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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: Motion submitting Mr. Joaquín

Quinoy's Surrebuttal Testimony

MOTION SUBMITTING MR. JOAQUÍN ANTONIO QUINOY ORTIZ SURREBUTTAL TESTIMONY IN RESPONSE TO THE "BONDHOLDERS' SUBMISSION OF ANSWERING TESTIMONY OF ANTHONY HURLEY"

COMES NOW the undersigned counsels, representatives of **GENERA PR LLC** ("Genera"), as agent of the Puerto Rico Electric Power Authority ("PREPA"), and respectfully states and prays as follows:

- 1. Pursuant to the Hearing Examiner's *Order on Various Prehearing Matters* issued on October 29, 2025 ("Order"), and consistent with the procedural schedule established therein, Genera respectfully submits the *Surrebuttal Testimony of Mr. Joaquín Antonio Quinoy Ortiz* in response to the "Bondholders' Submission of Answering Testimony of Anthony Hurley." This testimony is filed in accordance with the November 8, 2025, deadline and identified as Genera Exhibit 82.
- 2. In compliance with the Order and applicable procedural directives, Genera files this testimony through the Energy Bureau's electronic docket using the standard motion format. The testimony will also be uploaded and indexed on the Accion Discovery Platform as Exhibit 82, in accordance with the coordinated exhibit numbering protocol established among applicant parties.

¹ Pursuant to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* ("LGA OMA"), dated January 24, 2023, executed by and among PREPA, Genera, and the Puerto Rico Public-Private Partnerships Authority, Genera is the sole operator and administrator of the Legacy Generation Assets (as defined in the LGA OMA) and the sole entity authorized to represent PREPA before the Energy Bureau with respect to any matter related to the performance of any of the O&M Services provided by Genera under the LGA OMA.

WHEREFORE, Genera respectfully requests that the Energy Bureau and its Hearing Examiner: (i) take notice of the foregoing; and (ii) accept the Surrebuttal Testimony of Mr. Joaquín Antonio Quinoy Ortiz, submitted on behalf of Genera PR LLC in response to the "Bondholders' Submission of Answering Testimony of Anthony Hurley."

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 7th day of November 2025.

WE HEREBY CERTIFY 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 Hearing Examiner, Scott Hempling, shempling@scotthemplinglaw.com; and to the attorneys of the parties of record.

A courtesy copy of the present Motion will also be notified to the following:

Parties and Intervenors:

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; katiuska.bolanos-lugo@us.dlapiper.com; msyassin@omm.com; msyassin@omm.com; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; regulatory@generagvilanova@vvlawpr.com; pr.com; legal@genera-pr.com; mvazquez@vvlawpr.com; ratecase@genera-pr.com; jfr@sbgblaw.com; hrivera@jrsp.pr.gov; gerardo cosme@solartekpr.net; contratistas@jrsp.pr.gov; victorluisgonzalez@yahoo.com; Cfl@mcvpr.com; nancy@emmanuelli.law; irinconlopez@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; lgnq2021@gmail.com; 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; corey.brady@weil.com; lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; isaac.glassman@whitecase.com; jcunningham@whitecase.com; tmacwright@whitecase.com; mshepherd@whitecase.com; igreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com; howard.hawkins@cwt.com; mark.ellenberg@cwt.com; casey.servais@cwt.com; bill.natbony@cwt.com; zack.schrieber@cwt.com; thomas.curtin@cwt.com; escalera@reichardescalera.com; riverac@reichardescalera.com; erickay@quinnemanuel.com; susheelkirpalani@quinnemanuel.com; fgierbolini@msglawpr.com; dmonserrate@msglawpr.com; rschell@msglawpr.com; eric.brunstad@dechert.com; Stephen.zide@dechert.com; David.herman@dechert.com; Isaac.Stevens@dechert.com; James.Moser@dechert.com; michael.doluisio@dechert.com; Kayla.Yoon@dechert.com; Julia@londoneconomics.com; Brian@londoneconomics.com; luke@londoneconomics.com; juan@londoneconomics.com; mmcgill@gibsondunn.com; LShelfer@gibsondunn.com; jcasillas@cstlawpr.com; jnieves@cstlawpr.com; pedrojimenez@paulhastings.com; ericstolze@paulhastings.com; arrivera@nuenergypr.com; apc@mcvpr.com; ramonluisnieves@rlnlegal.com

PREB Consultants:

shempling@scotthemplinglaw.com; kbailey@acciongroup.com

Counsels for GENERA PR LLC



VÁZQUEZ & VILANOVA LAW FIRM LLC

563 Calle C. H Alverio Unit 2 San Juan, PR 00918 Tel.: (787) 519-7063 Fax. (260) 234-3410

/s/ Maralíz Vázquez-Marrero Maralíz Vázquez-Marrero mvazquez@vvlawpr.com RUA NÚM. 16,187

/s/ Giuliano Vilanova Feliberti Giuliano Vilanova-Feliberti gvilanova@vvlawpr.com RUA NÚM. 22,718

/s/ Damaris Billoch-Colón Damaris Billoch Colón dbilloch@vvlawpr.com RUA NÚM. 19,151

GENERA Exhibit 82:

Surrebuttal Testimony in Response to the "Bondholders' Submission of Answering Testimony of Anthony Hurley" by Joaquín Antonio Quinoy Ortiz

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

IN RE:

CASE NO.: NEPR-AP-2023-0003

PUERTO RICO ELECTRIC POWER AUTHORITY RATE REVIEW

SUBJECT: Surrebuttal Testimony in Response to the "Bondholders' Submission of Answering Testimony of Anthony Hurley" by Joaquín Antonio Quinoy Ortiz

SURREBUTTAL TESTIMONY IN RESPONSE TO THE "BONDHOLDERS' SUBMISSION OF ANSWERING TESTIMONY OF ANTHONY HURLEY"

BY

JOAQUÍN ANTONIO QUINOY ORTIZ

Vice President of Engineering, Construction and Maintenance

On behalf of Genera PR LLC, as agent of the Puerto Rico Electric Power Authority

November 7, 2025

Summary of Surrebuttal Testimony of Joaquín Antonio Quinoy Ortiz On Behalf of Genera PR LLC

Mr. Joaquín Antonio Quinoy Ortiz, Vice President of Engineering, Construction and Maintenance for Genera PR LLC ("Genera"), provides this surrebuttal testimony in response to the Bondholders' Submission of Answering Testimony of Anthony Hurley. His testimony addresses and corrects several factual and technical mischaracterizations regarding the classification, eligibility, and prudence of certain projects included in Genera's rate case budgets.

Mr. Quinoy clarifies that the \$17.5 million identified by Mr. Hurley as potentially federally eligible relates to periodic inspections and maintenance of existing peaker units, which are not capital projects and have not received FEMA or DOE funding. He further explains that the Cambalache Units 2 and 3 project and the Aguirre economizer replacement have already been approved under DOE and FEMA programs and therefore will not be recovered through customer rates.

With respect to the Long-Term Service Agreement for San Juan Units 5 and 6, Mr. Quinoy testifies that these contracts constitute operations and maintenance activities ineligible for federal reimbursement under applicable FEMA and DOE criteria and are appropriately rate-funded pursuant to Section 7.4 of the Legacy Generation Assets Operation and Maintenance Agreement.

He also notes that Mr. Hurley's testimony incorrectly identifies as ratepayer-funded several projects already covered by federal programs, including Cambalache and Aguirre. Genera's revised budget schedules filed on October 31, 2025, reflect these corrections. Only the Palo Seco Unit 4 economizer valve remains outside federally funded scopes.

Regarding Cambalache, San Juan Units 7–10, and decommissioning projects, Mr. Quinoy explains that Cambalache awaits Bureau approval prior to federal submission; San Juan Units 7–10 remain provisional pending FEMA determinations; and the decommissioning portfolio—comprising Jobos, Yabucoa, Daguao, Aguirre, and Costa Sur—has been recently obligated by FEMA.

Finally, Mr. Quinoy affirms that inclusion of federally eligible projects in Genera's rate forecast is a prudent and necessary measure given the uncertainty of federal disbursement timing, with all costs reconciled upon receipt of funds to avoid double recovery. He confirms that the statements contained in his testimony are true, accurate, and reflect Genera's official position on the matters addressed in the Bondholders' submission.

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1 I. <u>INTRODUCTION</u>

2 A	V	Vitness I	denti	fication

- 3 Q. Please state your name, position, and role at Genera PR LLC.
- 4 A. My name is Joaquín Antonio Quinoy Ortiz, and I serve as the Vice President of
- 5 Engineering, Construction and Maintenance for Genera PR LLC ("Genera"), which
- operates and maintains the legacy generation assets of the Puerto Rico Electric Power
- Authority ("PREPA") under the Legacy Generation Assets Operation and Maintenance
- 8 Agreement ("LGA OMA").
- 9 Q. On whose behalf are you testifying?
- 10 **A.** I am testifying as a witness on behalf of Genera.
- 11 B. Summary of Direct Testimony and Attachments
- 12 Q. What are the purposes and subjects of your surrebuttal testimony?
- 13 A. This surrebuttal addresses statements contained in Section VIII (pages 67–76) of the
- 14 Bondholders' Submission of Answering Testimony of Anthony Hurley, which assert that
- General improperly included in its budget projects that should be federally funded. The
- statements appearing at pages 72–74 mischaracterize the current federal funding process,
- the Energy Bureau's prior approvals, and FEMA and the U.S. Department of Energy
- 18 (DOE) eligibility determinations.
- 19 Q. Are there any exhibits to your testimony?
- 20 **A.** No.
- 21 II. RESPONSE TO ASSERTIONS ON TEMPORARY GENERATION
- 22 Q. What is your response to Mr. Hurley's statement that approximately \$17.5M in
- Peakers related costs could be eligible for federal funding?

1 On page 70, Mr. Hurley states that, bases on his review of supporting project Α. 2 documentation, "Genera has requested \$17.5 million in non-federally funded capital 3 expenditures" for the existing Peakers that could be transferred to FEMA funding. The 4 referenced \$17.5 million covers regularly scheduled inspection and maintenance of 5 existing equipment. As of today, there has been no assignment or approval of federal funds 6 for these assets by PREPA or FEMA. 7 III. RESPONSE TO ASSERTIONS ON CAMBALACHE AND AGUIRRE PROJECTS 8 Q. Mr. Hurley claims that Genera requested \$46 million for the Cambalache project 9 and \$5.3 million for the Aguirre project that could be federally funded. Is this 10 correct? 11 No. That assertion is outdated and inaccurate. As noted on page 71 of Mr. Hurley's A. 12 testimony, both projects have already been incorporated into federally funded portfolios: 13 The Cambalache Units 2 and 3 investment has been approved under DOE and 14 FEMA funding. 15 The Aguirre economizer replacement is fully funded by DOE and has been 16 approved as part of the DOE's critical reliability investments. 17 Therefore, neither project will be recovered through customer rates. 18 IV. RESPONSE TO ASSERTIONS ON SAN JUAN UNITS 5 AND 6 – LONG-TERM 19 SERVICE AGREEMENTS (LTSA) 20 Q. On page 71, Mr. Hurley references \$25.1 million for the LTSA at San Juan Units 5 21 and 6 and asserts that these costs should be federally funded. How do you respond? 22 A. The Long Term Service Agreement (LTSA) is a maintenance and inspection contract, not

a capital improvement, and therefore ineligible for FEMA FAASt or DOE reimbursement

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under the Stafford Act and applicable federal funding criteria. Both FEMA and DOE expressly exclude recurring maintenance and inspection services from eligibility for federal cost participation. The LTSA ensures the safe and reliable operation of the turbines and is appropriately categorized as rate-funded O&M, consistent with Section 7.4 of the LGA OMA. Mr. Hurley's assertion that the LTSA should be federally funded misinterprets federal eligibility guidelines and the fundamental distinction between maintenance and capital projects.

8 V. RESPONSE TO ASSERTIONS ON AGUIRRE AND PALO SECO PROGRAMS

- 9 Q. Did Mr. Hurley correctly identify Aguirre and Cambalache as ratepayer-funded10 projects?
- 11 A. No. On page 71, Mr. Hurley lists "non-federally funded capital expenditures" for Cambalache, Costa Sur, Aguirre, and Palo Seco totaling \$63.5 million. However, this 12 13 statement is inaccurate. Several of the projects identified—specifically those at 14 Cambalache and Aguirre—have already been awarded federal funding under FEMA's 15 FAASt program and the DOE. Accordingly, no ratepayer funding is being sought for these 16 projects. The correction reflecting these adjustments was incorporated into Genera's 17 revised budget schedules filed with the Energy Bureau on October 31, 2025. The Palo Seco 18 Unit 4 economizer valve was not in the SOW of the jobs already completed under FEMA 19 funding.

20 VI. <u>RESPONSE TO ASSERTIONS ON CAMBALACHE, SAN JUAN 7–10, AND</u>

21 <u>DECOMMISSIONING PROJECTS</u>

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1	Q.	Mr. Hurley claims that the Cambalache, San Juan Units 7-10, and several
2		decommissioning projects could be federally funded instead of included in the rate
3		proposal. What is your response?
4	A.	Mr. Hurley's characterization misstates the current funding and regulatory status of these
5		projects:
6		1. Cambalache (\$30 million): The project has been submitted to the Energy
7		Bureau and is pending approval before federal funding can be sought.
8		2. San Juan Units 7-10 (\$125 million): These projects may become federally
9		funded upon Energy Bureau's approval. Until such approval and FEMA
10		eligibility determinations are finalized, Genera must include them provisionally
11		to ensure operational continuity and compliance with the LGA OMA
12		obligations.
13		3. Decommissioning Portfolio (\$14.2 million): This portfolio, which includes
14		Jobos, Yabucoa, Daguao, Aguirre, and Costa Sur, has recently been obligated
15		by FEMA.
16	VII.	RESPONSE TO ASSERTIONS ON PRUDENCE AND FUNDING TIMING
17	Q.	How does Genera address Mr. Hurley's claim that potential federal funding
18		disqualifies these projects from rate recovery?
19	A.	Mr. Hurley's view overlooks the timing realities of FEMA and DOE funding processes.
20		Including federally eligible projects in Genera's rate forecast is a prudent and responsible
21		that ensures continuity of operations without depending on the uncertain timing of federal
22		disbursements. All associated costs are subsequently reconciled upon receipt of federal
23		funds, thereby avoiding any double recovery. Notwithstanding the foregoing, Genera has

- been updating its rate case schedules to reflect projects as federal funds are obligated, and
- will continue to do so as additional federal allocations are approved and obligated by the
- 3 federal government.

4 VIII. CONCLUSION

- 5 Q. Do you affirm that your surrebuttal testimony reflects Genera's official position?
- 6 A. Yes. To the best of my knowledge, information, and belief, the statements contained herein
- are true and accurate and represent Genera PR LLC's position regarding the matters
- 8 addressed in the Bondholders' Submission of Answering Testimony of Anthony Hurley.
- 9 Q. Does this conclude your testimony?
- 10 **A.** Yes.