

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

NEPR

Received:

Oct 3, 2025

10:50 AM

IN RE: GENERA PR LLC FY2024
INCENTIVES AND PENALTIES REPORT

Case No.: NEPR-MI-2025-0002

Subject: Informative Motion Regarding
Ratepayers Savings Under Sec. 21.19(a) of the
Operations and Maintenance Agreement.

**INFORMATIVE MOTION REGARDING RATEPAYERS SAVINGS UNDER SECTION
21.19(A) OF THE OPERATIONS AND MAINTENANCE AGREEMENT**

TO THE ENERGY BUREAU:

COMES NOW, GENERA PR, LLC (“Genera”), through its undersigned counsel and, very respectfully, states and prays as follows:

1. Genera began operating the *Legacy Generation Assets* on July 1, 2023, with the goal of facilitating Puerto Rico’s transition to a sustainable, cost-efficient, and stable energy system. The scope of Genera’s rights and obligations as operator of such assets is set forth in the *Puerto Rico Thermal Generation Facilities Operations and Maintenance Agreement* (“OMA”) dated as of January 24, 2023, by and among the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnership Authority (“P3A”) and Genera.

2. Section 21.19(a) of the OMA, requires Genera to provide a summary to LUMA Energy, LLC (“T&D Operator”) of Genera’s calculation of the fuel and operational savings, which summary shall show Genera’s calculations of the savings created by Genera activities in the second Contract Year (July 1st, 2024 – June 30th, 2025). Genera shall make copies of such summary available to, among others, the Puerto Rico Energy Bureau (PREB).

3. Consistent with its responsibility under the OMA, Genera hereby submits as **Exhibit A**, the *Summary of Ratepayers' Savings*. This report shows that Genera achieved actual savings of \$210.5M during the second Contract Year.

WHEREFORE, Genera respectfully requests that the PREB take notice of the foregoing under Section 21.19(a) of the OMA.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 3rd day of October, 2025.

It is hereby certified that this motion was filed using the electronic filing system of this Energy Bureau, and that electronic copies of this Motion will be notified to the following attorneys who have filed a notice of appearance in this case: legal@genera-pr.com; regulatory@genera-pr.com. RegulatoryPREBOrders@lumapr.com; yahaira.delarosa@us.dlapiper.com; arivera@gmlex.net.

ROMAN NEGRÓN LAW, PSC
Attorneys for Genera PR, LLC
P.O. Box 360758
San Juan, PR 00936
Tel. (787) 979-2007

s/Luis R. Román Negrón
Luis R. Román Negrón
RUA 14,265
lrn@roman-negron.com

Exhibit A – Summary of Ratepayers' Savings

Summary of Ratepayers Savings

September 30, 2025

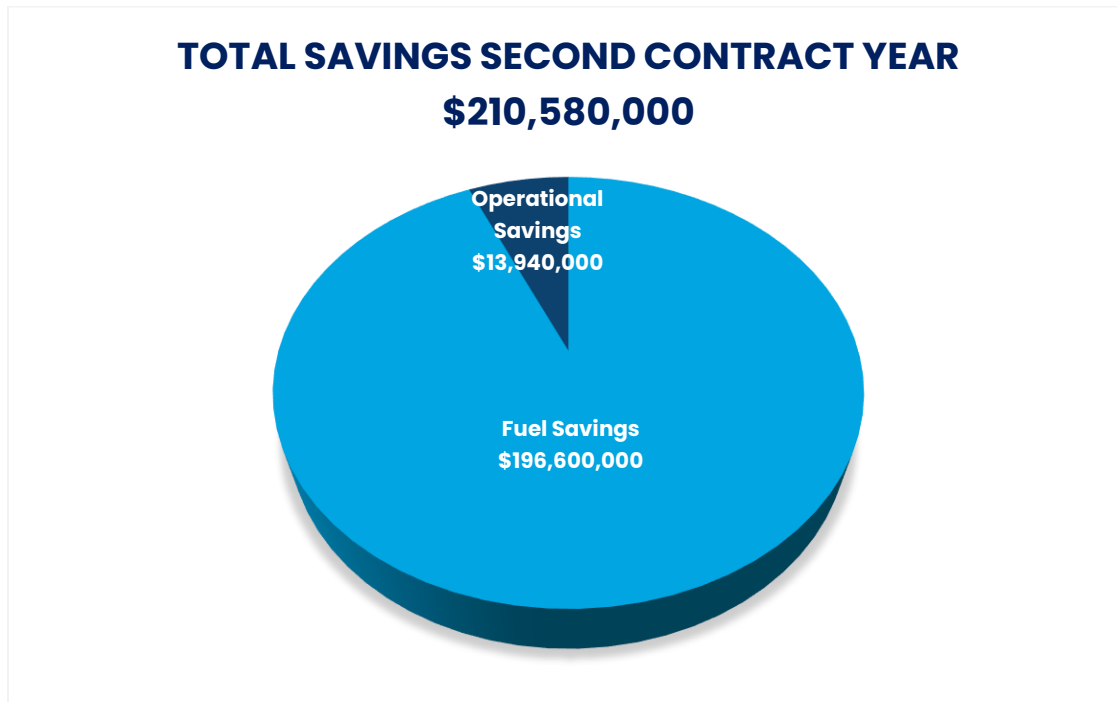


Executive Summary

Section 21.19(a) of the Puerto Rico Thermal Generation Facilities Operations and Maintenance Agreement (“OMA”) dated as of January 24, 2023, by and among the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnership Authority (“P3A”) and Genera PR LLC (“Genera”), requires Genera to provide a summary to LUMA Energy, LLC (“T&D Operator”) of Genera’s calculation of the fuel and operational savings, which summary shall show Genera’s calculations of the savings created by Genera activities in the second Contract Year (July 1st, 2024 – June 30th, 2025).

Genera achieved actual savings of \$210.5M during the second Contract Year. Figure 1 provides a summary of the areas where Genera was able to accomplish savings for the rate payers.

Figure 1 – Summary of Savings



The following is a summary breakdown of the initiatives and operational efficiencies implemented and achieved by Genera to obtain savings for the ratepayers. Calculations of the saving are available upon request.

I. Fuel Savings

Genera successfully implemented three Fuel Cost Savings Initiatives during its second Contract Year, that resulted in more than \$196 million in actual savings. These five initiatives are summarized in Table 1, which provides a succinct overview of the savings, showcasing the effective strategies employed by Genera to optimize fuel costs.

Table 1 – Summary of Fuel Savings

Initiative	Savings (Millions)
#1 ULSD Fixed Premium Reduction Initiative	\$11.73
#2 FO6 Fixed Premium Reduction Initiative	\$8.91
#3 Asset Supplementing Initiative	\$176.01
Total Savings	\$196.64

II. Operation Savings

Genera achieved Actual Operational Savings during its second Contract Year. Genera's approved Operating Budget equaled \$300.32 million, while actual expenditures came to \$286.38 million by year-end. This resulted in \$13.94 million in actual savings versus budget delivered to the ratepayers, savings of 4.9% overall. Table 2 provides a summary of the Operating Budget and the actual Operational Savings during this first Contract Year.

Table 2 – Budget v. Actuals

Line Item	FY2025 Budget	FY 2025 Actual @ 7/30
Total Labor Operating Expenses	\$75.40	\$74.13
Non-Labor Expenses	\$76.09	\$67.18
Shared Services Agreement	\$56.83	\$53.13
Total GenCo Operating Expenses	\$208.32	\$194.44
NME	\$78.33	\$78.32
Generation Maintenance Reserve Fund	\$13.67	\$13.62
Total O&M Expenses Actuals for FY2025	\$300.32	\$286.38

These savings are the product of both strategic and operational decisions implemented throughout the fiscal year. On the labor side, cost efficiencies were realized through tighter workforce planning, reallocation of internal resources across sites, and targeted reductions in overtime. In particular, Genera implemented a centralized manpower allocation model that allowed skilled personnel to be deployed flexibly across generation sites based on outage schedules and operational needs.

Non-labor categories such as materials, security, and utilities also reflected meaningful cost reductions. These were achieved through improved procurement practices, including supplier renegotiations, use of master contracts, and optimized inventory management. In the area of shared services, Genera trimmed expenses by over \$3.5 million by consolidating administrative functions and centralizing core support services.

During FY2024–25, Genera participated in a coordinated insurance program in collaboration with LUMA and PREPA, leveraging scale and alignment across both organizations to review program structure and negotiate more favorable terms for core risk coverage. During the year, Genera had made meaningful progress in addressing risks identified in reports provided by external consultants in connection with insurance renewals and in generation capacity improvements, both of which

contributed to an improved risk profile for generation assets. These efforts resulted in a program-wide savings, of which over \$5 million were allocable to Genera.

In FY2024, Genera renegotiated the San Juan 5&6 units' LTSA, achieving significant savings for the ratepayers of Puerto Rico for years to come. In FY2025, these savings were realized. Under the previous terms, Genera budgeted approximately \$16.0 million annually for the LTSA. Following the renegotiation, the actual cost for FY2025 totaled \$6.4 million, resulting in a direct saving of \$9.6 million to Puerto Rico's ratepayers.

In addition to cost reductions, the revised LTSA extended maintenance intervals from every 12,000 EFH to every 16,000 EFH. This adjustment continues to yield fuel savings by avoiding the need to bring online less efficient and more costly units, while still operating well within conservative technical standards (noting that modern parts typically allow for 24,000 EFH intervals).