

**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 on
Genera's Announcement of Federal Funds

Hearing Examiner's Order on Genera's Announcement of Federal Funds

On October 21, 2025, Genera filed a "Motion to Inform of Revised Budget Outlook in Light of Federal Funding and Ratepayer Burden Relief Efforts and Request to Limit Discovery Scope." The Motion describes \$258 million in federal funding that Genera says it "has secured." Of this \$258 million, \$187 million will come from the U.S. Department of Energy, while \$71 million will come from Community Development Block Grant – Disaster Recovery (CDBG-DR) funds for FEMA cost-sharing.

Genera requests ten days to submit revised budget schedules. Genera also requests that the "scope of discovery . . . be temporarily limited pending the filing of the revised schedules and thereafter adjusted to correspond with the expenditures that will be sought to be recovered from ratepayers."

Because this situation might repeat itself during this proceeding, we will have a public conference tomorrow, **October 23, 2025, at 1.30pm Atlantic**. What follows is what I require of Genera no later than 10 days from now. In what I hope will be a brief meeting—a meeting that does not require multiple lawyers from parties whose legal costs become customer costs—I will invite Genera's, LUMA's, and PREPA's clarifications and proposed improvements to these requirements, which as adjusted would serve as a model for future similar situations.

Required submissions

Genera shall submit an **Exhibit 22.3REV**, redlining all changes from the original Exhibit 22.3 that are caused by the influx of the \$258 million.

Genera shall submit a short Exhibit identifying each change from Exhibit 22.3 caused by the influx of the \$258 million. This new exhibit should display, with references to the line numbers in Exhibit 22.3REV, the following:

- each project or activity that Exhibit 22.3 proposed to be funded with base rate funds, which project or activity now will be funded in that same amount with federal funds, and the specific amount at issue;

- each project or activity that Exhibit 22.3 said would be funded with federal funds but that now will be funded at a higher level, and the specific amount at issue; and
- any project not listed in Exhibit 22.3 that Genera now proposes to add as a result of the \$258 million, and the source and amount of the associated funding.

For any project in the third category, an existing witness shall explain via supplemental testimony why Genera did not include it in the July 3, 2025, proposal and why it merits consideration now.

For all listed projects, explain the timing of the spending, i.e., FY26, FY27, or FY28.

From Genera's motion, I infer that the \$71 million from CDBG-DR for the federal cost-share is "already received" (Motion at 5); but that the \$187 million from U.S. DOE is not "already received." I assume that "already received" means that the \$71 million now sits in a PREPA bank account. Genera should confirm this point. Genera also should explain the status of the \$187 million, in terms of where the funds are today, when Genera expects those funds to appear in a PREPA bank account, what actions Genera must take to achieve that result, and what actions Genera or PREPA needs to take to begin spending the funds.

LUMA obligations

Because LUMA is officially in charge of the entire rate filing, I need LUMA to (a) attend this conference and all others like it, and (b) keep track of each of these spending changes. That way, LUMA will be prepared when required to make all necessary calculations of the final revenue requirement. See Appendix E to my Order of October 16, 2025.

Discovery

As I understand it, Genera requests a temporary limit on discovery into projects whose funding is moving, as a result of the \$258 million, from base-rate funding to federal funding. I deny this request. We don't know which projects are moving where, so a "temporary limit," fine-tuned to reflect the \$258 million, is not possible. Parties can ask what they want. But I will suspend the 10-day response obligation for questions that Genera, in good faith, believes can better be rephrased or answered once Genera provides the information required above. Genera therefore should accompany its responses to this Order with responses to whatever questions it can answer; and work out with requestors alternative procedures for other questions. Avoid bringing me controversies.

That we are dealing with federal funds rather than base-rate funds does not change the necessity for discovery. In this proceeding, discovery has always covered all projects

and activities, regardless of their funding source. All utility regulation is about utility performance. Utility performance includes the wise, efficient use of funds, regardless of their source. Poor use of federal funds can lead to loss of those funds, which increases dependence on base-rate funds.

I do expect all counsel to recognize that the closer we get to the evidentiary hearing, the more difficult it is for a party to respond to discovery. Remember also that “just and reasonable rates” fall within a zone. There is no one single just-and-reasonable rate. Between now and the hearing close on December 19, 2025, and between now and the deadline for the final Order of April 19, 2026, there will always be some uncertainty about actual costs and actual funds. No amount of discovery can change that reality. Let’s make the remaining requests narrow and reasonable.

Be notified and published.



Scott Hempling
Hearing Examiner

CERTIFICATION

I certify that the Hearing Examiner, Scott Hempling, has so established on October 22, 2025. I also certify that on October 22, 2025, I have proceeded with the filing of the Order, and a copy was notified by electronic mail to: mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net; jgonzalez@gmlex.net; nzayas@gmlex.net; Gerard.Gil@ankura.com; Jorge.SanMiguel@ankura.com; Lucas.Porter@ankura.com; mdiconza@omm.com; golivera@omm.com; pfriedman@omm.com; msyassin@omm.com; msyassin@omm.com; katiuska.bolanos-lugo@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; regulatory@genera-pr.com; legal@genera-pr.com; mvazquez@vvlawpr.com; gvilanova@vvlawpr.com; dbilloch@vvlawpr.com; ratecase@genera-pr.com; jfr@sbgblaw.com; hriviera@jrsp.pr.gov; gerardo_cosme@solartekpr.net; contratistas@jrsp.pr.gov; victorluisgonzalez@yahoo.com; Cfl@mcpvpr.com; nancy@emmanuelli.law; jrinconlopez@guidehouse.com; Josh.Llamas@fticonsulting.com; Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Intisarul.Islam@weil.com; alexis.ramsey@weil.com; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; monica@emmanuelli.law; cristian@emmanuelli.law; luis@emmanuelli.law; jan.albinolopez@us.dlapiper.com; Rachel.Albanese@us.dlapiper.com; varoon.sachdev@whitecase.com; javrua@sesapr.org; Brett.ingerman@us.dlapiper.com; brett.solberg@us.dlapiper.com; agraitfe@agraitlawpr.com; jpouroman@outlook.com; epo@amgprlaw.com; loliver@amgprlaw.com; acasellas@amgprlaw.com; matt.barr@weil.com; Robert.berezin@weil.com; Gabriel.morgan@weil.com;

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I sign this in San Juan, Puerto Rico, on October 22, 2025.





Sonia Seda Gaztambide
Clerk