

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

NEPR

Received:

Dec 16, 2024

9:06 PM

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 November, 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 November, included herein as Exhibit A; and **deem** Genera in partial compliance with the July 30 Resolution.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 16th day of December, 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;

Lcda. Mirelis Valle Cancel, mvalle@gmlex.net; Lcda. María Teresa Bustelo-García,
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s/Luis R. Román Negrón
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Exhibit A – Monthly Progress Report (December 2024)

Docket Number: NEPR-MI-2022-0005

In Re: 10 YEAR PLAN FEDERALLY FUNDED COMPETITIVE PROCESS

Re: Monthly Progress Report – December 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	\$ 478,420,000.00		\$ 467,394,280.34
Project Development		\$ 10,978,021.48	
Permitting		\$ 157,452.18	
Decommissioning & Demolition		\$ -	
Construction		\$ -	
Commissioning		\$ -	
Interconnection		\$ -	
	\$ 911,340,000.00	\$ 11,135,473.66	\$ 900,204.526.34

Activity	Scope	Cost
Project Management	Project Development	\$ 515,011.49
Design	Project Development	\$ 10,328,118.49
Permitting	Permitting	\$ 157,452.18
Site Surveys	Project Development	\$ 134,891.50
		\$ 11,135,473.66

In an effort to explore ways to improve the project’s timeline, Genera has opened an RFP related to auxiliary equipment, reviewed project schedules and sequencing, and negotiated with proponents over the contract timelines and delivery terms. On December 6, 2024, we received seven proposals in response to our RFP for transformers. Each proposal is currently under thorough evaluation to assess various factors, including the proposed delivery dates. This evaluation process is crucial as we need to choose between the delivery schedules proposed in the transformers RFP and those from the RICE and CTG equipment suppliers. By carefully comparing these timelines, we aim to make an informed decision that will best support the overall project schedule and minimize potential delays.

Furthermore, other efforts are being 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 (i) proponents delaying negotiating by pushing unfavorable terms for PREPA, (ii) the need for approval from relevant authorities to retire 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, (iii) the issuance of a Decommissioning Notice by the Administrator as per LGA OMA Section 16.12(a), (iv) the need for PREB's approval of the Decommissioning

Plan, (v) injunctions or challenges by proponents in court, and (vi) permitting by local agencies, environmental reviews with HUD or other government agencies, 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 delivering necessary equipment, 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, permits, or other transaction contemplated in the demolition contract.
Change Order Risk / Financial Constraints	<ul style="list-style-type: none">• Unexpected cost overruns require additional financial planning and consulting with regulatory agencies to increase budget and funding.• Change Order risk.

Issue	Description
Logistical Issues	<ul style="list-style-type: none"> • Unforeseen changes concerning 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 the contractor and subcontractor's 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"><li data-bbox="581 373 1370 457">• Delays due to labor strikes, work stoppages, or other union-related actions.<li data-bbox="581 499 1403 634">• Negotiation challenges with unions affecting the availability of labor or the timeline for project execution.<li data-bbox="581 676 1370 760">• Delays due to reduced productivity caused by labor disharmony.

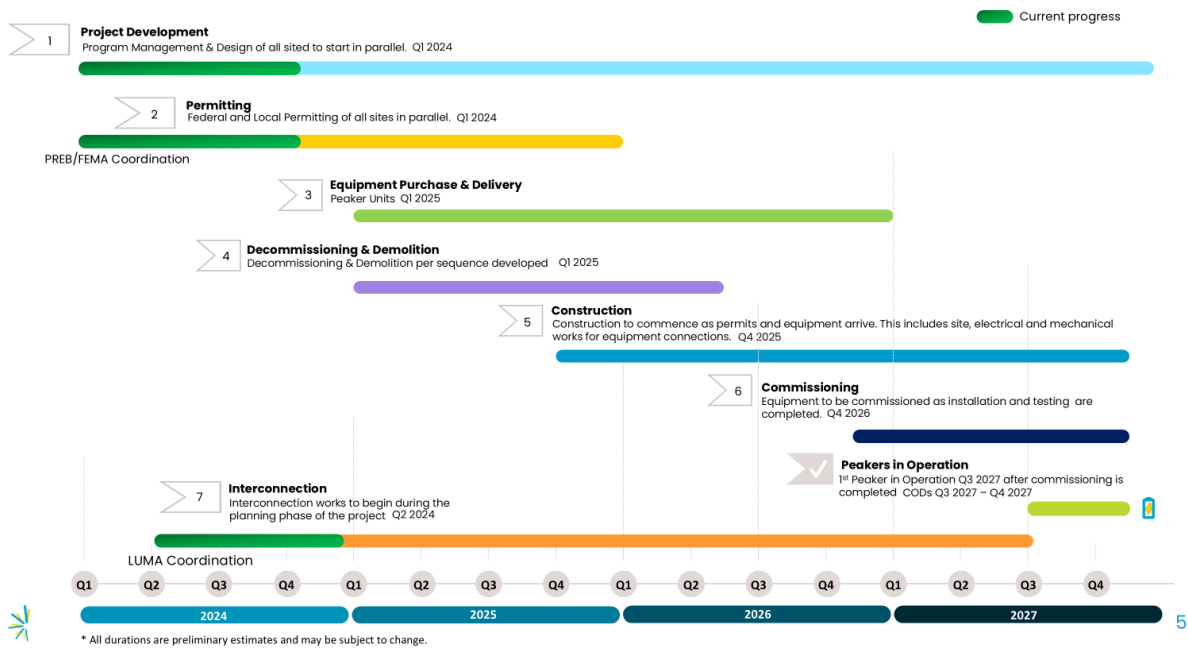
any delays in custom modifications to the equipment requested by the buyer are the seller's responsibility. All other conditions listed in the purchase agreements.

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

Response:

Peakers Project Timeline



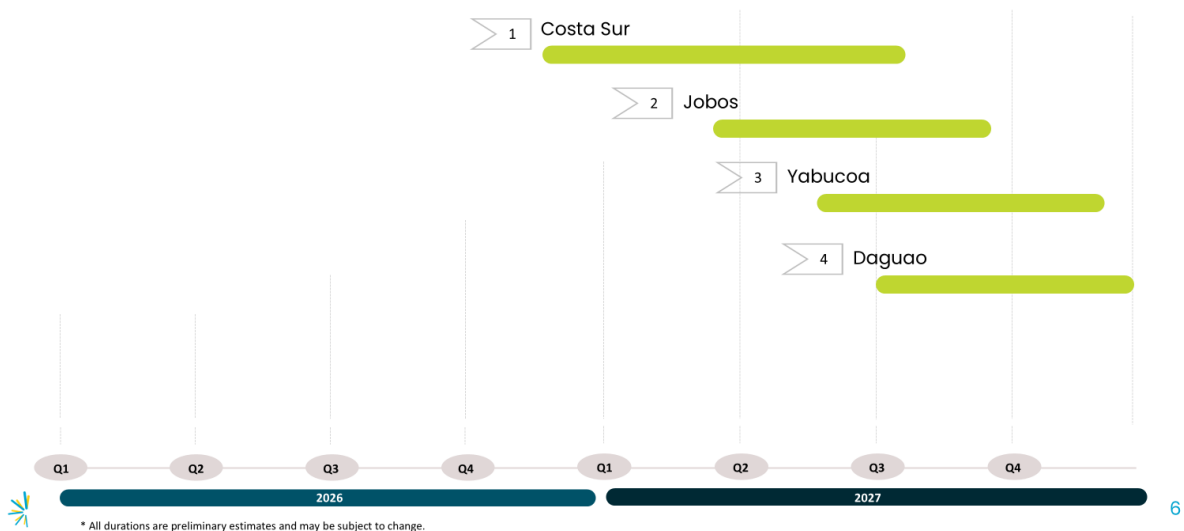
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c. Project timeline chart (e.g. Gantt Chart) with critical path for the Commercial Operation Date ("COD") of the project.

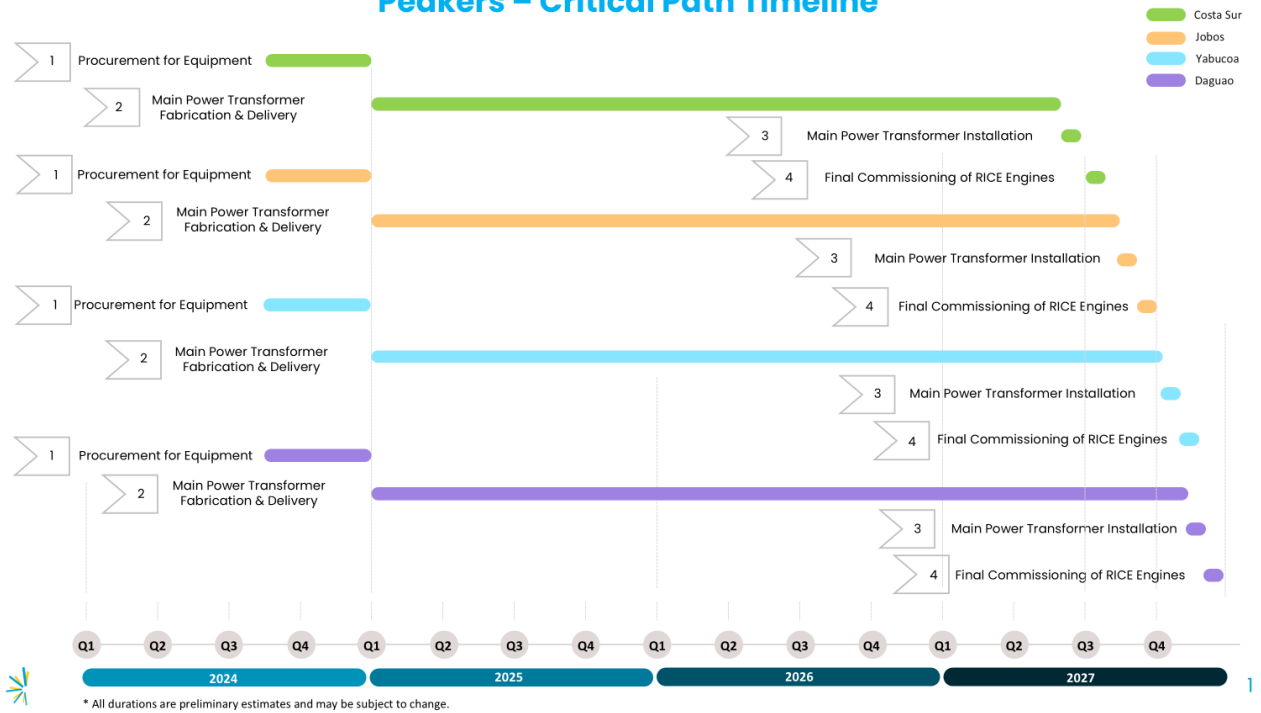
Response:

Peakers – Commissioning Timeline

From Precommissioning Start to Commissioning Completion



Peakers – Critical Path Timeline



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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

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Federal Permit Status – Yabucoa, Daguaao 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 Daguaao/Yabucoa/Jobs.	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

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 Jobos

Permit	Status	Estimated Submittal	Estimated Approval
DNER Rule 141 – Environmental Impact Documentation	Submitted on Oct. 18, 2024.	18Oct24	Yabucoa approved, Dagua and Jobos should be approved by end of year
PRFC Fire Review	Will be filed by Genera upon receiving final design plans.	Q2 2025	60 days after submission
Permiso 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.	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.

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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 Fire Review	Will be filed by Genera upon receiving final design plans.	Q2 2025	60 days after submission
Permiso 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, Daguao & Jobos	\$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 Fire 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 change

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Note:

As stated in the October 2024 report; to advance the Battery Energy Storage System (BESS) and Peaker Project, Genera must decommission several units within its portfolio. Genera is actively developing an alternative decommissioning sequence that is designed to ensure the projected commercial operation dates for each project remain unaffected.