

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

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

SUBJECT: Hearing Examiner's Order
Requiring Certain Information in the Rate
Case Application or Accompanying Prefiled
Testimony

**Hearing Examiner's Order Requiring Certain Information in the Rate
Case Application or Accompanying Prefiled Testimony**

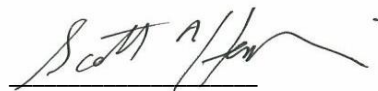
This Order directs PREPA, LUMA, and Genera to address in the upcoming rate application the attached questions from the Energy Bureau's consultants. These questions seek information that the consultants deem essential to any application for rates. The applicants therefore should integrate the answers into the Application or accompanying prefiled testimony, wherever it makes sense, citing the specific question by number. In the rare situations where there is no logical place in the Application or testimony to address a question, the applicants may put the responses in a separate document.

Responses to these questions are necessary for the Energy Bureau to determine whether the applicants' proposed rates are "just and reasonable"; whether the electric service for which customers must pay those rates is "adequate, safe, reliable, efficient, and nondiscriminatory";¹ whether the costs underlying the rates reflect prudent utility practice; and whether in preparing their application the applicants made these statutory considerations the sole considerations.

Part I has questions for LUMA, Part II for Genera, and Part III for PREPA. If an applicant needs clarification of a question, email the question (including the question number) to PREBConsultants@acciongroup.com. Include your contact information and available times to communicate. Someone will respond.

All prospective intervenors should review the attached questions now to avoid duplicative questions later.

Be notified and published.



Scott Hempling
Hearing Examiner



¹ Act 57-2014, section 6.21(a) and (b).

CERTIFICATION

I certify that the Hearing Examiner, Scott Hempling, has so established on March 24, 2025. I also certify that on March 24, 2025, a copy of this Order was notified by electronic mail to mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net, jgonzalez@gmlex.net; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; jfr@sbgblaw.com; alopez@sbgblaw.com; regulatory@genera-pr.com; legal@genera-pr.com; hrivera@jrsp.pr.gov; contratistas@jrsp.pr.gov; victorluisgonzalez@yahoo.com; agraitfe@agraitlawpr.com; Cfl@mcvpr.com; nancy@emmanuelli.law; jrinconlopez@guidehouse.com; Josh.Llamas@fticonsulting.com; Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Intisarul.Islam@weil.com; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; jan.albinolopez@us.dlapiper.com; varoon.sachdev@whitecase.com; epo@amgprlaw.com; loliver@amgprlaw.com; acasellas@amgprlaw.com; matt.barr@weil.com; Robert.berezin@weil.com; Gabriel.morgan@weil.com; corey.brady@weil.com; lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; isaac.glassman@whitecase.com; tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com; jgreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com; howard.hawkins@cwt.com; mark.ellenberg@cwt.com; casey.servais@cwt.com; bill.natbony@cwt.com; thomas.curtin@cwt.com; escalera@reichardescalera.com; arizmendis@reichardescalera.com; riverac@reichardescalera.com; susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com; dmonserrate@msglawpr.com; fgierbolini@msglawpr.com; rschell@msglawpr.com; eric.brunstad@dechert.com; Stephen.zide@dechert.com; David.herman@dechert.com; Julia@londoneconomics.com; Brian@londoneconomics.com; luke@londoneconomics.com; mmcgrill@gibsondunn.com; LShelfer@gibsondunn.com. I also certify that on March 24, 2025, I have proceeded with the filing of the Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, on March 24, 2025.


Sonia Seda Gaztambide
Clerk



Appendix

Pre-Application Questions from PREB Consultants

I. RESPONDENT: LUMA

Transmission, Distribution, and Storage

1. Provide any and all studies from January 1, 2020, to present, conducted by or on behalf of PREPA or LUMA, to assess the transmission and distribution systems.
2. What activities and associated costs does LUMA plan to make in FY 26, FY 27, and FY 28 related to improvement, restoration, and modernization of the transmission and distribution systems? Provide any supporting planning documents including but not limited to, Capital Investment Plans, Long-Term Investment Plans, LUMA's System Remediation Plan, the Department of Energy's 2018 Energy Resilience Solutions for the Puerto Rico Grid, and any other planning documents intended to outline the roadmap for T&D system upgrades.
3. Identify capital expenditures made since LUMA took over operations. Include the amount, project description, date of completion, reason for project, categorized by transmission, distribution, or generation, and identify any subsequent improvements in reliability.
4. Describe all efforts made to obtain federal funding for improvement, restoration, and modernization of the T&D systems. Identify federal funding received, project description, categorized by transmission or distribution, date of completion, and status of on-going projects.
5. Identify the NERC transmission planning standards TPL-001 through TPL-006 with which the transmission system does not comply and the corrective actions taken or planned to ensure compliance with those standards.
6. Specify expected improvements in the reported reliability metrics for FY 26, FY 27, and FY 28, and LUMA's plans to produce those improvements, including expected capital and operating expenditures.
7. Explain the processes that LUMA uses to ensure that transmission and distribution capital projects are completed on time and within budget.
8. Explain LUMA's use and integration of energy storage into the transmission network, the distribution network, or as support for generation. Identify each utility scale storage installation or planned installation for FY 26, FY 27, and FY 28, since LUMA began operations. Specify the intended purpose, the size, the operational date, the associated capital and operating expenditures, or annual payment to third-party providers.

PPCA

9. Identify, quantify, and summarize each cost and/or adjustment factor included in the power purchase cost adjustment (PPCA). Indicate the Energy Bureau Report and Order authorizing each. Separately identify any additional adjustment factors expected to be included in the future, such as LUMA Works for Interconnection of Tranche 2 renewable generation projects.



Reliability Improvements

10. Explain LUMA's reaction to this proposition: Puerto Rico's transmission system, when rebuilt, should have the flexibility that allows for interconnecting of varying types of variable generation, even though we do not currently know that generation's characteristics. That is, the transmission system will need advanced transmission technologies that accommodate diverse types of generation. Moreover, the cost associated with this flexibility belongs not in PPOAs but in base rates, because these enhancements benefit the entire system, just as do network upgrades.
11. Describe the elements of planned AMI deployment, for each of FY25, FY26, FY27, and FY28. Explain what effects this deployment will have on electric system reliability.
12. Describe which distribution network support facilities LUMA intends to phase out by FY28 and explain the associated cost savings. Consider the fact that, since January 1, 2025, all interconnecting inverter-based resources (IBR) must provide grid support services as required by IEEE STD 1547 and UL 1741 SB.
13. Describe the status of the GIS incorporation to the EMS and OMS; and also to the transmission and distribution systems simulation models.
14. Which specific initiatives does LUMA plan to implement through FY28 to improve SAIDI and SAIFI? Describe the costs associated with these initiatives and the projected annual reliability index improvement.

Vegetation Management

15. Because the purported \$1.2 billion federally funded Vegetation Management Reset effort faces delays, describe how LUMA will secure sufficient non-federal funds to maintain an aggressive vegetation management program, which remains largely reactive.

Fuel Cost

16. Because Genera anticipates shutting down the Aguirre Thermoelectric Plant (900 MW) this summer and expects to rely on generation that consumes more expensive fuels (such as peaker units), describe the cost impact of this operational limitation.

LUMA Priority Stabilization Plan – System Improvements Preliminary Plan as submitted in NEPR-MI-2024-0005

17. LUMA's transmission reliability improvement plan lists 51 line segments on the 38 kV and 115 kV system that caused ~75% of all transmission-related customer minute interruptions. LUMA plans to inspect all 51 line segments in FY 2025. (a) When does LUMA plan to perform the necessary repairs—in FY 2025 or beyond? (b) What is the estimated cost and source of funding? (c) How does LUMA plan to acquire needed material and other resources for repair work?
18. Substation rebuild: FEMA determined that 87 substations lie within flood-prone areas and may require rebuilding. How many substations must LUMA rebuild due to poor physical condition or a history of operational deficiencies?
19. Substation rebuild: LUMA, COR3, and FEMA have reached an agreement to rebuild 21 substations, some with an estimated completion date extending to FY 2027. Explain how LUMA is identifying those projects offering the largest improvement on system reliability and having a maximum implementation period of two years, as directed by the Energy Bureau.
20. Substation Reliability Overview: By when will LUMA finish the substations' preventive and corrective maintenance? Provide the estimated cost.



21. Distribution automation overview (federally funded, \$233 M): LUMA plans to deploy 11,000 automation devices by the end of FY 2026. Clarify whether the \$233 million covers the cost of installing these devices and whether it forms part of the \$700 million project to deploy grid automation across Puerto Rico. What grid automation does LUMA plan to implement using the remaining funds from the \$700 million budget? Have any federal entities approved this funding? If so, which ones? Has LUMA quantified the reliability benefits of installing automation devices on the distribution system (e.g., expected SAIDI/SAIFI reductions)?

LUMA Priority Stabilization Plan – Accelerated Storage Addition Program (ASAP) as submitted in NEPR-MI-2024-0005

22. Genera proposes to add 430 MW of battery energy storage system (BESS) by end of 2026. LUMA proposes to integrate 360 MW of BESS through ASAP program. Have LUMA and Genera jointly studied the need of total BESS capacity needed on the island? What has been the outcome of their joint study?
23. What is LUMA's timeline for developing the detailed SO (Standard Offer)? When does LUMA expect to have signed SOs in place?
24. How extensive is the interconnection work that LUMA must undertake to implement phase 2 of the ASAP? Has LUMA determined the cost and timeline for this interconnection work?
25. Some IPPs have indicated that once SO is signed, BESS could be online as soon as 12 months. Has LUMA independently determined the time needed to engineer, procure, and construct BESS? On that subject, what information does LUMA have?
26. Relating to BESS, what considerations has LUMA given to the following: useful life, maintenance costs, and effect on Loss of Load Expectation (LOLE) and Loss of Load Hours (LOLH)?
27. LUMA proposes to charge BESS from the existing electric system. What studies has LUMA conducted to ensure availability of energy charge BESS

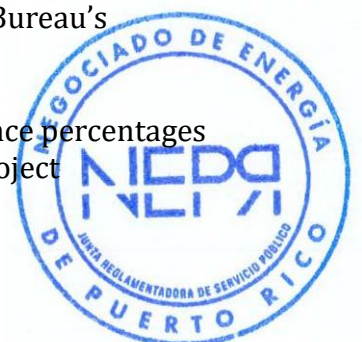
Cybersecurity Investment and Budgeting

28. Provide a detailed breakdown of proposed cybersecurity expenditures by category (capital investments vs. operational expenses), accompanied by your risk assessment methodology that justifies these investments and demonstrates their alignment with identified threat vectors specific to Puerto Rico's electric system.
29. Describe LUMA's multi-year cybersecurity investment strategy, including how it is balancing immediate security needs with longer-term resilience objectives, and how these investments compare to industry benchmarks for utilities of similar size and risk profile.

RPS Compliance

RPS Strategy and Compliance Roadmap

30. Provide a comprehensive discussion of LUMA's strategic plan to achieve Puerto Rico's Renewable Portfolio Standard (RPS) milestones and Energy Bureau's established yearly targets.
31. Detail the methodology that LUMA applies to forecast RPS compliance percentages over the next five years, including assumptions about renewable project



development timelines, anticipated interconnection rates, and how these projections account for potential delays or implementation challenges.

RPS Compliance Costs

32. Describe the projected RPS compliance costs, including a breakdown of expenditures by resource type, program category, and timeline, with particular attention to how LUMA will recover these costs through rates.
33. Explain the cost-containment strategies that LUMA is carrying out to minimize the cost of achieving RPS goals, including any optimization analyses conducted to determine the most cost-effective compliance pathways.

Renewable Resource Integration

34. Describe the technical plans and grid enhancements that LUMA must undertake to integrate the planned renewable resources for RPS compliance, including specific investments in transmission, distribution, and control systems to accommodate increasing penetration levels.
35. Describe the energy storage strategy supporting renewable integration, including technologies being considered, deployment timelines, and how storage resources will be optimized to support both RPS compliance and overall system reliability.

Virtual Power Plant and Distributed Energy Resources

36. Describe plans to incorporate virtual power plants, demand response programs, and other distributed energy resources into the RPS compliance strategy, including program designs, implementation timelines, and projected contributions toward compliance targets.

Compliance Monitoring and Reporting

37. Explain the systems and processes that LUMA is implementing to track, verify, and report RPS compliance, including the methodology for calculating compliance percentages, auditing procedures, and how LUMA will share this information with regulators and the public.

Management Audit Expense

38. Identify the potential cost of the Comprehensive Management and Operations Audit that the Energy Bureau or an Independent Auditor will conduct on its behalf. Provide examples to support your estimate. Use the latest New York State Department of Public Service Comprehensive and Regular Management and Operations Audit of Long Island Power Authority and PSEG Long Island LLC as a model.

Customer Service and Information

39. Explain LUMA's criteria for customer service and information goals, and how LUMA assesses its progress in achieving those goals.
40. How does LUMA determine the priority for its customer service and information goals, compared to its other activities aimed at ensuring safe and reliable electric service.
41. Describe how LUMA plans to reduce costs in the Customer Experience department and quantify these reductions.



Billed Revenue Collection, Customer Payment Processing

- 42. Describe the current status of past-due revenue collection, and plans for improvement.
- 43. Quantify the estimated financial benefit from the planned improvements.
- 44. Identify anticipated improved customer payment processing methods and quantify expected financial benefits.

Call Center Operations and Staffing

- 45. Identify expected improvements and quantify expected financial benefits.

Bill Inserts, Education, Advertising, Web Content

- 46. What are LUMA's goals with these four efforts?
- 47. How is LUMA pursuing those goals?
- 48. What are financial and non-financial benefits that LUMA expects?

Revenue Management and Protection

- 49. What potential supplemental revenue streams is LUMA envisioning?
- 50. What are the specific activities LUMA is undertaking for revenue protection? What is LUMA's estimate of the financial benefits arising from those activities?

Net Metering

- 51. Provide projected revenue reductions attributable to NEM, relative to the most recent years for which LUMA has ready attributed to NEM, for each of FY26, FY27, and FY28.

Workflow Process and Tracking (GM, ME)

- 52. Describe the elements of this program. What is LUMA's expected timeline for completion? What are the quantitative and qualitative benefits?

Workforce Management Systems

- 53. Describe this program. Provide the status of its development and monitoring



Irrigation costs

- 54. Provide full details of how PREPA is complying with this Energy Bureau directive, from the June 26, 2024 Resolution and Order in Case No. NEPR-MI-2021-0004: "The costs associated with these [irrigation] services should be fully recovered through the rates charged for irrigation water and from the Commonwealth, not through electricity rates."
- 55. Provide details on how electric ratepayers currently subsidize irrigation costs and explain the government's payment of these costs.
- 56. If electric ratepayers continue to subsidize irrigation services, provide the date by which irrigation customers will pay fully for that service and the subsidy will end.

57. Provide the status of PREPA's commitment as PREPA set forth in the October 14, 2024 Motion in Case No. NEPR-MI-2021-0004 that it "will request the mandated reimbursement from the Puerto Rico department of Treasury (Hacienda) pursuant to Act 83 and Act 58 as a proposed measure to unwind the current SUB-NHH subsidy."
58. Explain PREPA's plan for cost recovery for irrigation services through appropriate rate structures for irrigation customers as PREPA set forth in the October 14, 2024 Motion in Case No. NEPR-MI-2021-0004. What is the status of that plan?
59. Provide the status of negotiations with irrigation customers to achieve full recovery for irrigation services.
60. To what extent has OIPC been involved in such negotiations? If it has not been involved, explain why not and the extent of communications between PREPA and OIPC in this matter?
61. Explain and quantify areas in which irrigation costs are interrelated with costs of electric service.

Emergency Response Plan

62. LUMA must separately identify and quantify all costs associated with preparation of the Emergency Response Plan, as well as the costs to be incurred for emergency preparedness and emergency response. Include, without limitation, costs associated with: procurement of restoration materials, training emergency personnel, preparing and running mock drills, meetings with stakeholders, buying poles and conductors, performing preemptive vegetation management, and buying augers and bucket trucks in preparation of hurricane season,.

Cost of aligning cost accounts to track Schedules A-1 and A-2

63. Explain which modifications to existing financial recordkeeping LUMA must make to track costs consistently with Schedules A-1 and A-2 from the February 12 Order. How can LUMA minimize the cost of these modifications?

Efficiencies

64. PREPA, LUMA, And Genera seem to be monitoring and publishing the same power supply information. <https://aepr.com/#/operacion>; <https://lumapr.com/resumen-del-sistema/>; <https://genera-pr.com/data-generacion>. Explain why this is necessary, how it contributes to the safe and reliable delivery of electricity, and what can be done to consolidate efforts and reduce expenses.
65. During FY25 LUMA has incurred media expenses that has included full-page printed material in local newspapers (e.g., El Nuevo Día, El Vocero) and radio informercial time in NotiUno (WUNO, 1/23/25) and SALSoul (WPRM, 1/30/25). Describe all media expenses incurred and to be incurred in FY25 and identify the source of funds in the FY25 approved budgets used to cover these costs. The advertisement of 12/17/24 in El Nuevo Día appeared to be a LUMA progress report intended to enhance LUMA's image. Describe how these media efforts contribute to the safe and reliable delivery of electricity.



Contracted Labor

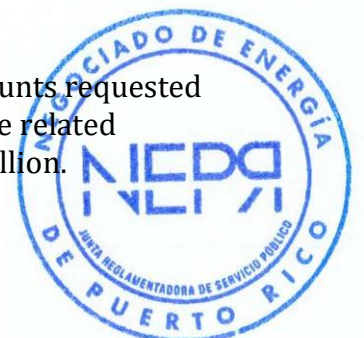
66. Describe how eliminating mandatory Project Labor Agreements (PLAs) for contractors and subcontractors on government construction projects (as per Executive Order No. OE-2025-015) impacts costs.
67. Describe the cost impact of FEMA's disallowance of ineligible or unreasonable costs for seconded employees, as outlined in FEMA's Procurement Non-compliance and Remedy Action Notification PACU ID: 34365.

Title III Debt

68. Explain how debt service obligations affects LUMA's capital planning process, with specific attention to balancing debt repayment with necessary infrastructure investments and operational expenditures.

Miscellaneous

69. Provide a listing of LUMA's work force by full time equivalent (FTE) positions and job titles as of (1) 7/1/2024, (2) 12/31/2024, (3) the most current month-end actual available and (4) as projected for FY 2026 (7/1/2025 through 6/30/2026). Also, for each period show the related labor costs for LUMA's work force.
70. Provide a listing of outside services employed by LUMA for (1) the 12 months ending 7/1/2024, (2) the 12 months ending 12/31/2024, and (3) as projected for 7/1/2025 through 6/30/2026. For each outside services for each period, list (a) the firm name, (b) the type of services provided, (c) the total cost, and (d) the cost by FERC account.
71. Provide a listing of internal audits of LUMA for FY 2023, FY 2024 and to-date in FY 2005. The listing should identify each internal audit by name/subject matter, and the date of the internal audit report, and a summary of the findings and recommendations.
72. As of the most current month-end available, provide (1) the balance of Accounts Receivable, (2) the Allowance for Doubtful Accounts, and (3) an aging of Accounts Receivable showing the amounts by each customer class in total and outstanding for (a) 0-30 days, (b) 30-60 days, (c) 60-90 days, (d) 90-120 days, (e) 120 days to 365 days and (f) beyond 365 days. Also, describe in detail the efforts LUMA has employed to collect Accounts Receivable in each customer class for amounts that have been outstanding for 120 days or more. Additionally, identify and provide all analysis prepared by or for LUMA concerning whether any of the Accounts Receivable amounts outstanding for 365 days or longer are believed to be collectible.
73. Provide a monthly listing of each type of Other Revenue recorded for the Puerto Rico electric system, showing the amounts and descriptions for (1) the 12 months ending 7/1/2024, (2) the 12 months ending 12/31/2024, and (3) as projected for 7/1/2025 through 6/30/2026.
74. Provide a listing of all amounts received from FEMA during each period: (1) the 12 months ending 7/1/2024, (2) the 12 months ending 12/31/2024, and (3) as projected for 7/1/2025 through 6/30/2026. The listing should show the dollar amounts received from FEMA, the dates received, and a short description of what the amounts are for and how they were applied and accounted for.
75. Provide a listing as of the most recent month-end available, of amounts requested from FEMA that are pending review for reimbursement. Include the related documentation that was submitted for each request of over \$10 million.



76. During the most recent 12 month period were any amounts requested for FEMA reimbursement rejected or reduced? If so, identify the rejected amounts and explain the reasons for the rejection. Include the related documentation concerning the reasons for rejection of the reimbursement requests and for reductions to the amounts of reimbursement requested.

Cost of Service Study

77. Describe all methods employed in the current Cost-of-Service Study (COSS) including, functionalization method, classification method, and allocation method.
78. Provide the complete COSS model in Excel spreadsheet form with all formulas intact. Spreadsheet(s) should include all functionalization, classification, and allocation calculations.
79. Describe all data sources used in the COSS and explain any changes in data sources from the COSS completed for CEPR-AP-2015-0001.
80. Describe all methods used for estimating or calculating data that are not directly available. Explain any changes in methodology from the COSS completed for CEPR-AP-2015-0001.
81. In CEPR-AP-2015-0001, the Final Resolution and Order issued January 10, 2017 (PDF page 121, paragraph 320-324) summarizes several problems that the Commission identified in PREPA's COSS. (a) Identify all problems that have been addressed and explain how they have been addressed. (b) Identify all problems that have not been addressed and explain why they were not addressed.
82. Provide a comparison of the final cost allocation factors by rate class to the cost allocation factors from the COSS completed for CEPR-AP-2015-0001. Explain key drivers behind all differences in cost allocation factors for each rate class.



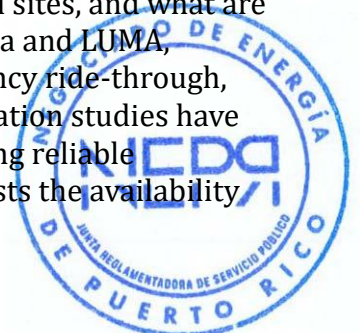
II. RESPONDENT: GENERA

Reliability Improvement Workplan

83. Provide a proposed Reliability Improvement Workplan that will increase generation availability to 65% by July 2026 and reduce forced outages to 15%. If these dates or targets are improbable, explain why and propose a more feasible Workplan. Include the following in your Reliability Improvement Workplan: (a) Generation Fleet Outage Schedule for Planned Maintenance and Critical Parts Replacement, (b) plans for generation firming and peak demand BESS deployment, and (c) plans for Peaker Units Replacement and the associated estimated fuel cost.
84. In coordination with LUMA, provide an estimated schedule for carrying out this Reliability Improvement Workplan.
85. Because the likelihood of the Aguirre Thermoelectric Plant (900 MW) remaining out of service this summer is high, and the unavailability of some combined cycle units at Aguirre will not improve during the summer while demand will raise what measures will Genera take to mitigate the impact of increased energy costs from units that use more expensive fuels? How do these unforeseen repair costs affect the Necessary Maintenance Expenses (NME) budget, and what is the resulting effect on retail energy costs?

GENERA Priority Stabilization Plan as submitted in NEPR-MI-2024-0005

86. GENERA plans to have 4057 MW of generation capacity available by the end of phase 1 short-term repairs in July 2024. (a) What is the current status of phase 1 repairs? (b) Has generation capacity increased in line with the forecast? (b) GENERA aimed to reduce the forced outage rate to 24% by July 2024. Did it achieve this goal?
87. Short-term repairs (cost and source of funding): The short-term repairs planned for FY2025 and FY2026 will add 661 MW and 185 MW, respectively, to the system. (a) Will these short-term repairs create additional capacity that is currently unavailable? (b) Provide details of the planned FY2026 short-term repairs. (c) Include the estimated cost and funding source for each project
88. Replacement of peaking capacity and integration of storage: Genera proposes adding 5 GTGs (50 MW each) and 8 RICE generators (18 MW each) at a federally funded cost of \$800 million by FY 2027. Genera anticipates that these new generators will provide frequency response, inertia, and blackstart capability. (a) What engineering analysis has Genera, in coordination with LUMA, conducted to determine the impact and necessity of this new generation? (b) Did Genera include the proposed generation addition in its resource adequacy study? (c) Explain why Genera believes it is realistic to secure funding, modify sites, and handle all EPC (engineering, procurement, construction) tasks by the end of 2027.
89. Integration of BESS (~430 MW capacity with 4-hour operation by end of 2026): (a) LUMA has proposed to integrate 360 MW of BESS through ASAP program. Have LUMA and Genera, jointly studied the need of total BESS capacity needed on the island? (b) The BESS cost is estimated at \$700 million. Does this total include installation, commissioning, and testing? (c) How can Genera coordinate BESS with the T&D operator to utilize it more effectively, for example to mitigate voltage or thermal issues? (d) Is a single vendor providing equipment for all sites, and what are the risks or benefits of a single-vendor approach? (e) Have Genera and LUMA, together, developed technical specifications (e.g., voltage/frequency ride-through, power quality) for BESS? It is unclear whether any system integration studies have been done. Proper system integration studies are a key to ensuring reliable operation of BESS. Please, clarify. (f) The present timeline suggests the availability



of BESS in FY2025 and FY2026. How realistic is this timeline if grid integration studies have not been completed yet? (g) If the plan is to charge BESS from the grid, then studies must be done to understand the impact and to mitigate any potential issues, considering all expected operating conditions. Please explain. (h) Was degradation of BESS considered in a planning process and cost analysis? Is there a plan to overbuild batteries to account for degradation over time? Alternatively, is there any plan in place for augmentation as needed in the future? If so, describe the plan.

90. Replacement of critical components (by end of 2026, federally funded, \$130 M): (a) Has Genera calculated how replacing critical components will improve reliability (e.g., reduced LOLE, fewer load-shed events)? (b) Genera provided partial information about which critical components it will replace on specific units, but not a complete list. Can Genera give the full list, including estimated cost, completion date, and impact on reliability? (c) How realistic is the end-of-FY-2026 timeline, given that component delivery may take 12–24 months after contract signing and some contracts may need government approval? (d) Genera’s plan does not include measurable goals. Please address how Genera will measure progress. (e) Genera has presented a summary of the stabilization plan. Describe how the short-term repairs will meet the Energy Bureau’s timeline.
91. Appendix A to Genera’s July 8, 2024, Electric System Stabilization Plan lists refurbishment details for each facility but omits a clear timeline or the expected MW capacity once Genera completes the plan. Provide the refurbishment timeline and the anticipated capacity increase after full implementation.

Information Technology

92. Identify the Information Technology costs that Genera is currently paying through shared services agreement and how that capability is being developed in view of anticipated shared services phase out.
93. How is Genera preparing for the anticipated phase out of shared services?

Performance Payments and Shared Savings

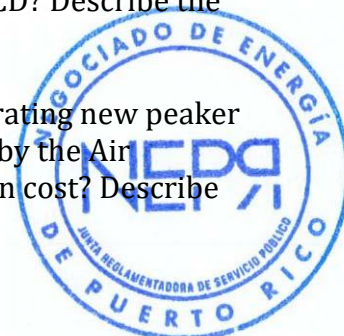
94. What is the projected cost impact of the recent agreement between Genera and PREPA to eliminate performance payments and shared savings originally specified in the Puerto Rico Thermal Generation Facilities O&M Agreement?

Fuel Procurement

95. For currently unused generating units that use lower-cost fuel, is Genera requesting its suppliers to accelerate the delivery of parts with long lead times? Provide an economic analysis of the cost of expediting the commissioning of these units vs. prolonging operation of generating units that use higher-cost fuel?

Consent Decree and Environmental Permits

96. In what ways is Genera considering lowering the expenses associated with the stipulated penalties under the current Consent Decree (CD) of March 1999 that EPA enforces if PREPA complies with all the programs included in the CD? Describe the cost impact of these reductions.
97. In what ways is Genera considering the flexibility afforded by operating new peaker units (higher efficiency) with the highest capacity factors allowed by the Air Emissions Permits, given the subsequent fuel adjustment reduction cost? Describe the potential cost impact of taking this action.



Miscellaneous

98. Provide a listing of outside services employed by Genera for (1) the 12 months ending 7/1/2024, (2) the 12 months ending 12/31/2024, and (3) as projected for 7/1/2025 through 6/30/2026. For each outside services for each period, list (a) the firm name, (b) the type of services provided, (c) the total cost, and (d) the cost by FERC account.
99. Provide a listing of internal audits of Genera for FY 2023, FY 2024 and to-date in FY 2005. The listing should identify each internal audit by name/subject matter, and the date of the internal audit report, and a summary of the findings and recommendations.



III. RESPONDENT: PREPA

Hydroelectric Generation

100. Describe which efforts PREPA must undertake to make the Yauco 1-1 hydroelectric unit operational. After consulting with LUMA, explain how PREPA should schedule these repair activities.

Additional Temporary Emergency Generation – Electric System Priority Stabilization Plan

101. On March 19, 2025, the Energy Bureau ordered PREPA in NEPR-MI-2024-0005 to initiate a solution through the 3PPO to acquire on an urgent and temporary basis generation that will address the current power supply emergency. Describe the cost, timeline, and feasibility of adding mobile power generation. Describe the intended location and capacity of the temporary generation. Describe to what extent the Temporary Mobile generation is to be in place before the peak season. What capacity can be brought online before the peak season?

Independent Power Producers

102. Describe the costs and timelines through FY28 associated with developing, designing, financing, permitting, constructing, installing, testing, and commissioning the new Energiza LLC combined-cycle generating facility in San Juan.
103. Describe the costs and timelines through FY28 associated with the operation extension of the AES coal plant in Guayama.

Information Technology

104. Identify Information Technology costs that PREPA is currently paying through shared services and how that capability is being developed in view of anticipated shared services phase out.

Transmission and distribution

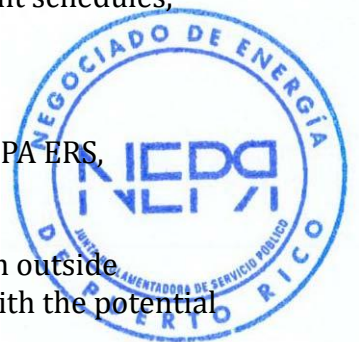
105. Provide any and all studies from January 1, 2020, to present, conducted by or on behalf of PREPA or LUMA, to assess the transmission and distribution systems.

Title III Debt

106. Describe and explain the specific Title III plan of adjustment assumptions underlying your rate filing, including the total debt amount that PREPA intends to recover through rates, the creditor recovery percentages, the payment schedules, and how you derived those assumptions.

Employee Benefits

107. Describe how many employees PREPA assigns to run the PREPA ERS, including all labor costs, overtime, and benefits.
108. Has PREPA considered contracting PREPA ERS functions to an outside vendor? Compare the current expenses of running the PREPA ERS with the potential cost reductions from outsourcing.
109. Describe the implementation status of the pension system reforms that PREPA's restructuring mandates, including changes to benefit structures, eligibility, or funding mechanisms, and how these changes affect current employees and



retirees. How do these changes affect the costs within the proposed new permanent revenue requirement

110. Explain the current and projected employer contribution strategy for pension obligations, including the rationale for contribution levels and the timeline for addressing any unfunded liabilities.
111. Provide an analysis of non-pension post-employment benefits, particularly healthcare coverage, including the current funding approach, projected liabilities, and strategies to manage these obligations in a financially sustainable manner.

Board of Directors

112. Provide all current and projected expenses associated with compensation of the members of the Board of Directors. Provide any resolutions establishing this compensation.

NME – BONUS PLANT Rincón

113. Because the BONUS Plant in Rincón does not contribute to the safe and reliable delivery of electricity and instead serves as a museum and educational facility, describe whether PREPA has considered transferring it to an educational institution, such as the University of Puerto Rico. Describe and quantify the expense reductions that could result from such a transfer.

