

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

IN RE: REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S 10-YEAR
INFRASTRUCTURE PLAN – DECEMBER 2020

CASE NO. NEPR-MI-2021-0002

SUBJECT: Resolution and Order on Genera's
January 31, 2025, and February 3, 2025,
Motions in Connection with Genera's FY2025
NME Budget Reallocation Request

RESOLUTION AND ORDER

I. Introduction and Factual Background

On August 23, 2024, Genera¹ filed a document titled *Motion to Request Reapportionment of GenCo's FY2025 Necessary Maintenance Budget* ("August 23 Motion") in case No. NEPR-MI-2021-0004², through which Genera requested authorization to reapportion its approved Necessary Maintenance Expense ("NME") Budget for FY2025.

On August 28, 2024, Genera filed a document titled *Motion to Supplement the Reapportionment Request of GenCo FY2025 Necessary Maintenance Expense Budget* ("August 28 Motion"), through which, Genera, among other requests, expanded on their assertion to reevaluate the approved NME budget allocation to better align with current and projected needs to ensure reliability of generation. In addition, the proposed reallocation included modifying the source of funding for some existing and budgeted projects to alternative Federal Funding sources.

On September 9, 2024, the Energy Bureau of the Puerto Rico Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("September 9 Order"), through which it ordered Genera to explain and support each listed NME project and, for each listed NME project being funded with Federal Funds, to explain its assertion that such funding will be available at the specific levels projected and the status, timeframe and any restrictions on such funding.

On September 23, 2024, Genera filed a document titled, *Motion Submitting Response to Resolution and Order Dated September 9, 2024* ("September 23 Motion"), through which Genera submitted information in response to the Energy Bureau's September 9 Resolution, purportedly containing detailed explanations and justifications for the proposed adjustments to the NME budget allocations.

On October 28, 2024, the Energy Bureau issued a Resolution and Order ("October 28 Order"), through which, the Energy Bureau, among other decisions, approved the proposed NME budget modifications in Attachment A of the October 28 Resolution. The Energy Bureau also ordered Genera to submit in Re: *Review of the Puerto Rico Electric Power Authority's 10 Year Infrastructure Plan-December 2020*, Case No. NEPR-MI-2021-0002, the required scope of work ("SOW") for each NME projects which Genera attributes Federal Funding and which have not been previously submitted for the consideration of the Energy Bureau.³

On November 4, 2024, Genera filed a document titled *Motion Submitting Seven (7) Scope of Works in Connection with Genera's FY2025 NME Budget Reallocation Request* ("November 4

¹ Genera PR LLC ("Genera").

² In re: *LUMA Initial Budgets and Related Terms of Service*, Case No. NEPR-MI-2021-0004.

³ *Id.*



Motion”), through which Genera included, as Exhibit A, seven (7) SOWs covering fifteen (15) NME projects to which Genera attributes Federal Funding.

On November 27, 2024, Genera filed a document titled *Motion Submitting Nine Scope of Works in Connection with Genera’s FY2025 NME Budget Reallocation Request* (“November 27 Motion”), through which Genera included, as Exhibit A, the remaining required SOWs for the NME projects not yet been submitted for evaluation by the Energy Bureau and to which Genera attributes Federal Funding.

On January 14, 2025, the Energy Bureau issued a Resolution and Order (“January 14 Order”), through which the Energy Bureau approved nineteen (19) SOWs of the twenty-five (25) projects submitted, included in Attachment A of the January 14 Order, and denied three (3) SOWs, included in Attachment B, for lacking a cost estimate. The Energy Bureau also ordered Genera to clarify inconsistencies within the SOWs submitted for approval and the list of projects previously submitted by Genera for which it attributed federal funding.⁴

On January 24, 2025, Genera filed a document titled *Urgent Request for Extension to Submit Response to the Resolution and Order dated January 14, 2025* (January 24 Request”), through which Genera requested a ten (10) day extension, until February 3, 2025, to finalize all required cost estimates and responses as outlined in the Energy Bureau’s January 14 Order.

On January 29, 2025, the Energy Bureau issued a Resolution and Order (“January 29 Resolution”) granting Genera’s extension request until February 3, 2025, to comply with the January 14 Order.

On January 31, 2025, Genera filed a document titled *Motion to Submit Estimated Costs for SOWs Listed in Resolution and Order dated January 14, 2025* (“January 31 Motion”), through which Genera partially responded to the January 14 Order and submitted, as Exhibit A, the SOWs for five (5) repair activities to which Genera attributes federal funding. In addition, Genera requested clarification from the Energy Bureau regarding one NME project for Aguirre Steam plant identified as NME Project No. 23 in the September 23 Motion.⁵

On February 3, 2025, Genera filed a document titled *Motion to Submit Partial Response to Resolution and Order dated January 14, 2025* (“February 3 Motion”), through which Genera provided responses to the January 14 Order and requested, again, clarification from the Energy Bureau regarding the No. 23 NME project for Aguirre Steam plant.

II. Discussion and Conclusion

In the January 31 Motion, Genera re-submitted SOWs for five (5) activity projects to which Genera attributes federal funding, detailed in two (2) SOWs. More precisely, one SOW for Palo Seco, which includes two (2) NME projects to which Genera attributes federal funding, and one SOW for Aguirre Steam power plant, which includes three (3) NME projects to which Genera attributes federal funding. Missing in Exhibit A of the January 31 Motion was the SOW for Mayaguez Plant regarding the activity project titled *Inspection and Reparation of 4 Generators* (No. 43)⁶ for which Genera stated they were evaluating the funding status.

In the February 3 Motion, Genera clarified that project No. 43 has been funded through NME and has been already awarded and approved by the P3 Authority. Genera also clarified

⁴ In re: LUMA Initial Budgets and Related Terms of Service, Case No. NEPR-MI -2021-0004, *Motion Submitting Response to Resolution and Order Dated September 9, 2024*, filed by Genera on September 23, 2024.

⁵ September 23 Motion, Exhibit A, No. 23, Plant: Ag S, Description: Improvements to the pier and replacement of sections of lines for fuel.

⁶ September 23 Motion, Exhibit A, No. 43, Plant: M, Description: 4 Generator (Brush) Major Inspection. .



that project No. 7, titled "*LTSA Units 5 & 6*", is a long-term service agreement for Units 5 and 6 in San Juan, and Unit 6 is undergoing scheduled maintenance under this agreement.

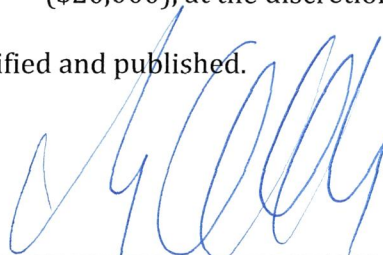
Genera also requests clarification from the Energy Bureau's January 14 Order about the funding status of NME project No. 23, titled "*Improvement to the Pier and Replacement of Sections of Fuel Oil Pipelines*", for Aguirre Steam power plant. Upon review of case docket NEPR-MI-2021-0004, the Energy Bureau confirmed that it inadvertently excluded NME project No.23 from both tables that accompanied the October 28 Order.⁷ Consequently, the Energy Bureau acknowledges involuntary oversight and determined to address the SOW for NME project No.23 in this Resolution and Order.

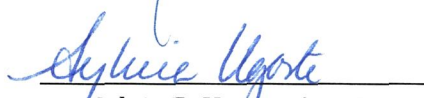
The Energy Bureau **TAKES NOTICE** of Genera's January 31 and February 3 Motions requesting approval for (5) activity projects detailed in two (2) SOWs. Since one project in the SOW for Aguirre Steam plant was already approved by the Energy Bureau in the January 14 Order (NME No. 25 titled *Structural Rehabilitation Nautilus Water Tank, Water Treatment Plant*), the review by the Energy Bureau in this Resolution and Order will only cover the remaining activity projects previously denied in the January 14 Order for lacking an estimated project cost. Upon review of the SOWs submitted with the January 31 Motion, the Energy Bureau **APPROVES** the amount of **\$12,150,000** to be federally funded for the repair activity projects, including project No. 23, as described in **Attachment A** to this Resolution and Order, which shall be presented to FEMA and COR3 to finalize its approval process. These projects were approved based on the information provided by Genera, should the scope of any of the projects change, Genera **SHALL** immediately seek the Energy Bureau's approval of such changes.

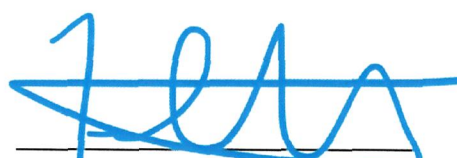
The Energy Bureau **WARNS** Genera that:

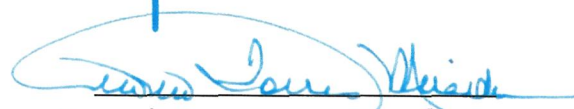
- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000), at the discretion of the Energy Bureau.

Be it notified and published.


Edison Avilés Deliz
Chairman


Sylvia B. Ugarte Araujo
Associate Commissioner


Ferdinand A. Ramos Soegaard
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner

⁷ October 28 Order, p.5 and p.8.



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on February 10, 2025. Associate Commissioner Lillian Mateo Santos did not intervene. I also certify that on February 10, 2025, a copy of this Resolution and Order was notified by electronic mail to arivera@gmlex.net; mvalle@gmlex.net; RegulatoryPREBOrders@lumapr.com; Yahaira.delarosa@us.dlapiper.com; julian.angladapagan@us.dlapiper.com; alopez@sbgblaw.com; jfr@sbgblaw.com, legal@genera-pr.com, regulatory@genera-pr.com, and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, on February 10, 2025.





Sonia Seda Gaztambide
Clerk

ATTACHMENT A

Table 1: Approved SOWs for Genera to Request Federal Funding for repair activities

No.	Plant	Description	Estimated Cost
16	PS	Unit #4 Economizer Water Inlet Valve	\$150,000.00
23	Ag S	Improvement to the Pier and Replacement of Sections of Fuel Oil Pipelines	\$3,250,000.00
36	Ag S	Manufacture and Delivery BFWP 5,000 HP Motor	\$500,000.00
59	PS	Unit #4, Major Repair	\$8,250,000.00
TOTAL			\$12,150,000.00

