

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

IN RE: CERTIFICATE OF ENERGY COMPLIANCE

CASE NO.: NEPR-AP-2022-0001

SUBJECT: Amendment to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* ("GOMA") – Amendment to the Energy Compliance Certificate issued on January 15, 2023.

RESOLUTION AND ORDER

**I. Relevant Background**

On October 21, 2022, the Puerto Rico Public-Private Partnerships Authority ("P3 Authority") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Puerto Rico Public-Private Partnerships Authority's Request for Issuance of Certificate of Energy Compliance and Request for Confidential Treatment* ("First Petition"). The First Petition included these documents: Exhibit 1: First Preliminary Contract<sup>1</sup> and Exhibit 2: the Report.<sup>2</sup> In pertinent part, through the First Petition, the P3 Authority requested the Energy Bureau to issue a Certificate of Energy Compliance for the First Preliminary Contract, which relates to a Puerto Rico Electric Power Authority ("PREPA") Transaction, in accordance with the provisions of Act No. 120-2018,<sup>3</sup> Act No. 29-2009<sup>4</sup> and Act No. 57-2014.<sup>5</sup>

Following various procedural developments, on January 14, 2023, the P3 Authority filed a document titled *Puerto Rico Public-Private Partnerships Authority's Motion Submitting Documents, As Further Amended, and Requesting Confidential Treatment* through which, in the pertinent part, it requested the Energy Bureau to take into consideration the revised Preliminary Agreement ("Preliminary Contract") attached therein as Exhibit I in considering and issuing the Certificate of Energy Compliance required under Act 120-2018.<sup>6</sup>

On January 15, 2023, the Energy Bureau issued a Resolution and Order ("January 15 Resolution") through which it determined that the Preliminary Contract complies with the Puerto Rico Energy Public Policy and regulatory framework and, therefore, issued a Certificate of Energy Compliance in connection with the Preliminary Contract.<sup>7</sup>

On January 20, 2023, the P3 Authority filed a motion requesting approval of the Preliminary

<sup>1</sup> See, PUERTO RICO THERMAL GENERATION FACILITIES OPERATION AND MAINTENANCE AGREEMENT dated as of [●], 2022, by and among [THE PUERTO RICO ELECTRIC POWER AUTHORITY] [PREPA GENCO, LLC] as Owner, THE PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY as Administrator, and [REDACTED-CONFIDENTIAL] as Operator ("First Preliminary Contract").

<sup>2</sup> See, *Partnership Committee Report, Puerto Rico Public-Private Partnership for the Puerto Rico Electric Power Thermal Generation Facilities*, dated October 17, 2022 ("Report").

<sup>3</sup> Known as *Puerto Rico Electric Power System Transformation Act*, as amended ("Act 120-2018").

<sup>4</sup> Known as *Public-Private Partnership Act*, as amended ("Act 29-2009").

<sup>5</sup> Known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

<sup>6</sup> The detailed procedural background of this case is discussed in January 15 Resolution, *infra*.

<sup>7</sup> See, January 15 Resolution, pp. 18-19.



contract with minor modifications. On January 21, 2023, the Energy Bureau issued a Resolution and Order **UPHOLDING** the Energy Compliance Certificate as issued through the January 15 Resolution in connection with the Preliminary Contract (as modified).

On January 24, 2023, the Puerto Rico Electric Power Authority (“PREPA”), P3 Authority and Genera PR, LLC (“Genera”) entered into an agreement for the Puerto Rico Thermal Generation Facility Operation and Maintenance (the “GOMA”). Under the GOMA, Genera is compensated through a Fixed Fee structure, as well as a performance incentive fee tied to specific outcomes related to cost savings and operational effectiveness. PREPA is required to pay this incentive fee if P3 Authority, in its role as contract administrator, determines that Genera has satisfied the performance criteria agreed upon by the parties in the contract. On July 1, 2023, Genera assumed the operation of PREPA’s Thermal Legacy Assets and commenced to provide the O&M Services under the GOMA.

On February 27, 2025, Genera and PREPA filed before the Energy Bureau a document titled *Joint Motion to Request Preliminary Approval for Amendments to Genera’s Operation and Maintenance Agreement* (“February 27 Motion”) under *In Re: Request for Certification Genera PR, LLC*, Case No: NEPR-CT-2023-0001. Through the February 27 Motion, Genera and PREPA informed that, after extensive discussions between Genera and the Government of Puerto Rico, PREPA, the P3 Authority, and Genera have agreed that the existing incentive structure can be removed to ensure long-term cost savings, administrative simplicity, and greater certainty for the people of Puerto Rico.<sup>8</sup> Accordingly, PREPA, the P3 Authority, and Genera have agreed to amend the GOMA<sup>9</sup> by retroactively eliminating all incentive categories, while preserving all existing penalty provisions. In exchange, PREPA will make a payment of \$110 million, to be paid in eleven (11) monthly installments of \$10 million each.<sup>10</sup> PREPA states that this amendment acknowledges \$15.42 million in verified incentives to Genera for Fiscal Year 2024 (“FY24”), which are included in the \$110 million payment.<sup>11</sup>

Genera and PREPA maintained this agreement brings predictability and transparency to the Puerto Rico’s energy sector by: 1) eliminating fluctuating incentive payments, which previously depended on annual performance evaluations; 2) ensuring that all cost savings achieved benefit Puerto Rico’s energy consumers; 3) reducing administrative complexity, as performance-based incentives requires continuous regulatory evaluations and oversight; 4) maintaining full accountability in Genera’s management for, among others, the maintenance, improvements, decommission and operation of the generation assets, as all existing penalties will remain in place as established in the GOMA; and 5) delivering long-term financial benefits by replacing unpredictable incentive payments with a payment that results in significant cost savings.<sup>12</sup> According to the parties, over the remaining nine (9) years of the contract, the amendment represents potential cost savings of up to \$805.52 million, which would have otherwise been allocated to incentive payments under the current structure.<sup>13</sup>

Genera and PREPA further highlighted that, under the current framework, Genera is entitled to performance-based incentives across six categories,<sup>14</sup> totaling up to \$100 million

<sup>8</sup> February 27 Motion, pp. 1–2, ¶2.

<sup>9</sup> Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (“GOMA”), dated January 24, 2023, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority (“P3 Authority”) and Genera PR LLC (“Genera”). Pursuant to the GOMA, Genera is the sole operator and administrator of the Legacy Generation Assets (defined in the GOMA) the sole entity authorized to represent PREPA before PREB with respect to any matter related to the performance of any of the O&M Services provided by Genera under the GOMA.

<sup>10</sup> February 27 Motion, p. 2, ¶3.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*, pp. 4–5, ¶10.

<sup>13</sup> *Id.*, pp. 2–3, ¶5.

<sup>14</sup> The six categories are: Operation Cost Efficiency, Equivalent Availability Factor (“EAF”), Safety Compliance, Environmental Compliance, Reporting Obligations, and Fuel Savings.



annually.<sup>15</sup> These incentive payments could have amounted to \$1 billion.<sup>16</sup> Genera has agreed to forgo all incentive payments for the full duration of the contract.<sup>17</sup> In exchange, Genera will receive \$110 million, payable over eleven (11) monthly installments of \$10 million, with payments scheduled to commence by the end of March, subject to the Energy Bureau and the Financial Oversight and Management Board for Puerto Rico ("FOMB") approval.<sup>18</sup> This restructuring, they contend, eliminates uncertainty in incentive calculations and ensures that 100% of all future operational savings will benefit the people of Puerto Rico, rather than being shared with Genera.<sup>19</sup>

Wherefore, Genera and PREPA requested the Energy Bureau grant preliminary approval for the proposed amendment, subject to final submission for final regulatory approval, once the required concurrences from PREPA and the P3 Authority Boards have been obtained.<sup>20</sup> Genera and PREPA also requested that Annex A (cost-benefit analysis conducted by FTI Consulting) be kept confidential as it contains attorney-client privilege information and includes trade or business secrets that are considered confidential under applicable law.<sup>21</sup>

Upon review of the information submitted, on February 28, 2025, the Energy Bureau granted preliminary approval of the proposed amendment, subject to the following conditions:

- (1) *This preliminary approval does not constitute a final determination. The final terms and details of the amendment contract have yet to be vetted and remain subject to review by the Energy Bureau for compliance with applicable laws and regulatory requirements and*
- (2) *PREPA and Genera must submit a detailed explanation of the source and budgetary impact of the \$110 million payment. The Energy Bureau highlighted that the proposed amendment could result in financial benefits, including potential savings for the public, if properly structured and implemented. The Energy Bureau further emphasized that any amendment to the GOMA would require a process under the requirements under Act 29-2009, Act 120-2018, and Act No. 17-2019,<sup>22</sup> including the issuance of a Certificate of Energy Compliance.*

On March 31, 2025, PREPA filed a document titled *Motion in Compliance with Resolutions and Orders Dated February 28, 2025 and March 28, 2025* ("March 31 Motion"), whereby it submitted, as Annex A, the First Amendment to the GOMA ("Proposed Amendment"), as approved by the governing boards of both PREPA and P3. The amendment was duly authorized and approved by PREPA's Governing Board, through Resolution 5171 issued on March 25, 2025 (Annex B), and P3's Board of Directors, through Resolution 2025-03 issued on March 28, 2025 (Annex C). PREPA also included as Annex D to the March 31 Motion a letter subscribed by P3 and sent to New Fortress Energy ("NFE") & Genera regarding NFE and Genera Financial Concerns & Request for Information dated March 28, 2025. PREPA further requested confidential treatment to Annex A and D arguing that the information contained in both documents is part of a deliberative process and shall remain confidential

<sup>15</sup> February 27 Motion, pp. 3–4, ¶8.

<sup>16</sup> *Id.*, p. 4.

<sup>17</sup> *Id.*, p. 4, ¶9.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*, pp. 9–10.

<sup>21</sup> *Id.*, p. 7, ¶ 16.

<sup>22</sup> Known as *Puerto Rico Energy Public Policy Act*, as amended ("Act 17-2019").



until the proposed amendment is executed, pending approval by the Energy Bureau and the FOMB.

## II. Regulatory and Legal Framework

The Energy Bureau's authority to review the Proposed Amendment arises from Act 120-2018,<sup>23</sup> Act 57-2014, and Act 17-2019. Furthermore, under Act 57-2014, the Energy Bureau is responsible for regulating energy companies and ensuring that agreements affecting electric service, system reliability, or rates are consistent with the public interest and Puerto Rico's energy public policy. Notably, Section 6.25B of Act 57-2014 authorizes the Energy Bureau to establish incentive and penalty mechanisms based on the performance of electric service companies and their compliance with energy policy objectives. These mechanisms aim to promote cost-effective investments in infrastructure, technology, distributed generation, renewable energy, and other services that enhance the electric system and benefit consumers. In exercising this mandate, the Energy Bureau approved Regulation 9137<sup>24</sup>, which establishes the process for implementing and evaluating performance metrics, targets, and financial incentives or penalties.

## III. Discussion

The Energy Bureau has conducted a preliminary evaluation of the Proposed Amendment, taking into consideration all information submitted by PREPA, Genera, and the P3 Authority. It has also reviewed the record developed in the proceedings in which it issued the Certificate of Energy Compliance for the Preliminary Contract. Based on this preliminary evaluation, the Energy Bureau finds that, before completing the assessment required for issuing the Final Certificate of Energy Compliance, it is in the public interest for the parties to consider additional modifications to the Proposed Amendment and to provide further explanations. Below, the Energy Bureau identifies matters that may merit further consideration by the parties.

### A. Selected Contract Standards under the GOMA

In the January 15 Resolution, the Energy Bureau clarified that despite the Preliminary Contract's internal mechanisms for calculating incentives and penalties, the final authority to evaluate, approve, and modify incentives and penalties resides exclusively with the Energy Bureau. In its Resolution issued on January 15, the Energy Bureau addressed the scope of the process to establish incentives and penalties pursuant to Regulation 9137. In that Resolution, the Energy Bureau stated that the incentives and penalties included in the Preliminary Contract cannot be construed as those established in accordance with Regulation 9137. Instead, any such incentives and penalties must be determined through the appropriate procedures mandated by Act 57-2014 and Regulation 9137. The Energy Bureau further clarified that the penalties agreed upon by the parties in the Preliminary Contract are applicable solely within the context of that contract, and do not limit or supersede the Energy Bureau's authority to impose penalties under applicable laws and regulations, following the proper procedural requirements.

The Proposed Amendment introduces the concept of "Performance Standards," a term which may cause confusion or imply that such standards are the exclusive operational criteria to which Genera will be subject, or that they constitute performance standards established pursuant to Regulation 9137. In light of this, the Energy Bureau **FINDS** that the Proposed Amendment should be revised to avoid such confusion. Specifically, the Amendment should clearly distinguish these contractual standards from those established under Regulation 9137, and use alternative terminology -such as "selected contract standards", "selected service level standards" or another neutral term, to prevent any misinterpretation regarding their legal basis or scope.

### B. Waiver of Penalties by Genco, PREPA and P3 Authority

<sup>23</sup> Puerto Rico Electric Power System Transformation Act, as amended ("Act 120-2018").

<sup>24</sup> Known as *Regulation for Performance Incentive Mechanism*, Regulation 9137, December 13, 2019 ("Regulation 9137").





Section 4 of the Proposed Amendment states as follow:

***SECTION 4. Waiver and Release of All Incentive Payments and Past Penalties.***

...

*(b) Owner, Administrator and PREPA hereby irrevocably and unconditionally waive, release, and forever discharge any and all rights, claims, demands, and causes of action, whether known or unknown, suspected or unsuspected, accrued or unaccrued, solely with respect to any Penalties pursuant to the Original OMA arising out of events or circumstances occurring during the period prior to January 1, 2025.<sup>25</sup>*

This provision establishes that the Genco, PREPA, and P3 Authority irrevocably and unconditionally waive and release any and all claims related to penalties under the GOMA that arise from events or circumstances occurring before January 1, 2025. The waiver applies to both known and unknown claims and is intended to prevent any future disputes or enforcement actions regarding such past events.

In light of the broad scope of the waiver and release provision contained in the Proposed Amendment, the Energy Bureau deems proper that a formal representation from Genera be included in the Proposed Amendment. Specifically, the Energy Bureau requires that Genera confirm that this contractual provision will not affect or prejudice any ongoing administrative or judicial proceedings currently pending before the Energy Bureau or the courts of Puerto Rico, and that it will not be invoked to impair the Energy Bureau's regulatory or enforcement authority under applicable law with respect to such proceedings.

***C. Genera and New Fortress Energy, Inc. Financial Condition***

On March 28, 2025, the P3 Authority issued a letter to New Fortress Energy, Inc. ("NFE") and Genera, raising significant concerns regarding NFE's financial condition.<sup>26</sup> According to P3 Authority, although NFE had represented in a letter dated January 24, 2025, that its financial position was "very strong," P3 Authority identified multiple indicators to the contrary.<sup>27</sup> These include a roughly 70% decline in NFE's stock price over the prior twelve (12) months, multiple credit downgrades by Fitch Ratings and Moody's, and public disclosures by NFE's management indicating material liquidity challenges and an inability to fully meet its obligations without additional transactions or deferrals of capital expenditures.<sup>28</sup> The issuance of \$2.7 billion in high-yield debt at a 12% coupon further signals financial stress. Given that NFE is the parent company of Genera and serves as Genera's guarantor under the GOMA, these financial concerns raise broader questions about Genera's ability to continue providing essential energy services in Puerto Rico without disruption.<sup>29</sup>

In light of the concerns raised by the P3 Authority in its March 28, 2025 letter to NFE and Genera, particularly in view of the inconsistencies between NFE's January 24, 2025 representation of a "very strong" financial position and the subsequent public disclosures and credit downgrades indicating significant financial distress, the Energy Bureau hereby requests that PREPA and P3 Authority provide an update on the status of the information requested from NFE and/or Genera. Furthermore, the Energy Bureau requests that the P3 Authority and PREPA indicate whether, based on the information received to date, it continues to consider that the terms and conditions of the Proposed Amendment remain aligned with the public interest. This request is especially relevant given that NFE is the parent company of Genera, and acts as a guarantor under the GOMA, thereby directly linking its financial condition to Genera's ability to fulfill its obligations under the agreement.

<sup>25</sup> See March 31 Motion, Annex A, page 3.

<sup>26</sup> See March 31 Motion, Annex D.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*



#### ***D. Further Assurances Regarding the Incentive Payment***

Pursuant to the Proposed Amendment, Genera will receive a discounted lump-sum incentive payment of \$110 million, to be paid over an eleven (11) month period starting approximately in the ninth month (March 2025) of the second year of a ten-year contract. In light of this, it is both reasonable and necessary to establish a robust protection mechanism to safeguard PREPA's financial interests. The \$110 million payment reflects the anticipated value of annual performance incentives that Genera would otherwise earn incrementally over the course of the agreement, assuming continued satisfactory service and compliance with contractual standards.

Unlike traditional incentive structures, where payments are tied to annual performance, the proposed approach frontloads the financial benefit to Genera. As a result, PREPA assumes increased risk in the event of default, non-performance, or insolvency, particularly in the early years of the contract, when Genera may have received a significant portion of compensation not yet earned through continued service delivery. While the structure offers PREPA a meaningful economic benefit by substantially reducing the potential long-term incentive payments to Genera, it remains essential to implement appropriate safeguards to protect the public interest. Given the upfront nature of the payment and its value being tied to performance over time, these protections are necessary to ensure accountability, preserve the value of public funds, and provide mechanisms for recovery in the event of non-compliance, default, or insolvency. Such safeguards are especially warranted in light of the long-term nature of the GOMA and the critical role Genera plays in Puerto Rico's energy system.

To mitigate this risk, the Energy Bureau deems that a structure, consisting of a contractual repayment obligation tied to the remaining contract value and backed by a third-party performance bond, offers a legally enforceable and financially secure solution. A repayment obligation establishes a clear, contractual duty for Genera to repay unearned portions of the incentive payment if it defaults or fails to meet the service obligations over the life of the GOMA. An amortizing performance bond ensures that PREPA has access to a surety-backed financial instrument that covers the outstanding repayment obligation on a declining basis, in proportion to the portion of the incentive effectively earned by Genera. This ensures alignment between payment, performance, and exposure. Given that the discounted payment is premised on a long-term contractual relationship and dependent on Genera's operational and financial viability, this mechanism balances risk transfer and incentive alignment, while placing the administrative and financial burden of compliance on Genera, not PREPA. A performance bond can be claimed quickly and independently of lengthy court processes, and when coupled with a repayment obligation, strengthens PREPA's ability to recover funds in a timely and predictable manner.

In sum, this structure is tailored to address the unique risk created by advancing an incentive payment based on future performance and provides PREPA with the highest degree of financial protection and enforceability, while minimizing ongoing administrative complexity.

Based on the foregoing considerations, the Energy Bureau recommends the adoption of contractual provisions that incorporate the key elements set forth in the model included below. For the avoidance of doubt, the Energy Bureau is not mandating the adoption of the specific language or structure described in the model provision; however, the essential elements identified therein must be duly considered and addressed in the final agreement. The Energy Bureau further acknowledges that implementing this approach may necessitate corresponding modifications to other provisions of the GOMA. Nonetheless, the Energy Bureau considers that such adjustments are achievable within a reasonable timeframe and do not present an insurmountable obstacle to timely execution.

#### **Section [X] – Repayment Warranty**

- 1.1 *Incentive Payment Structure.* *Operator acknowledges that, pursuant to this Agreement, Owner will pay Operator an aggregate amount of One Hundred Ten*



Million Dollars (\$110,000,000) (the “Discounted Incentive”) as an early, discounted replacement for the performance-based incentive compensation otherwise payable over the full ten (10)-year term of this Agreement.

- 1.2 Payment Schedule. The Discounted Incentive shall be paid in eleven (11) monthly installments of Ten Million Dollars (\$10,000,000) each, commencing in the twenty first (21<sup>st</sup>) month following the Effective Date and concluding in the thirty first (31<sup>st</sup>) month (collectively, the “Incentive Payment Period”).
- 1.3 Clawback Obligation. In the event that (a) this Agreement is terminated due to Operator Default or (b) Operator becomes subject to a Bankruptcy Event, in each case at any time after the commencement of the Incentive Payment Period and prior to the expiration of the ten (10)-year term of this Agreement, Operator shall repay to Owner a portion of the Discounted Incentive equal to: Repayable Amount = \$110,000,000 × (Remaining Contract Months ÷ 100), where “Remaining Contract Months” means the number of full calendar months remaining between the date of such termination or Bankruptcy Event and the end of the tenth contract year (i.e., month 120).
- 1.4 Repayment Deadline. Any amounts payable by Operator pursuant to this Section shall be paid to Owner within thirty (30) days of receipt of written notice from Owner specifying the amount due and the event triggering such obligation. This obligation shall survive the termination of this Agreement.

#### **Section [Y] – Performance Bond Security**

- 2.1 Bond Requirement. As security for Operator’s obligations under Section [X], including the obligation to repay all or part of the Discounted Incentive, Operator shall, no later than thirty (30) days after the commencement of the Incentive Payment Period, obtain and maintain in full force and effect a performance bond issued by a surety company licensed to do business in [jurisdiction], with an A- or better credit rating from A.M. Best, in favor of Owner, in the initial principal amount of One Hundred Ten Million Dollars (\$110,000,000) (the “Performance Bond”).
- 2.2 Sole Cost and Responsibility. Operator shall bear all costs, premiums, administrative fees, and any other charges associated with the procurement, maintenance, renewal, reduction, and/or replacement of the Performance Bond. Under no circumstance shall Owner be liable for, or required to reimburse, any portion of the costs associated with the Performance Bond.
- 2.3 Amortization of Bond Coverage. The amount of the Performance Bond shall be reduced annually in accordance with the schedule set forth in Exhibit X-1, such that the bond coverage in each year corresponds to the then-applicable Repayable Amount under Section [X.3]. Operator shall ensure the Performance Bond is amended or replaced as needed to reflect such reductions and shall provide updated bond certificates to Owner no later than thirty (30) days prior to each scheduled reduction.
- 2.4 Audit Rights. Owner shall have the right, upon reasonable notice and during normal business hours, to audit and inspect any documents relating to the Performance Bond, including but not limited to copies of the bond, any endorsements or riders, correspondence with the surety, proof of premium payments, and any amendments or renewals. Operator shall promptly cooperate with such audit requests and provide the requested materials within ten (10) business days.
- 2.5 Renewal Enforcement. Operator shall ensure that the Performance Bond remains continuously in effect throughout the entire period from the date of the first



Incentive Payment through the expiration of the Contract Term or until the Repayable Amount equals zero, whichever is earlier. If Operator fails to renew, extend, or replace the Performance Bond at least thirty (30) days prior to expiration or reduction, Owner may, but shall not be obligated to, procure a substitute bond or equivalent credit support, and all reasonable costs incurred by Owner in connection therewith (including premiums and fees) shall be reimbursed by Operator within ten (10) business days of invoice.

- 2.6 Call Rights. The Performance Bond shall be callable by Owner, in whole or in part, upon (a) termination of this Agreement due to Operator Default or (b) the occurrence of a Bankruptcy Event, in each case in an amount not to exceed the Repayable Amount as of the date of such event. The surety shall pay such amount to Owner within thirty (30) days of receiving a certified demand accompanied by documentation supporting the triggering event and the Repayable Amount claimed.
- 2.7 Bond Term. The Performance Bond shall remain in effect from the date of issuance until at least thirty (30) days after the expiration of the Contract Term or until such earlier date as the Repayable Amount equals zero in accordance with the amortization schedule.

**Exhibit X-1 – Amortization Schedule (Repayable Amount)**

Contract Month	Remaining Months	% of \$110MM	Repayable Amount
21	100	100.0%	\$110,000,000
33	88	88.0%	\$96,800,000
45	76	76.0%	\$83,600,000
57	64	64.0%	\$70,400,000
69	52	52.0%	\$57,200,000
81	40	40.0%	\$44,000,000
93	28	28.0%	\$30,800,000
105	16	16.0%	\$17,600,000
117	4	4.0%	\$4,400,000
		0.0%	\$0

**E. Incentive Payment Mechanism**

PREPA has proposed that the incentive payment be made through the Fuel Purchase Adjustment Clause of its tariff. In light of this assertion, the Energy Bureau hereby **ORDERS** PREPA to submit a comprehensive legal memorandum supporting its position that such payment may be lawfully executed through this mechanism.

**IV. Conclusion**

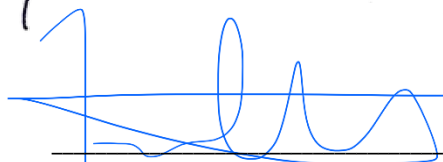
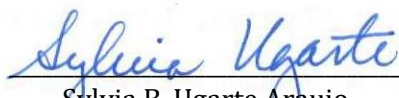
The Energy Bureau hereby **ORDERS** PREPA and the P3 Authority to modify the Proposed Amendment in accordance with the suggestions set forth in Part II of this Resolution and Order. PREPA and the P3 Authority are further **ORDERED** to supplement the petition by submitting the explanations and additional information required under that section. PREPA and the P3 Authority shall comply with these directives within five (5) days of receiving notification of this Resolution and Order.

**THE CLERK OF THE ENERGY BUREAU SHALL NOTIFY THIS RESOLUTION AND ORDER TO THE PREPA and P3 AUTHORITY ONLY AND SHALL KEEP IT CONFIDENTIAL UNTIL OTHERWISE INSTRUCTED BY THE ENERGY BUREAU.**

**BE IT NOTIFIED AND NOT PUBLISHED.**





  
Edison Avilés Deliz  
Chairman  
Lillian Mateo Santos  
Associate Commissioner  
Ferdinand A. Ramos Soegaard  
Associate Commissioner  
Sylvia B. Ugarte Araujo  
Associate Commissioner

**CERTIFICATION**

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on April 7, 2025. I also certify that on April 7, 2025 a copy of this Resolution and Order was notified by electronic mail to [lionel.santa@prepa.pr.gov](mailto:lionel.santa@prepa.pr.gov); [mary.zapata@prepa.pr.gov](mailto:mary.zapata@prepa.pr.gov); [josue.colon@p3.pr.gov](mailto:josue.colon@p3.pr.gov) . I also certify that today, April 7, 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, today April 7, 2025.

  
Sonia Seda Gaztambide  
Clerk