

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

IN RE: REVIEW OF GENERA PR, LLC
REQUEST TO OPERATE PALO SECO MP AND
MAYAGUEZ CT WITH NATURAL GAS AS
PRIMARY FUEL

CASE NO.: NEPR-MI-2024-0004

SUBJECT: Resolution and Order regarding
status on 3PPO natural gas procurement.

RESOLUTION AND ORDER

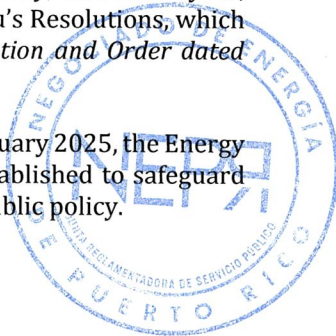
On January 31, 2025, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued two Resolutions in the captioned case, conditionally approving the proposed fuel conversion of certain units located at the Puerto Rico Electric Power Authority’s (“PREPA”) Mayagüez and Palo Seco facilities.¹ To be clear, the proposed fuel swaps are not intended to, nor should they be construed as, measures to support or enhance grid stabilization. Nor will they provide additional generation capacity to PREPA's existing resources. Their scope is limited to the substitution of the existing fuel with a cleaner alternative and is purportedly justified on the basis of potential fuel cost savings. Among the conditions established in said Resolutions, **one specifically concerns the process for procuring fuel and conversion-related infrastructure**. More specifically, the Resolutions establish the following:²

Therefore, the Energy Bureau hereby **CONDITIONALLY APPROVES** the fuel swap for the Mayagüez CTs, subject to the fulfillment of the following conditions:

- (i) The P3 Authority, 3PPO or PREPA, as applicable, **SHALL** execute a competitive procurement process, which may include either an RFP or any other legally permitted process (not necessarily an RFP). This process must ensure, to the extent feasible, the participation of multiple natural gas suppliers, fostering a transparent and competitive selection that secures the most favorable economic and technical conditions for PREPA. Any selected approach must guarantee long-term cost-effectiveness, operational reliability, and financial benefits for ratepayers. The execution of this process will be a prerequisite to proceeding with the conversion, ensuring that the supply arrangements promote market competition and do not create undue entry barriers for alternative suppliers. The scope of the project **SHALL** include the conversion of the Mayagüez CTs to operate on dual-fuel—natural gas and diesel—requiring the supply and installation of the necessary conversion components, including, but not limited to, modifications to combustion systems, fuel handling equipment, and control systems. Additionally, the project will involve the installation of regasification units and associated infrastructure to facilitate the processing and delivery of natural gas to the converted units. This includes, but is not limited to, ambient air vaporizers, LNG storage facilities, interconnection pipelines,

¹ See *Resolution and Order* (for Request for Leave to Operate Mayaguez CTs with Natural Gas as Primary Fuel), dated January 31, 2025, and *Resolution and Order* (for Request for Leave to Operate Palo Seco MP with Natural Gas as Primary Fuel), dated January 31, 2025 (collectively the “Resolutions”). Subsequently, on February 20, 2025, Genera PR, LLC (“Genera”) filed a motion for reconsideration of the Energy Bureau’s Resolutions, which remains pending before the Energy Bureau. See, *Motion for Reconsideration of Resolution and Order dated January 31, 2025* filed by Genera on February 20, 2025.

² Thus, contrary to certain statements suggesting inaction by the Energy Bureau, since January 2025, the Energy Bureau has approved the requested fuel conversions, subject to specific conditions established to safeguard the public interest and to ensure compliance with the applicable legal framework and public policy.



pressure regulation systems, and safety and monitoring equipment to ensure reliable and efficient operations.

...

- v) *If the selected structure under item (i) does not designate PREPA as the owner of the regasification units at the end of the natural gas supply term or any extension thereof, the parties' agreements shall outline the process for the removal of the regasification facilities within a reasonable timeframe. This process should allow other fuel suppliers to install their own regasification facilities without imposing onerous conditions on the new supplier or restricting the use of the generation units served by such facilities.*

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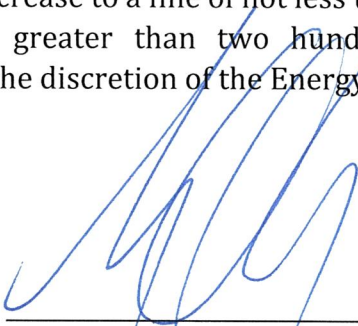
Given the nature of the conditions imposed, particularly the one related to fuel procurement, compliance responsibility lies principally with the Third-Party Procurement Office ("3PPO"), an entity created and administered by the Public-Private Partnerships Authority ("P3 Authority"). To date, neither PREPA nor the P3 Authority has provided the Energy Bureau with any information regarding the implementation or development of this procurement process.

Accordingly, the Energy Bureau **ORDERS** PREPA to, within three (3) days of notification of this Resolution and Order, submit a summary of any procurement process that has been conducted or is currently underway. This submission must include all relevant information and supporting documentation necessary for the Energy Bureau to evaluate the current status of compliance with the conditions imposed in its prior determinations.

The Energy Bureau **WARNS** PREPA 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 one hundred twenty-five thousand dollars (\$125,000) per day; and
- (ii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than fifteen thousand dollars (\$15,000) nor greater than two hundred fifty thousand dollars (\$250,000), at the discretion of the Energy Bureau.

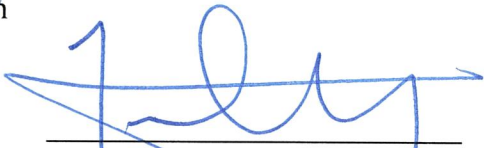
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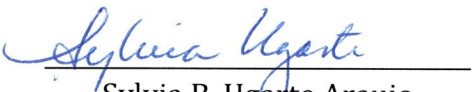
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



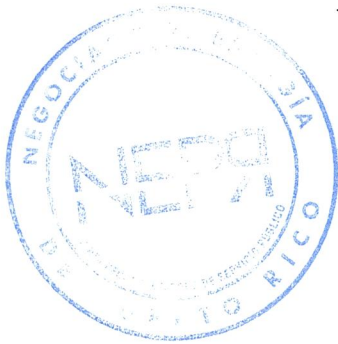
Antonio Torres Miranda
Associate Commissioner




CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 11, 2025. I also certify that on June 11, 2025 a copy of this Resolution and Order was notified by electronic mail to jdiaz@sbgblaw.com; jfr@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com. I also certify that on June 11, 2025, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, on June 11, 2025.





Sonia Seda Gaztambide
Clerk