

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

NEPR Received: Jan 16, 2026 5:25 PM
--

IN RE:

REVIEW OF GENERA PR, LLC
REQUEST TO OPERATE PALO SECO MP
AND MAYAGÜEZ CT WITH NATURAL
GAS AS PRIMARY FUEL

CASE NO.: NEPR-MI-2024-0004

SUBJECT: Motion to Inform Compliance with
Conditional Approval and to Inform
Commencement of Commissioning and
Operating Procedures for Fuel Swapping
Conversion at Palo Seco MPs

**MOTION TO INFORM COMPLIANCE WITH CONDITIONAL APPROVAL AND TO
INFORM COMMENCEMENT OF COMMISSIONING AND OPERATING
PROCEDURES FOR FUEL SWAPPING CONVERSION AT PALO SECO MPs**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC ("Genera"), as agent of the Puerto Rico Electric Power Authority ("PREPA"),¹ through its counsels of record, and respectfully submits and prays as follows:

1. On January 31, 2025, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order, titled *Resolution and Order for Request for Leave to Operate Palo Seco MP with Natural Gas as Primary Fuel* ("January 31st Resolution"), finding that Genera's response did not satisfy the conditions outlined in the October 11, 2024 Resolution and Order. Consequently, and based on additional reasoning set forth in a subsequent January 31st Resolution concerning the Mayagüez CTs, the Energy Bureau—while reaffirming the **conditional approval** of the Palo Seco MPs conversion—declared null and void

¹ Pursuant to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* ("LGA OMA"), dated January 24, 2023, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority and Genera, Genera is the sole operator and administrator of the Legacy Generation Assets (defined in the LGA OMA) 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.

the October 11, 2024 Resolution and Order and imposed additional conditions that Genera was to now satisfy to secure final approval of the Palo Seco MPs conversion.

2. On December 22, 2025, the Energy Bureau issued a Resolution and Order titled *Resolution and Order for Request for Leave to Operate Palo Seco MP with Natural Gas as Primary Fuel*² (“December 22nd Resolution”) through which it ordered Genera to provide copy of the Multisite LNG Supply Contract with its corresponding attachments, as well as detailed explanation describing how Genera has satisfied each condition set forth in the January 31st Resolution for Palo Seco MPs. Additionally, the Energy Bureau ordered a Virtual Hearing for January 14, 2026, to address and clarify any pending issues after receiving Genera’s responses, scheduled on a tentative basis, should the Bureau determine that the responses are sufficient and that the hearing is therefore unnecessary.

3. On December 23, 2025, Genera filed a document titled *Motion to Provide Information Requested for the Fuel Swapping Conversion at Palo Seco in Compliance with Resolution and Order issued December 22, 2025* (“December 23rd Motion”), in which Genera addressed the December 22nd Resolution.

4. On January 9, 2026, the Energy Bureau issued a Resolution and Order titled *Resolution and Order on Genera’s December 17 Motion* cancelling the previously scheduled Virtual Hearing upon determining that Genera's responses submitted through the December 23rd Motion were sufficient in terms of not requiring a hearing.

5. Having passed seven (7) days since the cancelation of the Virtual Hearing, and in the absence of any additional requests for information from the Energy Bureau, Genera hereby informs that it is commencing operations using natural gas for the Palo Seco MPs, having complied

² Including a *Nunc Pro Tunc* Resolution and Order, amending the date for the scheduled Virtual Hearing.

with the conditions established in the January 31st Resolution conditionally approving de Palo Seco MPs conversion.

6. Genera's decision to initiate the operation of the Palo Seco MPs using natural gas as the primary fuel delivers immediate economic benefits, do not require material unit conversion work, additional costs, or permitting. Consistent with the LGA OMA, this initiative advances Genera's mandate to economically benefit the people of Puerto Rico while ensuring fleet readiness for the upcoming hurricane season and maintaining system stability and reliability during forecasted summer peak demand periods.

7. This process delivers substantial economic benefits, including up to **\$8,464,399.80** in annual savings for Puerto Rico ratepayers, while also providing the important environmental benefits associated with the fuel conversion.

8. The Palo Seco Power Plant is located in an area currently designated as a Non-Attainment Zone under the National Ambient Air Quality Standards (NAAQS) established by the U.S. Environmental Protection Agency (EPA). Currently, this area designation does not meet the federal air quality requirements for sulfur dioxide (SO₂), a pollutant linked to respiratory problems, environmental degradation, and constraints on regional economic development. As a result, facilities in Non-Attainment Zones are subject to a State Implementation Plan (SIP) designed to reduce emissions and achieve compliance.

9. Transitioning to natural gas directly supports the objectives of the SIP. This is so, because natural gas is a cleaner-burning fuel that emits fewer greenhouse gases and significantly lower levels of sulfur dioxide, nitrogen oxides, and particulate matter. According to the U.S. Environmental Protection Agency (EPA), natural gas combustion emits 50% less carbon dioxide

(CO₂) than coal and 27% less CO₂ carbon dioxide than oil, while also reducing other harmful pollutants that contribute to smog, acid rain, and non-compliance with federal air standards.

10. Specifically, when comparing natural gas to ULSD, the environmental benefits are even more pronounced. Natural gas generates substantially fewer greenhouse gases and produces lower levels of nitrogen oxides, sulfur dioxide, and particulate matter.

11. By lowering SO₂ and other emissions associated with ULSD combustion, the use of natural gas at Palo Seco can meaningfully contribute to bringing the area closer to Attainment Zone status under EPA standards. Consequently, achieving Attainment Zone status provides far reaching benefits: it reduces regular burdens, improves community health outcomes, and enhances the region's economic attractiveness. In short, cleaner air quality encourages investment, supports the expansion of existing businesses, and removes certain federal constraints that can limit industrial development in Non-Attainment areas.

12. Having met all conditions set forth by this Energy Bureau in its **conditional approval** of January 31, 2025, Genera notifies its intent to commence operation of Palo Seco MPs using natural gas on January 20, 2026.

WHEREFORE, Genera respectfully request that this Energy Bureau **take notice** of the above for all relevant purposes; **deem** Genera in compliance with all conditions set forth in the relevant January 31st, 2025 Resolution and Order; and **take notice** that Genera will begin operations using LNG as primary fuel in the Palo Seco Plant for the **benefit of PREPA and the Puerto Rican People**.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 16th of January of 2026.

[Signature page follows.]

ECIJA SBGB

PO Box 363068

San Juan, Puerto Rico 00920

Tel. (787) 300.3200

Fax (787) 300.3208

/s/ Jorge Fernández-Reboredo

Jorge Fernández-Reboredo

jfr@sbgblaw.com

TSPR 9,669

/s/ Stephen David Romero Valle

Stephen David Romero Valle

sromero@sbgblaw.com

RUA No. 21,881

/s/ José Javier Díaz Alonso

José Javier Díaz Alonso

jdiaz@sbgblaw.com

TSPR 21,718

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of this motion was filed with the Office of the Clerk of the Energy Bureau using its electronic filing system and that I will send an electronic copy of this motion to the following counsel of record: alexis.rivera@prepa.pr.gov, nzayas@gmlex.net, rcruzfranqui@gmlex.net, and mvalle@gmlex.net.

In San Juan, Puerto Rico, this 16th day of January of 2026.

/s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo

/s/ Stephen David Romero Valle
Stephen David Romero Valle

/s/ José Javier Díaz Alonso
José Javier Díaz Alonso