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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 To Inform of Genera's Final Revenue Requirement Revision, Filed in Compliance with the Hearing Examiner's December 4th Bench Order and in Furtherance of LUMA's January 9, 2026 Consolidated Revenue Requirement Filing

**MOTION TO INFORM OF GENERA'S FINAL REVENUE REQUIREMENT
REVISION, FILED IN COMPLIANCE WITH THE HEARING EXAMINER'S
DECEMBER 4TH BENCH ORDER AND IN FURTHERANCE OF LUMA'S JANUARY 9,
2026 CONSOLIDATED REVENUE REQUIREMENT FILING**

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. 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*". In that motion, Genera informed the Government of Puerto Rico Public Service Regulatory Board Puerto Rico Energy Bureau ("Energy Bureau") that substantial federal funding allocations had been secured through the United States Department of Energy ("DOE") and the Community Development Block Grant – Disaster Recovery ("CDBG-DR") Program administered by the Puerto Rico Department of Housing. Specifically, that motion described approximately \$258 million in external funding, consisting of approximately \$187 million from DOE and

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.

approximately \$71 million in CDBG-DR funds for FEMA cost-sharing.

2. These developments prompted Genera to evaluate its revenue requirement and reassess the allocations of funds originally included in Exhibit 22.2, particularly with respect to federally obligated projects.

3. In response, on October 22, 2025, the Hearing Examiner entered an order establishing requirements and guidance for the filing of revised schedules in anticipation of possible changes in the parties' revenue requirements.

4. In accordance with the Energy Bureau's directives, on October 31, 2025, Genera filed its "*Motion in Compliance with Order to Inform of Revised Budget Spreadsheets and Submission of Updated Genera Exhibit 22.3 REV*". In that filing, Genera submitted specific budget adjustments, incorporated those adjustments into revised schedules, and formally filed the following exhibits into the record:

a. Annex 1 – Summary of Adjustments Table, consolidating and explaining all modifications and reclassifications made between *Genera Exhibit 22.2* and *Genera Exhibit 22.3 REV*; and

b. Annex 2 – Genera Exhibit 22.3 REV – Genera's Filing Schedules Rev. 10.29.2025, containing the full set of amended budget schedules, reflecting all changes shown in red text and marked with an "X" for traceability.

5. On December 4, 2025, the Hearing Examiner issued a bench order directing the parties to file their respective final-form revenue requirement submissions for the Energy Bureau's consideration and disposition in this proceeding.

6. In compliance with the Hearing Examiner's bench order, on January 9, 2026, LUMA submitted LUMA's, Genera's and PREPA's final consolidated revenue requirement (the "*January*

9th Motion"). In furtherance of that filing, Genera hereby files this motion for the purpose of explaining the changes incorporated by Genera in its final revenue requirement which includes limited and discrete updates to its prior filing. Specifically, as reflected in LUMA's consolidated filing, Genera's final submission:

- i. includes the \$30 million to fund the LG-OMA Reserve Account;
- ii. reflects Constrained budget treatment for the following Departments/Sections: Corporate Affairs, Fuel, IT/OT, Safety, Regulatory, Insurance, Security, Projects, Corporate Office, Fleet, Asset Management, and the Genera Fixed Fee;
- iii. maintains Optimal budget treatment for the following Departments/Sections: HR, Environmental, Legal, Procurement, Finance, Emergency Response, and Operations; and
- iv. incorporates targeted "Other" adjustments reflected in the filing schedules, including: (a) Labor Expense (FY2026 Constrained; FY2027–FY2028 Constrained plus \$20 million annually for union labor expenses), (b) Warehouse (Constrained less a \$7.2 million obsolete materials adjustment in FY2026), and (c) Maintenance Projects (constrained less \$1.5 million BESS O&M in FY2026 and less \$12.7 million with the removal of decommissioning projects previously allocated for Jobos, Yabucoa, Daguaao, Aguirre, and Costa Sur),
- v. includes a **\$30 million** rotating fund in FY2026 for federal cost share to be used during the rate period), as shown in the revised schedules. (*January 9th Motion, Annex 3-Updated Final Revenue Requirement, Genera Submittal*,

Final Revision Tab)

7. Except for the limited modifications specifically identified in this Motion—namely, the LGA-OMA Reserve Account funding request, the incorporation of the DOE and FEMA federal cost share and the discrete project or department adjustments reflected in *January 9th Motion, Annex 5-Changes on Genera Filing Schedules*—Genera’s final revenue requirement incorporates a hybrid revenue requirement where certain departments have requested the optimal budget while others the constrained.

8. Genera has removed from its revenue requirement the decommissioning projects for Jobos, Yabucoa, Dagua, Aguirre, and Costa Sur, as these are to be covered with federal funds. The removal of these projects results in approximately \$12.7 million in projected savings to ratepayers for the relevant period.

9. With respect to the \$30 million federal cost share requested, Genera had previously understood that such cost share would be provided by the Central Government for both DOE and FEMA funded projects. Recently, however, PREPA informed Genera that it is the responsibility of the operators to include applicable federal cost share amounts in their respective budgets, including cost share related to DOE and FEMA-funded projects, rather than relying on Central Government funding or other external sources.

10. Accordingly, Genera is seeking the federal cost share as part of its revenue requirement to be able to responsibly execute projects intended to be funded with federal funds. This request is submitted in direct response to the explanation provided by PREPA witness Ms. Suzette Díaz during the December 18, 2025 evidentiary hearing (Transcript December 18, 2025 at page 178), where she explained that the cost share requirement would be funded through the budgets that are established by the operators. Genera is accordingly seeking \$30M during FY26 to be used as a

rotary fund to cover the federal cost share needed for both FEMA and DOE funded projects during the rate period.

11. As stated by Genera CFO, Ms. María Sánchez Bras, during the December 18, 2025 hearing, Genera respectfully informs the Energy Bureau that a mechanism must be implemented whereby the amounts needed to cover federal cost share are available in their totality to the operators as it is not operationally feasible for federal cost share amounts to be funded through twelve (12) monthly installments as currently implemented by PREPA. For project execution not to be delayed, the full amount of the federal cost share must be available at the outset to meet payments that come due and must be paid immediately. (See Transcript Hearing December 18, 2025 at pages 179-180).

12. As detailed in *January 9th Motion, Annex 5-Changes on Genera Filing Schedules*, these updates reflect the most conservative final revenue requirement framework under which Genera can reasonably operate while remaining positioned to meet its contractual and operational obligations.

13. Should the opportunity arise to make further revisions to the revenue requirement, through future grants of federal funds from, Genera will keep the Energy Bureau informed and seek guidance in how to submit such revisions.

WHEREFORE, Genera respectfully requests that the Energy Bureau: (i) take notice of this Motion and of the Hearing Examiner's December 4, 2025 bench order directing the filing of final-form revenue requirement submissions; and (ii) accept and incorporate into the record Genera's Final Revenue Requirement as set forth in LUMA's *January 9th Motion, Annex 5-Changes on Genera Filing Schedules* reflecting the revisions described herein.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of January 2026.

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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