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

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

CASE NÚM.: NEPR-MI-2021-0002

SUBJECT: Resolution and Order for Motion Approval for to Submit Continuous Monitoring System Project To FEMA.

RESOLUTION AND ORDER

I. Introduction

On March 26, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("March 26 Resolution"), through which it ordered the Puerto Rico Electric Power Authority ("PREPA") to submit each specific capital investment project for approval to avoid potential noncompliance with the Approved Integrated Resource Plan ("IRP") and Modified Action Plan. To streamline the process, the Energy Bureau ordered PREPA to submit the specific projects to the Energy Bureau at least thirty (30) calendar days before their submittal to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency ("COR3") and the Federal Emergency Management Agency ("FEMA"), and any other federal agency², and to continue reporting to the Energy Bureau and FEMA, within the next five (5) years, the progress of all ongoing efforts related to the final approval of the submitted projects not yet approved by the Energy Bureau.

On January 24, 2023, GENERA PR LLC ("Genera"), PREPA and the Puerto Rico Public- Private Partnership Authority ("P3A") executed the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("LGA OMA"). According to the LGA OMA, Genera is the sole operator and administrator of the Legacy Generation Assets³, and the exclusive entity authorized to represent PREPA before the Energy Bureau about any matter related to the performance of the Operation and Maintenance ("O&M") services provided by Genera under the LGA OMA. Further, Genera is the sole entity responsible for procuring and administering federal funds for projects to repair or replace the LGA⁴.

On September 4, 2025, Genera, as agent of PREPA, filed a Motion for Approval to Submit Continuous Emission Monitoring System ("CEMS") Project to FEMA ("September 4 Motion"). Through the September 4 Motion, Genera seeks the Energy Bureau's authorization to submit to FEMA a Detailed Scope of Work ("DSOW") for the repair, replacement, and modernization of emission monitoring equipment at the Aguirre, Costa Sur, Palo Seco, and San Juan Power Plants.

II. **Evaluation and Analysis**

In its September 4 Motion, Genera asserts that it is required to comply with the U.S. Environmental Protection Agency's ("EPA") final rule revising the Mercury and Air Toxics Standards ("MATS") published on May 7, 2024 (89 Fed. Reg. 38,508). As part of the filterable particulate matter ("PM-FIL") limit revision by the EPA, it was required a CEMS for coal- and oil-fired to demonstrate compliance with the revised standard. The proposed project is



¹ Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, In re: Review of the Integrated Resource Plan of the Puerto Rico Electric Power Authority, Case No. CEPR-AP-2018-0001, August 24, 2020 ("IRP Order").

² March 26 Resolution, p. 18-19.

³ As defined in the LGA OMA.

⁴ LGA OMA Section 5 8 (c).

therefore necessary to ensure compliance with the Clean Air Act § 112(d), 42 U.S.C. § 7412(d), as well as other federal and local regulatory mandates.

Genera also notes that under FEMA's Public Assistance Program and Policy Guide, Version 5.0 (FP 104-009-2), applicants must comply with applicable federal statutes and regulations, including environmental laws. Failure to undertake the CEMS upgrades could jeopardize FEMA funding eligibility for ongoing and future projects.

The Energy Bureau **RECOGNIZES** that the PREPA facilities operated by Genera must meet stringent air quality standards, including the requirements of Title V Operating Permits, the EPA regulations under 40 C.F.R. Parts 60, 63, and 64, and the Puerto Rico Department of Natural and Environmental Resources' ("DNER") Regulations for the Control of Atmospheric Pollution.

The Energy Bureau further **TAKES NOTICE** that:

and

1. The CEMS project is required pursuant to the EPA most recent revision of the MATS to maintain lawful operation and environmental compliance to which federal funds have been obligated. This requirement may also indirectly affect the environmental compliance status of other FEMA-obligated equipment repair projects within the same generating units⁵.



2. The CEMS project is included in the Consolidated Project Plan submitted by the Puerto Rico Electric Power Authority (PREPA) on August 8, 2025 in response to the FEMA June 3, 2025, Request for Information (RFI) regarding the use of the remaining balance of FEMA Accelerated Award Strategy (FAASt) funds obligated under Section 428 of the Stafford Act.



3. The environmental and historic preservation considerations outlined in the DSOW⁶ indicate no adverse effect on wetlands, endangered species, or historic structures, and all waste will be disposed of at EPA/DRNA-approved facilities.

Based on the record before it, the Energy Bureau **DETERMINES** that the proposed project is consistent with applicable federal environmental mandates, is necessary for FEMA funding eligibility, and does not conflict with the Approved IRP and Modified Action Plan.

III. Conclusion

Upon review of Exhibit A of the September 4 Motion, the Energy Bureau **DETERMINES** that the CEMS project is necessary to comply with environmental requirements and applicable federal and local regulations, to minimize potential impact on already obligated projects while ensuring that all reconstruction efforts remain consistent with the objectives and mandates if the IRP.

The Energy Bureau **APPROVES** the projects in **Attachment A** to this Resolution and Order. This approval represents **\$5,759,583.17** based on the cost estimates submitted by Genera through the September 4 Motion. Genera **SHALL** present the approved SOW of the projects in **Attachment A** to FEMA and COR3 to finalize their approval process.

Sign

The Energy Bureau **REMINDS** Genera that it shall: (i) submit to the Energy Bureau copy of the approval by COR3 and/or FEMA of the projects in **Attachment A**, which shall have the costs obligated for each individual site, **within ten (10) days of receipt of this approval**; (ii) inform the Energy Bureau on the actual contracted cost to construct each individual site of the projects in **Attachment A**, **within ten (10) days from the execution of the contract**; and (iii) inform the Energy Bureau once each project is completed.



⁵ September 4 Motion.

⁶ September 4 Motion, Exhibit A.

The order established in the March 26 Resolution regarding the submission of projects before the Energy Bureau at least thirty (30) calendar days before submitting such projects to FEMA and/or COR3 **remains unaltered**.

The Energy Bureau **WARNS** Genera that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines pursuant to Act 57-2014⁷ and applicable Energy Bureau's regulations and any other sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.

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 hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on September 11, 2025. I also certify that on September 11, 2025, a copy of this Resolution and Order was notified by electronic mail to RegulatoryPREBorders@lumapr.com; margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; katiuska.bolanos@us.dlapiper.com; jfr@sbgblaw.com; legal@genera-pr.com; arivera@gmlex.net; mvalle@gmlex.net; lionel.santa@prepa.pr.gov, hrivera@jrsp.pr.gov; mrios@arroyorioslaw.com; jordgraham@tesla.com; javrua@sesapr.org; forest@cleanenergy.org; customerservice@sunnova.com; pjcleanenergy@gmail.com; agraitfe@agraitlawpr.com, info@sesapr.org; cfl@mcvpr.com; mqs@mcvpr.com; and 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 September <u>II</u>, 2025.

Wanda I. Cordero Morales Interim Clerk

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DA

⁷ Known as the Puerto Rico Energy Transformation and RELIEF Act, ("Act 57-2014, as amended").

Attachment A Projects Approved by the Energy Bureau

Site	Description	Total Cost Estimate
Aguirre		\$1,078,480.17
	Equipment:	
	Particulate Monitor	
	CEMS	
	DAHS Software	
	DAHS Workstation	
	Labor:	
	• Installation	
	Management Cost	4070.060.00
Costa Sur	Faninanant	\$970,369.33
	Equipment:	
	Particulate Monitor CEMS	
	DAHS Software DAHS Workstation	
	DAHS Workstation	
	Labor:	
	Installation	
San Juan	Management Cost	\$1,989,114.36
	Equipment:	\$1,909,114.50
	Particulate Monitor	
	CEMS	
	Heated Sample Lines	
	DAHS Software	
	DAHS Workstation	
	AnalizerNox, CO/O2	
	Other Components	
	(Panels, Gas Cylinder	
	Supports, HVAC, Probe	
	Boxex, Misc.)	
	Labor:	
	 Installation 	
	Management Cost	
Palo Seco		\$970,369.33
	Equipment:	
	 Particulate Monitor 	
	CEMS	
	DAHS Software	
	 DAHS Workstation 	
	Labor:	
	 Installation 	
	Management Cost	
A&E	A&E Services for all sites:	\$751,249.98
	• Aguirre: \$161,772.03	
	• Costa Sur: \$145,555.40	
	• San Juan: \$298,367.15	
	• Palo Seco: \$145,555.40	
	Total	\$5,759,583.17