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 the Surrebuttal Testimony of Joaquín Antonio Quinoy Ortiz and Vladimir Scutt

MOTION SUBMITTING THE SURREBUTTAL TESTIMONY OF JOAQUÍN ANTONIO QUINOY ORTIZ AND VLADIMIR SCUTT IN RESPONSE TO THE "EXPERT REPORT OF JUSTO GONZÁLEZ, PE"

COMES NOW the undersigned counsels, representatives of **GENERA PR LLC** ("Genera"), as agent of the Puerto Rico Electric Power Authority ("PREPA"),[1] 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 Joaquín Antonio Quinoy Ortiz and Vladimir Scutt* in response to the *"Expert Report of Justo González, PE"* (PC Exhibit 64.0 on the Matter of Generation). This testimony is filed in accordance with the November 10, 2025, deadline and identified as Genera Exhibit 83.

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 83, in

[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.

accordance with the coordinated exhibit numbering protocol established among applicant parties.

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 Joaquín Antonio Quinoy Ortiz and Vladimir Scutt, submitted on behalf of Genera PR LLC in response to the *"Expert Report of Justo González, PE"* (PC Exhibit 64.0 on the Matter of Generation).

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 10th 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:

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GENERA Exhibit 83:
Surrebuttal Testimony in Response to the "Expert Report of Justo González, PE" (PC Exhibit 64.0 on the Matter of Generation) by Joaquín Antonio Quinoy Ortiz and Vladimir Scutt

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 of Joaquín Antonio Quinoy Ortiz and Vladimir Scutt, in Response to PREB Consultant Expert Report of Justo González, PE

SURREBUTTAL TESTIMONY IN RESPONSE TO THE "EXPERT REPORT OF JUSTO GONZÁLEZ, PE"

PC Exhibit 64.0 On the Matter of Generation

BY

JOAQUÍN ANTONIO QUINOY ORTIZ

Vice President of Engineering, Construction and Maintenance

AND

VLADIMIR SCUTT

Vice President of Operations and Asset Management and
Vice President of Fuels Department

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

November 10, 2025

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

Joaquín Antonio Quinoy Ortiz, Vice President of Engineering, Construction and Maintenance, and Vladimir Scutt, Vice President of Operations and Asset Management and Vice President of Fuels Department of Genera PR LLC ("Genera"), submit this surrebuttal testimony in response to the Expert Report of Eng. Justo González, P.E. (PC Exhibit 64.0, On the Matter of Generation). Their testimony addresses and clarifies multiple factual and technical inaccuracies regarding Genera's operational performance, generation adequacy, maintenance planning, and project prioritization.

The witnesses explain that the report underestimates the generation capacity restored under Genera's management in FY2025, including major repairs at San Juan Unit 6 (+160 MW), Palo Seco Unit 4 (+170 MW), Costa Sur Unit 5 (+213 MW), and Aguirre Combined Cycle (+150 MW). These efforts have materially improved system reliability and are not reflected in the consultant's analysis, which relied on outdated field data from December 2024.

They clarify that Genera's Long-Term Service Agreements (LTSAs) for peaker units, rather than standard O&M contracts, provide comprehensive maintenance coverage and availability guarantees. Eight new peaker units—not four as stated in the report—will be in operation and are essential for grid stability and reduced forced outages.

Regarding the report's recommendation for a $100+ million autonomous blackstart facility at Aguirre, the testimony explains that this approach is not cost-effective. The existing combined-cycle plant already provides blackstart capability, and a 164 MW / 4-hour battery project at Aguirre would deliver equivalent resilience at a much lower cost. Similarly, the $30 million rehabilitation of the Cambalache plant would restore 80 MW of quick-start capacity critical for northern grid recovery.

The testimony also addresses generation optimization and maintenance findings. Genera clarifies that projects such as the Aguirre economizer replacement are already funded through DOE programs, not ratepayer revenues. The recommendation to limit investment to one Aguirre STAG unit is unsupported, as both units are operational and essential for system adequacy. Genera's reuse of components from non-operational units under OEM supervision is described as a prudent, cost-saving maintenance practice consistent with industry standards.

Regarding San Juan Units 7–10, the testimony rejects premature decommissioning and confirms that FEMA and DOE have allocated over $50 million for critical repairs, ensuring continued reliability and compliance with Energy Bureau directives. The planned gas conversion of these units remains a federally funded initiative aligned with Puerto Rico's energy diversification and emissions-reduction objectives.

Finally, in response to comments on labor and operations, the witnesses emphasize that the main cause of forced outages is the aging condition of the assets, not workforce size. Genera's absenteeism rates have significantly improved compared to PREPA's historical levels, and the

company continues to implement accountability and engagement programs to sustain workforce reliability.

The testimony concludes by affirming that the statements presented reflect Genera PR LLC's official position regarding the findings of the Expert Report of Eng. Justo González, P.E., demonstrating Genera's prudent management, operational progress, and alignment with federal recovery and resilience objectives.

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I. INTRODUCTION

A. Witness Identification

Q. Please state your names and positions at Genera PR LLC.

A. My name is Joaquín Antonio Quinoy Ortiz, Vice President of Engineering, Construction and Maintenance at Genera PR LLC ("Genera").

My name is Vladimir Scutt, Vice President of Operations and Asset Management, and Vice President of Fuels Department at 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 Agreement ("LGA OMA").

Q. On whose behalf are you testifying?

A. We are testifying as witnesses on behalf of Genera.

B. Summary of Direct Testimony and Attachments

Q. What are the purposes and subjects of your surrebuttal testimony?

A. This surrebuttal testimony addresses and clarifies portions of the Generation Expert Report (PC Exhibit 64) prepared by Eng. Justo González, P.E., specifically those discussing Genera's operational performance, maintenance planning, generation adequacy, and project prioritization.

Q. Are there any exhibits to your testimony?

A. No.

II. SURREBUTTAL SUMMARY

Q. What are your principal surrebuttal points?

A. (1) The report underestimates Genera's ongoing improvements in unit availability and capacity recovery achieved during FY2025, which have materially improved system

reliability; (2) assertions regarding unit deratings, spare parts practices, and maintenance deficiencies mischaracterize the operational context and omit the significant repairs and generation recovery milestones accomplished under Genera's management; (3) recommendations concerning Aguirre blackstart investments, hydroelectric reallocations, and Cambalache rehabilitation must be evaluated within the integrated, federally funded recovery framework that Genera has actively coordinated with DOE and FEMA and; (4) several claims are based on outdated field data (as of December 2024) that do not reflect the current operating condition of the units, as verified in Genera's 2025 PI Vision and performance reports.

III. SURREBUTTAL OF EXECUTIVE SUMMARY OF EXPERT REPORT

Q. The Generation Expert Report (pp. 1–2) evaluates Genera's budgets and operations and includes findings on generation adequacy, blackstart capability, optimization, maintenance, retirement, and labor costs. How do you respond to these assertions?

A. The conclusions presented on this section of the *Generation Expert Report* are inaccurate, incomplete, or based on outdated information that does not reflect the current operational or financial condition of Puerto Rico's generation system under Genera's management. Each subsection is addressed below.

Generation Adequacy. The Expert Report notes Puerto Rico's capacity shortfall and recommends limiting O&M funding for TM2500 units while rejecting proposed O&M for utility-scale batteries and flexible generation (peakers). We clarify that the structure for the Peakers is not an Operation and Maintenance (O&M) Agreement, but a Long-Term Service Agreement (LTSA) already executed with the manufacturer. The LTSA provides comprehensive maintenance coverage, availability guarantees, and OEM technical

support. Moreover, eight (8) eaker units will be in operation, not four (4) as stated in the report, and therefore the associated operational costs will exceed the assumptions presented. These Peakers are critical to system reliability, providing quick-start capacity and operational flexibility that stabilizes the grid and reduce forced outages.

Blackstart Capabilities. The report recommends a $100+ million investment in autonomous blackstart facilities at Aguirre Units 1–2. This proposal is not a cost-effective approach to system resilience. The Aguirre Combined Cycle already provides blackstart capability for the steam units. Additionally, the Cambalache plant could be repaired for approximately $30 million, providing an 80 MW restoration resource capable of contributing to blackstart functions at a fraction of the proposed cost. It is inconsistent to conclude that a $30 million Cambalache rehabilitation is unjustified while recommending a $100+ million blackstart investment at Aguirre. The most prudent solution for Aguirre is the 164 MW / 4-hour battery project, which would deliver the equivalent of 12 hours of 50 MW blackstart capacity, aligning with DOE resilience objectives at far lower cost.

Generation Optimization. The Expert Report references the Aguirre economizer replacement as a key project that should be funded through FEMA programs. We clarify that this project will be funded through DOE allocations, not through ratepayer revenues. The DOE has already designated these funds for critical component replacements, ensuring the project proceeds without any rate impact.

Corrective and Preventive Maintenance. The report suggests limiting investment at the Aguirre Combined Cycle to one STAG unit due to deterioration. This recommendation is unsupported by the current data on operational performance. Both STAG units are operational and contributing to system reliability. Their continued availability has been

verified through PI Vision monitoring reports and OEM testing. The report relies on limited field observations from a one-day visit in December 2024, which did not capture the significant repairs completed during 2025. Genera is also evaluating alternative repair strategies, including the reuse of dismantled peakers from Jobos and Daguao or redeployment of units from Yabucoa and Costa Sur to address component shortfalls. The estimated cost of such repairs is approximately $10-$18 million, subject to site conditions—a cost-effective alternative to the report's recommendation.

Plant Retirement and Conversion. The Expert Report recommends rejecting the $125 million conversion of San Juan Units 7–10 to natural gas, citing age and deterioration. This conclusion is based on limited field data from December 2024 and does not reflect current performance. When operational, San Juan Unit 7 produces 100 MW and Unit 9 produces 82 MW of dependable capacity, as verified through performance testing. Prematurely decommissioning these units would remove nearly 180 MW of capacity from the system, reducing reliability during a period of constrained reserve margins. These conversions align with public policy objectives to reduce emissions and fuel costs while maintaining adequate baseload capacity until additional generation resources are integrated.

Labor, Operations, and Maintenance. The Expert Report questions Genera's labor cost structure and suggests potential overlap with federally reimbursable labor. In reality, Genera is requesting Category Z and in-house project management funds to cover labor hours attributable to federally funded projects. COR3 has recently validated and approved these cost allocations, confirming that no double recovery exists between rate-funded and federally reimbursed labor. The labor budget under the constrained scenario reflects the

resources necessary to maintain safe and efficient operations while ensuring full compliance with the LGA OMA.

IV. SURREBUTTAL OF PART I – GENERATION ADEQUACY

Q. Please provide Genera's response to the statements in Part I – Generation Adequacy (pp. 3–15) of the Generation Expert Report (PC Ex. 64).

A. We address the author's framing, data, and conclusions on this section as follows, with pinpoint references to the cited pages of the *Generation Expert Report*:

A. Generation Adequacy / Nature and Scale of the Generation Crisis. The report cites Puerto Rico's high LOLE and attributes causes to, among other things, the "removal" of Aguirre Unit 1. Genera clarifies that this was not a "removal" but rather a catastrophic forced failure, and Genera is currently seeking DOE funds to cover this repair and bring the Aguirre Unit 1 back in service.

B.1 Current System Conditions and September 29, 2025 Snapshot. The report presents a single-day capacity shortfall projection and generalizes it. See table below, which summarized the major unit repairs and return-to-service milestones completed during 2025. These restorations materially improved system adequacy and were not reflected in the Expert Report's snapshot analysis.

2025 Unit Repairs and Restorations

Return To Service Date	Unit	Cost	MW Restored
25-May	AG-CC	$3M (Local Funds)	150
25-May	CS-5	$6M (Local Funds)	410
25-May	AGCC	$200K (Local Funds)	40
25-May	SJU-6	$5M (Local Funds)	150
25-Jun	AG-2	$3M (DOE)	350
25-Sep	PS-4	$15M (DOE)	150 (216)
25-Nov	May-4A	$8M (DOE)	25
25-Nov	Camb3	$6M (DOE)	77
25-Dec	SJ-6 ST	$2M (FEMA)	60
25-Dec	SJ-7	$15M (DOE/FEMA)	100
25-Dec	CS 6	$4M (DOE)	60
26-Jul	AG-1	$25M (DOE)	400
26-Dec	AG-2	$6M (Local Funds)	100

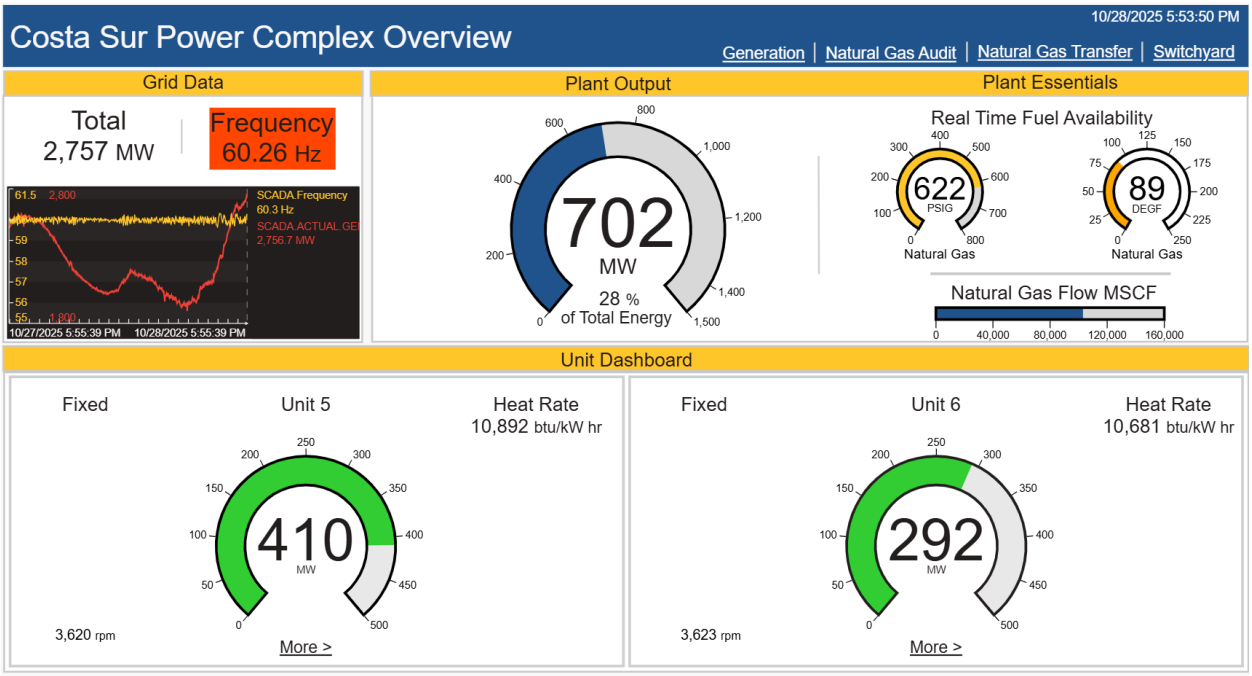
Genera agrees that additional funding is needed; however, the statements presented in the report do not reflect Genera's actual performance in bringing units back online. The snapshot fails to incorporate the 2025 restorations, nor does it account. for DOE and CDBG-DR funding obligations that change the rate-recovery profile for FY26.

Since February 2025, Genera has been actively seeking federal funds to cover these repairs, and during the second week of October 2025, the DOE allocated funding to cover the costs associated with these projects. In parallel, Genera implemented a 2025 recovery program that increased dependable capacity fleet-wide including:

- **Repairs to San Juan Unite 6: +160 MW**
- **Palo Seco Unit 4: +170 MW**
- **Costa Sur Unit 5: Repairs increased capacity from 200 MW to 413 MW**
- **Aguirre Combined Cycle: +150 MW**

These results demonstrate the scale and effectiveness of Genera's 2025 recovery program, which significantly altered the system adequacy baseline assumed in Generation Expert Report for FY2025–FY2026.

B.2 Generation Fleet Field Inspections. The report cites a Costa Sur Unit 5 derating to ~120 MW due to an opacity meter issue. This was a time-specific condition. As verified by PI Vision and August 2025 performance curve testing, the current unit capacity is 413 MW, exceeding its original nameplate capacity.



The report also criticizes the reuse of components from non-operational units as a source of spare parts, allegedly that this reflects a lack of a proper maintenance strategy or sufficient spare parts inventory. This conclusion ignores the substantial ratepayer savings achieved through responsible component reuse. For example, a single turbine rotor can cost between $15–$20 million, while using parts from non-operational units under OEM inspection and clearance—saves ratepayers millions of dollars. This practice is consistent with prudent, industry-standard asset management and ensures operational continuity without unnecessary costs burdens for ratepayers.

Regarding the timing of the San Juan Unit 6 outage, Genera clarifies that the outage to finalize the steam turbine repair was postponed precisely because of generation system needs. It was originally scheduled for October 2025 and had to be moved to November 2025. The unit represents 160 MW of capacity that remains essential for system reliability.

The paragraph also references conditions that predate Genera's assumption of operational control over the legacy generation assets. As to the Palo Seco Power Plant allegation regarding fuel quality under the PUMA Bunker C supply contract, the report refers to alleged plastic pellet contamination and misidentifies the supplier as "Novus." The correct supplier is Novum. Genera conducted tests on the fuel before it reached the tank, and no plastic pellets were found. The report does not identify the "operations staff" who allegedly reported the issue and provides no supporting documentation. Accordingly, the statement lacks credibility and should be given no evidentiary weight. Notably, the same fuel is used at San Juan, where no contamination has been detected.

B.8/C.8 Blackstart Capabilities—Aguirre and Costa Sur. The report proposes a $1**00+** million autonomous blackstart system for Aguirre. Genera has not overlooked this matter; however, the proposed approach is not cost-effective given available system alternatives. The Aguirre Combined Cycle can blackstart the steam units, also the 164 MW / 4-hour battery project at Aguirre would provide the equivalent of 12 hours of 50 MW blackstart capacity and is better aligned with DOE resilience objectives.

For the December 31, 2024 and April 16, 2025 Blue Sky events, restoration sequencing was T&D-driven and in accordance with TOC protocols, which require blackstart processes to begin in the northern region of Puerto Rico. Finally, the Hurricane María experience was primarily a T&D catastrophe, not a generation-capacity shortage.

C.3 PSP #1-Temporary Generation. The report notes the 17 TM2500 units and related O&M proposals. Presently, 14 are installed, of which 10 are operational; Genera needs to repair the remaining 4 units, which represent 100 MW of generation capacity. Accordingly, Genera will need funds to repair and operate these 4 units. If the funds are not approved, Genera would be unable to maintain this additional generation necessary for system reliability. Genera agrees that dual-fuel capability requires additional infrastructure work for which costs must be recognized.

As to the idea of extending the 17 GE TM2500 fleet as baseload replacements for San Juan Units 8 and 10 beyond the December 2027 timeframe, Genera notes that, even if it agrees to the maintenance of these temporary units beyond the time contemplated in the Priority Stabilization Plan, it disagrees with the position that they should substitute San Juan Units 8 and 10. As the same report establishes, in September 29, 2025, even with the TM2500s in service, the system had a generation deficit of 50 MW, which could be covered with the San Juan 8 and 10 Units. Furthermore, the T&D operator has certified that the system needs an additional 810 MW of generation from the units currently under repair to comply with industry standards of both reliability and reserves.

C.5 PSP #9-Flexible Generation. The Generation Report recommends rejecting the proposed O&M costs for PSP Activity #9 – Genera's Deployment of Flexible Generation (Peakers) – stating that, according to Eng. González, the O&M of the new Peakers does not represent incremental costs to Genera, as they replace existing ones. Genera clarifies that it does need incremental O&M costs because there are eight (8) new units, that will substitute four (4) operational Peaker units, and four (4) non-operational units. Based on the decommissioning plan, the existing Frame 5 Peakers have no planned major

expenditures; therefore, Genera requires funds to cover the maintenance costs of the new units.

V. SURREBUTTAL OF PART II – GENERATION OPTIMIZATION

Q. Please provide Genera's response to the statements in Part II – Generation Optimization (pp. 16–23) of the Generation Expert Report (PC Ex. 64).

A. The report's framework on optimization conflates fuel-cost reductions (which flow through the FCA and do not increase base rates) with infrastructure items and therefore misstates the "revenue requirement" effects of fuel optimization. Many of the optimization benefits identified by the author—lower heat input, better dispatch of more-efficient units, and improved fuel handling—translate primarily into lower FCA charges, not into higher base rates. Accordingly, the premise that optimization necessarily raises the revenue requirement is incorrect and should be rejected.

B.1 Maintenance Initiatives and Prioritization. With respect to strategy, Genera has already implemented the optimization elements enumerated by the report—fuel procurement discipline, dispatch improvements, targeted equipment upgrades, and BESS deployment sequenced to in-service dates. O&M for BESS will be sought only when systems are commissioned, while capital costs are federally funded. Peaker support is provided through LTSAs (not O&M agreements), with eight (8) units—not four—which necessarily alters the cost profile and availability assurance relative to legacy Frame 5 units.

B.2 Mayor projects within the NME budget. As stated in Table X – San Juan Units 7, 8, 9, and 10 Gas Conversion (Item No. 111), the planned repairs to Units 8 and 10 are expected to restore approximately 200 MW of dependable capacity to the system, thereby

strengthening overall generation reliability. Furthermore, converting these units to operate on natural gas will improve efficiency and reduce fuel costs for customers, in alignment with Puerto Rico's broader energy diversification and cost-reduction objectives.

C.1/C.2 Decisions to Make/Applied Criteria- Genera agrees that need, executability, safety/compliance, and federal funding optimization must govern approvals. That is precisely why Genera has already rerouted qualifying work to DOE, CDBG-DR, and FEMA funding; staged O&M only upon assets entering service; and preserved the system-first sequencing that reduces FCA charges and improves reliability without unnecessary base-rate impacts.

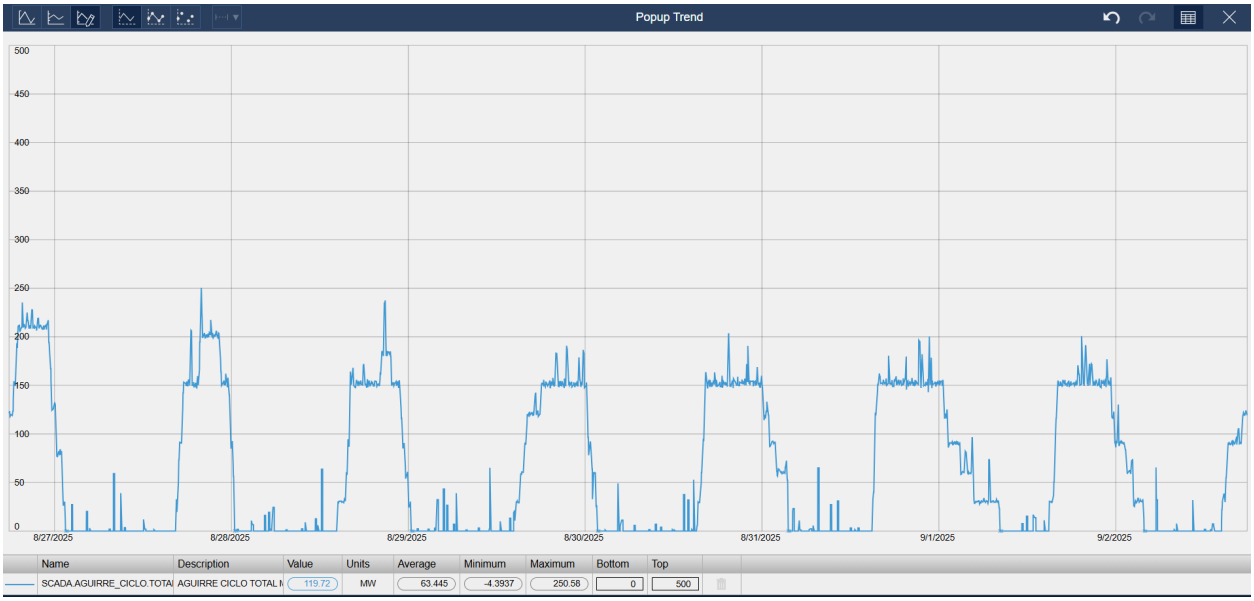
C.3 Programs to Transition to the FEMA Critical Parts Replacement Program. Regarding the program lists (Table VII), Genera confirms that the Aguirre economizer replacement is already funded by DOE and will not be borne by ratepayers, and that other line items are being evaluated for FEMA Critical Parts Replacement Program eligibility—consistent with the report's suggestion to utilize federal funding first.

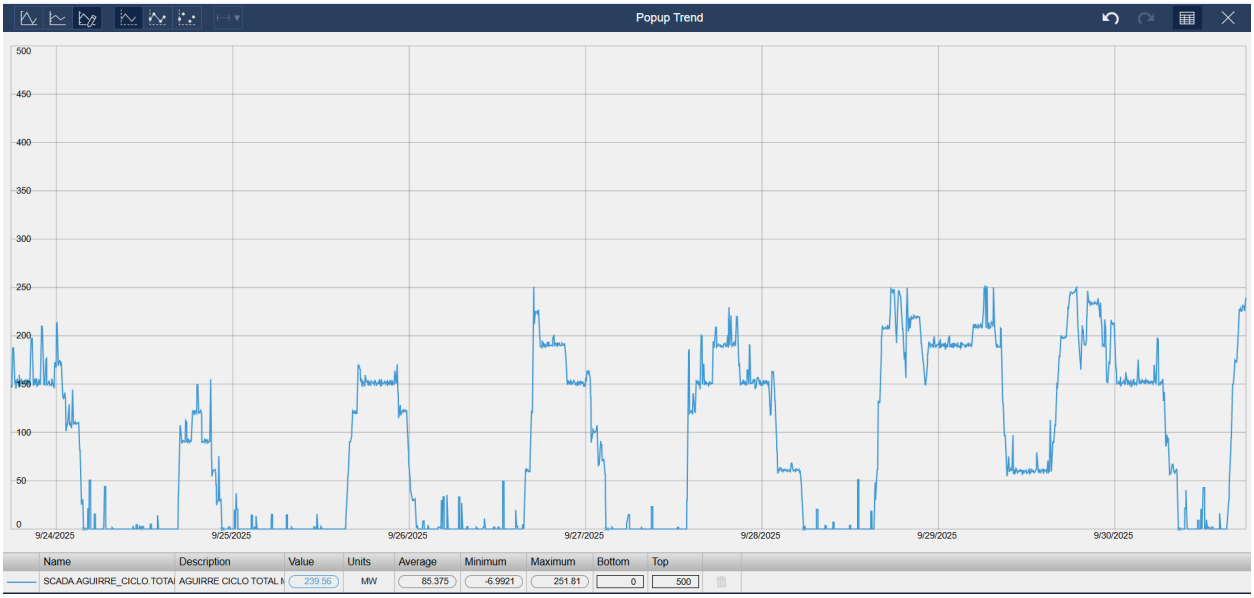
C.4 Programs to Transition from the Constrained Budget in FY26 to a Potential Optimal Budget by FY2028. Where the author recommends transitioning certain programs from constrained levels in FY 2026 to potential optimal levels by FY 2028 (e.g., fuel mass balance efficiency and travelling screen repairs at Palo Seco), Genera agrees with the sequenced, evidence-based approach—i.e., start at constrained levels, scale with verified performance and in-service milestones, and align O&M recovery with actual commissioning. However, there are currently no funds available in the EPA Revolving Fund account, and the existing Reverse Osmosis (RO) system is at the end of its service

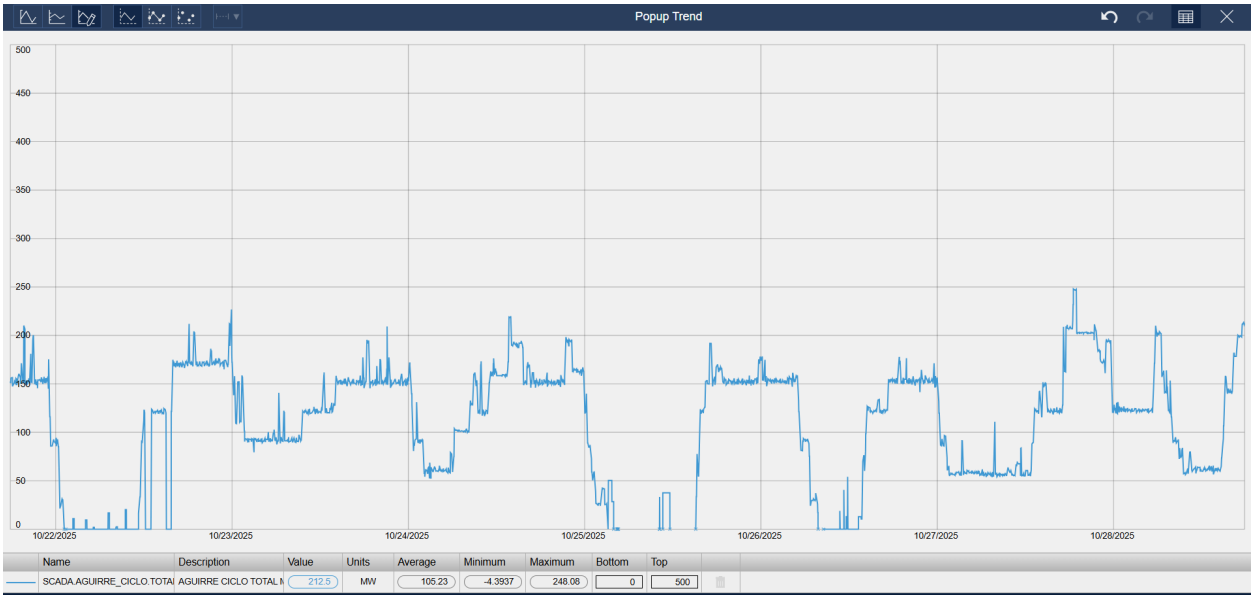
life and underproducing. Should funds become available, Genera will include this project accordingly to ensure continued operational reliability.

C.5 Aguirre Combined Cycle Programs that may be Suitable for Consolidation. The report's recommendation to "consolidate" the Aguirre Combined Cycle into a single STAG unit is unsupported by current generation needs and, if implemented without alternative generation available, could further compromise system reliability and reserves. Since January 2025, both STAG units have been generating and contributing to system adequacy; without these units, the system would have faced insufficient generation. There is also a contradiction with the report, while Eng. González criticizes Genera's reuse of components from non-operational units as a source of spare parts at the San Juan Power Plant, he simultaneously urges part transfers between the two STAG units.

Aguirre Combined Cycle – Historic Data by Week







VI. SURREBUTTAL OF PART III – CORRECTIVE AND PREVENTIVE MAINTENANCE SECTION

Q. Please provide Genera's response to the statements in Part III — Corrective and Preventive Maintenance Section (Generation) (pp. 24–39) of the Generation Expert Report (PC Ex. 64).

A. Genera disagrees with various recommendations on this section. The analysis is based on outdated data and does not reflect current operational performance, funding developments, or project execution status.

B.4 Intervenor Testimonies- Anthony Hurley, testifying on behalf of PREPA bondholders, critiques Genera for proposing spending increases without a transparent, risk-based capital prioritization framework. This critique is not sustained by the facts. Genera's proposed spending is based on both quantitative and qualitative analyses of forced outage and derate events to determine the factual basis for its projected reduction in Equivalent Forced Outage Rate (EFOR) and overall improvement in reliability. Genera's analysis relied on a comprehensive review of historical outage and derate records from FY2023–FY2025, using the following data sources:

- Operator Outage Logs – event start and end times, failure modes, and duration.
- Daily Generation Reports – unit operating hours, capacity factors, and service hours.
- Reliability Tracking Sheets – classification of outage types (forced, planned, maintenance).
- Root Cause Analysis (RCA) Summaries – identified causes of repeat events (mechanical, electrical, control system, fuel-related, etc.).

All events were coded and aggregated by failure category, equipment type, and frequency of recurrence. Likewise, Genera applied the IEEE 762-2006 methodology for reliability performance metrics, specifically focusing on the Equivalent Forced Outage Rate (EFOR). The EFOR was calculated using the standard formula:

$$EFOR = \frac{\text{Forced Outage Hours (FOH)} + \text{Forced Derate Hours (FDH)}}{\text{Service Hours (SH)} + \text{FOH}}$$

Each outage event's contribution to the total EFOR was computed, and recurring failure modes were averaged across all units to establish a baseline. (See, ROI # NPFGC-of GENERA-GEN-39 Response)

C.3 Programs that should not move forward. Palo Seco Plant Decommissioning Project (Item no 2): the expert's assertion that the decommissioning lacks purpose is incorrect. An RFQ for 3,000 MW of new generation has already been published, and the Palo Seco site is being considered for new generation projects. Disallowing the decommissioning without alignment to this RFQ process would be premature and contrary to the island's capacity-expansion plans.

San Juan Plant Repair Units 7–10 (Item no. 111): the recommendation to reject this project is inconsistent with federal funding and Energy Bureau approvals. FEMA & DOE has allocated $27 million for Unit 7 and $29 million for Unit 9, and the Energy Czar requested these repairs specifically to maintain system reliability. Eliminating these projects would result in the loss of 200 MW of capacity. The Energy Bureau should defer to DOE's technical expertise regarding the scope of the repairs.

Cambalache Plant Repair Unit 1 (Item no. 225): the conclusion that rehabilitation is "not cost-effective" is factually incorrect. The project is FEMA-eligible, can be completed within 18 months, and would provide 80 MW of fast-response capacity critical for blackstart in northern Puerto Rico and the "Super Acueducto". Repairing Cambalache at approximately $30 million is far more economical than a $100+ million Aguirre blackstart project, and the benefits in resilience and response capability are immediate.

C.4 Programs to move to state revolving funds. As to the Aguirre Power Plant's new Reverse Osmosis system, there are currently no funds available for this project under the

State Revolving Fund. If funds are allocated by DRNA/EPA, Genera is willing to pursue this project.

Table XIV – Programs eligible for FEMA Critical Parts Replacement Program (Items Nos. 117, 140, 218): Genera agrees that these projects fit FEMA criteria, but no additional federal funds have been identified yet. Once PREPA secures funding and FEMA approves, Genera will proceed promptly with execution.

C.6 NME Programs not requested by Genera but recommended for Inclusion. (Aguirre Basin and Tunnel Repairs, Blackstart, and Fuel Security Plan): Genera supports inclusion of the Aguirre basin and tunnel repairs and has already planned them using the rotatory funds as available. However, the recommendation for an autonomous Aguirre blackstart system is not cost-effective. Before any commitment, the Energy Bureau should require a technical and economic viability study and a TOC compliant analysis of restoration sequencing. Given that Aguirre can already be blackstarted through the combined cycle and also the 164 MW / 4-hour battery system would provide 12 hours of 50 MW blackstart capacity, the recommended $100+ million investment is neither cost-effective nor operationally necessary. Regarding the fuel security mitigation plan, Genera has already included funding for its development and implementation in its current NME budget.

C.7 Aguirre Combined Cycle. The suggestion to limit future investment to a single STAG unit is not supported by the system's current operational needs. Since January 2025, both STAG units have been generating, providing significant reliability and capacity support.

C.8 Cambalache Plant – LTSA Evaluation. Genera agrees that an LTSA could provide cost stability, but any such contract must be based on unit life expectancy and federal

funding compatibility. Genera will issue RFQs (including to HTS and GE) to determine whether an LTSA is more economical than the current maintenance strategy.

C.9 Gas Conversion of San Juan Units 7, 8, 9 and 10. Genera agrees with the recommendation to replace these units but currently lacks the funds to proceed. Without an alternate source of generation, decommissioning the San Juan Units 7 and 9 without replacement would entail a 180 MW reduction in available generation. As to the recommendation against conversion of San Juan Units 7-10 on the basis that it is a high-risk project, such a conclusion would require a dedicated technical study, which has not yet been performed by Eng. González. Regarding the claim that conversions are not cost-effective, the cost of conversion would be federally funded and expected to be completed within 18-24 months. Implementation would yield at least 14% fuel savings, and cost effectiveness must be assessed in relation to system-reliability and economic impacts.

C.10 Decommissioning Program. Eng. González recommends further investigation into the Palo Seco decommissioning project while simultaneously advising that it not proceed. Pursuant to the LG OMA, one of Genera's main responsibilities is to decommission the legacy generation of assets. Likewise, pursuant to RFQ 2025-02 for New Flexible Generation Capacity, which seeks up to 3,000 MW of new generation, and the Energy Bureau Order on the subject, Generation Facilities are encouraged to be located as close as possible to load centers and collocated within PREPA generation sites, where permitting and interconnection processes may be more efficient. See, *Resolution and Order NEPR-MI-2025-0001, dated March 19, 2025, In Re: Competitive Procurement for New Generation Sources.*

https://energia.pr.gov/wp-content/uploads/sites/7/2025/03/20250319-MI202500001-Resolution-and-Order.pdf

The Palo Seco site could serve this purpose.

C.3 Key Findings. Among the key finding in Eng. González's *Genera Labor Operations & Maintenance* analysis is a flawed association between workforce availability and forced outages. While it is true that Genera's actual headcount has been approximately 12–14% below budget during the review period, this variance does not necessarily indicate flawed planning or poor execution. Genera inherited a workforce and operational structure in transition, requiring time to align positions, redefine roles, and prioritize recruitment in critical skill areas.

VII. GENERA LABOR OPERATIONS & MAINTENANCE

The utility sector — particularly in Puerto Rico — faces a nationwide shortage of skilled technical workers. In this environment, operating below full budgeted headcount may reflect prevailing market realities rather than internal inefficiency. While workforce adequacy is an important factor in day-to-day operations, the primary cause of forced outages across the generation fleet is the advanced age and deteriorated physical condition of the assets themselves, not the number of available personnel. The majority of Genera's thermal generation units are 30–60 years old, well beyond the typical design life of major components such as boilers, turbines, and generators. Chronic forced outages are largely the result of component failures associated with corrosion, metal fatigue, outdated control systems, and obsolete auxiliary equipment — all issues that are structural and capital-related, not operational or staffing-related. Even a fully staffed workforce cannot prevent

sudden mechanical failures in units operating with legacy technology and a history of deferred maintenance.

Likewise, the assertion that Genera has "failed to address" absenteeism overlooks the actual data and applicable external factors, including Puerto Rico's labor legislation granting employees' rights to personal leave, sick leave, and holidays. Since assuming operations, Genera has introduced attendance accountability measures, wellness programs, and leadership engagement initiatives aimed at improving morale and personnel reliability. A comparison between absenteeism data at PREPA and Genera demonstrates a clear downward trend. Data dating back to 2019 show that absenteeism at PREPA frequently exceeded 30%, while Genera has reduced this metric to predominantly single digits. See *August 2025 Monthly Report on System Reliability Metrics* in NEPR-MI-2019-0007, available at https://energia.pr.gov/wp-content/uploads/sites/7/2025/10/20250922-MI20190007-Anejo-Submission-Monthly-Report-Sept.xlsx.

VIII. CONCLUSION

Q. Do you affirm that your surrebuttal testimony reflects Genera's official position?

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 addressed in the *Expert Report of Justo González, PE, PC Exbibit 64.0 on the Matter of Generation*.

Q. Does this conclude your testimony?

A. Yes.