 2024, or alternatively approve specific Fuel Initiatives implemented in Fiscal Year 2024, which included reducing fixed premiums for Ultra-Low Sulfur Diesel ("ULSD"), enhancing fuel reliability, opting for spot purchases of fuel oil and ULSD, and asset supplementation.

4. It has now been over four (4) months since Genera provided detailed responses on June 28, 2024, to the Energy Bureau's last request for information regarding the FOP, issued during the May 23rd Technical Session. During this period, there has been no further communication or feedback from the Energy Bureau concerning the approval of the FOP.

5. Despite offering viable alternatives that have been overlooked, Genera acknowledges the significant amount of time that has elapsed without any substantive progress. In response to this stagnation, Genera now respectfully submits its **third restated request for approval of the FOP**, initially proposed on February 21, 2024. This submission represents Genera's third formal and earnest appeal to the Energy Bureau, emphasizing the necessity for prompt and decisive action to address the ongoing oversight and delays that have impeded essential energy optimization initiatives. As stated in the Second Restated Request, the prolonged delay jeopardizes compliance with critical deadlines outlined in Section 7.1(c) of the LGA OMA and hampers the implementation of strategic initiatives essential for optimizing fuel usage and

reducing operational costs. Timely approval is crucial to advance Puerto Rico's energy sector toward greater efficiency and sustainability.

6. The potential delay in securing this approval poses a significant risk, potentially stalling improvements that could streamline fuel consumption practices, reduce operational costs, and bolster the economic dynamics of Puerto Rico's energy framework. Such a scenario would not only impede progress but could also set back efficiency gains and cost-saving. Therefore, it is imperative for the Energy Bureau to prioritize this review with the highest level of urgency and diligence, ensuring that the FOP receives the consideration it requires to facilitate these vital approvals.

7. As such, Genera strongly urges the Energy Bureau to prioritize the review and approval of the submitted FOP. The urgency of this approval is critical not only for adhering to the established contractual deadlines outlined in Section 7.1(c) of the LGA OMA but also for unlocking substantial operational and financial benefits that the FOP details. Timely approval is pivotal for Genera to effectively implement strategic initiatives aimed at optimizing fuel usage, essential for enhancing the financial health and operational performance of PREPA's legacy assets.

WHEREFORE, Genera respectfully requests that the Energy Bureau **take notice of the above** for all purposes and **approve** Genera's FOP as submitted with the February 21st Motion, or alternatively, the methodologies for the FOP Fuel Initiatives implemented during FY 2024, as outlined in the Second Restated Request.

RESPECTFULLY SUBMITTED.

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

/s/ Alejandro López Rodríguez
Alejandro López Rodríguez