

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

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

CASE NO.: NEPR-MI-2024-0004

SUBJECT: Resolution and Order on Genera's
December 17 Motion and December 23
Motion.

RESOLUTION AND ORDER

I. Relevant Procedural Background

Genera PR, LLC ("Genera") requested the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") to approve the conversion of three MobilePac-type combustion turbines located at the Palo Seco facility ("Palo Seco MPs") to operate with natural gas ("NG") as the primary fuel and ultra-low sulfur diesel ("ULSD") as a backup fuel. After several procedural steps, on October 11, 2024, the Energy Bureau issued a *Resolution and Order* ("October 11 Resolution"), conditionally approving the fuel swap conversion of the Palo Seco MPs. However, Genera failed to comply with the conditions established in the October 11 Resolution. Nevertheless, to ensure continuity in the proposed conversion process, the Energy Bureau set aside its prior determination and, based on additional information in the administrative record, issued a new Resolution and Order on January 31, 2025 (the "January 31 Resolution for the Palo Seco MPs").¹ In that ruling, the Energy Bureau maintained its approval of the conversion of the Palo Seco MPs to operate with natural gas as the primary fuel, while declaring null and void the previously established conditions and imposing a modified set of conditions.²

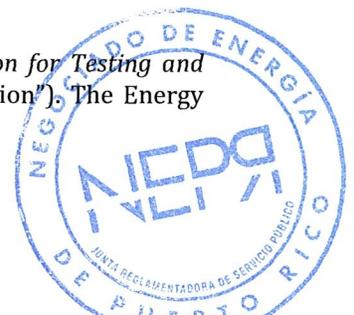
The conditions imposed as part of the approval of the Palo Seco MPs' conversion were intended to address and mitigate foreseeable risks, including the potential monopolization of Puerto Rico Electric Power Authority ("PREPA") natural gas supply by the proposed supplier (NFEnergía, LLC ("NFE"), an affiliate of Genera); the possible imposition of onerous terms on PREPA for the sale of natural gas, as reflected in the available information and the administrative record; and the need to ensure that ratepayers would not bear conversion-related costs in a manner that could ultimately increase the rates they pay. Accordingly, at all relevant times, the Energy Bureau has sought to safeguard the public interest throughout the natural gas conversion process by ensuring that the intended outcome, namely, achieving real and measurable savings for ratepayers, is pursued, while avoiding, to the extent possible, competition concerns and market monopolization in the supply of natural gas used for PREPA's generation units.

On December 17, 2025, over three hundred (300) days after the January 31 Resolution approval and four hundred (400) days after the October 11, 2024, original approval by the Energy Bureau for the Palo Seco MPs, Genera filed a motion asserting that it had complied with the conditions set forth in the January 31 Resolution for the Palo Seco MPs and requesting authorization to proceed with the testing and commissioning procedures for the conversion of the Palo Seco MPs.³ Genera also attached a certification from the selected

¹ On January 31, 2025, in a separate *Resolution and Order for Request for Leave to Operate Mayaguez CTs with Natural Gas as Primary Fuel* ("January 31 Resolution for the Mayaguez CTs"), the Energy Bureau approved the conversion of four (4) Pratt & Whitney FT8 Swift Pac combustion turbines located at PREPA's Mayaguez Power Station ("Mayaguez CTs") to operate with natural gas as the primary fuel and ULSD, subject to fulfillment of certain conditions and criteria outlined therein to safeguard the public interest. Additionally, on July 4, 2025, the Energy Bureau issued a *Resolution and Order* conditionally approving the conversion of the Cambalache Power Plant's Combustion Units 2 and 3 ("Cambalache CTs") to operate with NG as the primary fuel and ULSD, while retaining ULSD as the backup fuel ("July 4 Resolution for the Cambalache CTs").

² See January 31 Resolution for the Palo Seco MPs, pp. 2-3.

³ See *Motion to Inform Compliance with Conditional Approval and to Request Authorization for Testing and Commissioning Procedures for Fuel Swapping Conversion at Palo Seco* ("December 17 Motion"). The Energy



one natural gas supplier (its affiliate, NFE), and referenced an agreement titled the *Multisite LNG Supply Contract*. Nevertheless, that agreement, purportedly an essential component of Genera's compliance with the conditions imposed under the January 31 Resolution for the Palo Seco MPs, was not included with the filing. Moreover, Genera did not provide a detailed explanation of how it had complied with each of the conditions stated in January 31 Resolution for the Palo Seco MPs.

7/11 On December 22, 2025, the Energy Bureau issued a *Resolution and Order* ordering Genera to provide a copy of the *Multisite LNG Supply Contract* with its corresponding attachments, and a detailed explanation describing how Genera had satisfied the conditions in the January 31 Resolution for the Palo Seco MPs ("December 22 Resolution"). The Energy Bureau also ordered Genera to submit updated calculations and detailed explanations reflecting the proposed project conditions and the savings expected under such conditions. Additionally, after receiving Genera's responses, the Energy Bureau scheduled a hearing for January 14, 2026, to address and clarify any issues that might remain pending⁴.

7/11 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 23 Motion"). Through the December 23 Motion, Genera included the following attachments:

- Attachment A: Multisite Natural Gas Supply Agreement ("NG Agreement");⁵
- Attachment B: Certification from the Natural Gas Supplier ("Certification"); and
- Attachment C: Savings Estimates in Excel format ("Savings Estimate").

7/11 On January 9, 2026, the Energy Bureau issued a Resolution canceling the Virtual Hearing scheduled for January 14, 2026 ("January 9 Resolution").

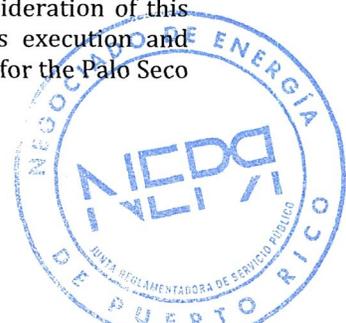
II. Summary of Palo Seco MPs Conversion Approval

7/11 Through the October 11 Resolution, the Energy Bureau granted conditional approval for Genera to convert the Palo Seco MPs to dual-fuel operation using natural gas and ULSD, subject to strict safeguards to protect PREPA, the ratepayers, and market competition. The Energy Bureau stressed that the primary objective of the conversion is to use the most economical fuel available and to achieve real and verifiable savings for customers. The Energy Bureau emphasized that ownership, funding, and allocation of these costs were not clearly defined, particularly regarding whether Genera or its affiliates would fund the improvements and how this would align with PREPA's ownership rights and regulatory requirements. This lack of clarity justified the imposition of conditions on ownership and contractual arrangements.

Bureau deems it necessary to clarify that, contrary to what Genera's representatives have alleged, and continue to allege, the approval of the Palo Seco MPs conversion was not pending before the Energy Bureau for months or years. As reflected in the procedural history of this case, approval of the Palo Seco MPs was granted in October 11, 2024 and subsequently amended in January 2025 because Genera failed to comply with previously imposed conditions. It was not until nearly a year later that Genera returned before the Energy Bureau seeking to resume and advance the process. Accordingly, the record makes clear that Genera's narrative is inconsistent with the procedural history and does not accurately reflect the diligence and thoroughness with which the Energy Bureau has addressed this request.

⁴ On December 23, 2025, the Energy Bureau issued a *Nunc Pro Tunc* correcting the date for the Virtual Hearing to January 14, 2026.

⁵ The Energy Bureau did not participate in the request for proposals ("RFP") process or in the negotiations related to the NG Agreement, nor was it notified by Genera, P3A, 3PPO or PREPA regarding the developments or specific terms of such process. The Energy Bureau first became aware of the NG Agreement when Genera filed it as part of its December 23 Motion. The Energy Bureau hereby clarifies that, in this proceeding, it is not reviewing, and makes no determination regarding, the reasonableness, adequacy, or overall benefits of the NG Agreement, or any of its other provisions. Rather, given that the Energy Bureau was not previously presented with, or afforded the opportunity to review, the NG Agreement, the Energy Bureau's consideration of this agreement in this proceeding is limited solely to evaluating Genera's assertion that its execution and implementation satisfies, in part, certain conditions established in the January 31 Resolution for the Palo Seco MPs.



A key condition required that PREPA remain the sole owner of all improvements and infrastructure related to the conversion. Genera was required to submit draft legal documents demonstrating that ownership of all assets would be transferred to and retained by PREPA before any work could commence, ensuring that public assets remained under public ownership and protecting ratepayers from potential private claims.

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The Resolution also addressed competition in the natural gas market. Any regasification facilities installed were required either to be provided to other suppliers at no cost or to be removable within a reasonable timeframe, preventing Genera or its affiliates from controlling essential infrastructure in a way that could restrict competition or distort the natural gas supply market in Puerto Rico.

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Another significant consideration was the units' capacity factor. Historically, the Palo Seco MPs operated as peaking units with capacity factors typically below 15%, and in some years below 10%. Genera's projected fuel savings, however, were based on an assumed 33% capacity factor, more characteristic of intermediate load units. The Energy Bureau found this assumption problematic, as actual operation at traditional peaking levels would result in substantially lower savings, potentially near half of the projected amount.

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The Energy Bureau also noted that higher utilization would increase maintenance and operational costs, accelerating wear and tear and generating additional expenses for repairs, parts replacement, and long-term upkeep, which could offset much of the projected fuel savings. The Palo Seco MPs were required to continue operating strictly as peaking units, with Genera maintaining detailed records of operating and maintenance costs, especially if the units were run at higher capacity factors, for regulatory review.

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Subsequently, through the January 31 Resolution, the Energy Bureau reiterated its conditional approval of the Palo Seco MPs conversion, declared the October 11 Resolution conditions null and void, and established new conditions for the project. The Energy Bureau specified that Genera must ensure that PREPA, the Third-Party Procurement Office ("3PPO"), or the Public-Private Partnerships Authority ("P3 Authority") conducts a competitive procurement process for the natural gas supply, promoting multiple participants, transparency, long-term cost-effectiveness, operational reliability, and benefits for ratepayers, with the conversion proceeding only after this process is completed. The project must include all necessary modifications to convert the units to dual-fuel operation, including combustion systems, fuel handling, control systems, and regasification infrastructure, while fully complying with all requirements to maintain the Federal Emergency Management Agency ("FEMA") funding eligibility. Upon completion, all agreements must confirm PREPA's exclusive ownership of the improvements. If PREPA is not designated as the owner of the regasification units at the end of the supply term, a reasonable removal process must be established to allow other suppliers to install facilities without undue restrictions. Finally, the Palo Seco MPs must continue operating strictly as peaking units, and Genera must maintain accurate records of maintenance and operational costs when operating at higher capacity factors, which should be made available to the Energy Bureau for compliance review.

III. Discussion

A. Genera's December Request

In the December 17 Motion and December 23 Motion (collectively, "Genera's December Request"), Genera alleged compliance with the conditions in the January 31 Resolution for the Palo Seco MPs. Genera asserts that the requirements imposed by the Energy Bureau have been satisfied through the execution of the NG Agreement, the availability of the regasification infrastructure, and the certifications provided by the natural gas supplier. Genera requests that the Energy Bureau formally deem it in compliance with all applicable conditions so it may proceed with the project, including authorization to immediately begin



testing and commissioning procedures to operate the Palo Seco MPs with natural gas as the primary fuel.

Genera states that the Palo Seco MPs are operating on ULSD, although they can operate on natural gas, and that the existing regasification infrastructure can be used⁶ without additional investment from PREPA or the ratepayers,⁷ minimizing financial impact.⁸ Genera notes that the forecasted fuel prices for FY2026 indicate conservative savings of \$3.17/MMBtu, with historical operations suggesting average monthly savings of approximately \$705,366.65, totaling \$12,696,599.71 million over eighteen (18) months.⁹ Genera also states that future savings are expected to increase due to more frequent operation under LUMA's¹⁰ economic dispatch and environmental considerations.¹¹ Genera further asserts that the proposed conversion will not negatively affect the base rates or riders and will be completed at no cost to customers.¹²

Genera also states that the Fiscal Oversight and Management Board ("FOMB") approved the execution of the NG Agreement, and that the updated *Tolling Term Sheet* incorporates regasification at the Palo Seco site, clarifies the roles of the third-party LNG supplier and NFE as terminal operator, and ensures proper custody, control, risk, and title for LNG delivered to San Juan and Palo Seco power stations.¹³ Genera further alleges that the *Tolling Term Sheet* requires NFE to provide reasonable support for third-party LNG logistics, thereby enhancing the practical feasibility of third-party tolling.¹⁴

Genera asserts that the NG Agreement complies with the January 31 Resolution for the Palo Seco MPs and that the supplier will remove the regasification infrastructure reasonably to allow other suppliers to install their own facilities.¹⁵ Genera states that the regasification equipment is already in place, the Palo Seco MPs can operate on dual fuel, and the *Tolling Term Sheet* (which is part of the NG Agreement) accounts for installation and fuel delivery, avoiding financial impact on its budget and on ratepayers.¹⁶

Genera alleges that, following the January 31 Resolution, the Third-Party Procurement Office ("3PPO") and the Puerto Rico Public-Private Partnerships Authority ("P3 Authority") conducted an RFP that resulted in the NG Agreement for the Palo Seco site, which was approved by FOMB on December 4, 2025.¹⁷ Genera states that the agreement enables significant cost savings compared to ULSD, that the PREPA-owned Palo Seco MPs require no upgrades as they are "Natural Gas Ready," and that the supplier will accommodate third-party LNG delivery and remove regasification infrastructure at the contract end. Genera

⁶ See December 17 Motion, p. 3, ¶10.

⁷ *Id.*, p. 3, ¶11.

⁸ See December 23 Motion, p. 7, ¶4.

⁹ *Id.*, p. 7, ¶7-8.

¹⁰ LUMA Energy LLC y LUMA Energy ServCo, LLC ("collectively, "LUMA").

¹¹ *Id.*, p. 8, ¶8.

¹² See December 17 Motion, p. 3, ¶12, and December 23 Motion, p. 7.

¹³ *Id.*, p. 4, ¶13.

¹⁴ *Id.*

¹⁵ *Id.*, p. 4, ¶14-16.

¹⁶ *Id.*

¹⁷ *Id.* p. 6-7.



further alleges that it is ready to initiate testing and commissioning of the natural gas supply systems in compliance with the NG Agreement.¹⁸

B. Genera alleged compliance with the conditions in the January 31 Resolution for the Palo Seco MPs

1. January 31 Resolution for the Palo Seco MPs - First Condition

Under the First Condition of the January 31 Resolution for the Palo Seco MPs, Genera was required to ensure that PREPA, P3A, or 3PPO conduct a competitive procurement process for natural gas supply before proceeding with the Palo Seco MPs conversion, to promote market competition, transparency, and secure the best economic and technical conditions for PREPA and ratepayers. Additionally, the project was required to include the conversion of the Palo Seco MPs to dual-fuel operation (natural gas and ULSD) and the installation of all necessary conversion equipment and regasification infrastructure to enable the reliable and efficient use of natural gas.

Regarding this First Condition, Genera alleges that, on April 11, 2025, 3PPO issued Request for Proposals 3PPO-RFP-1125-17-MSIN to solicit competitive proposals for natural gas supply for multiple generation sites.¹⁹ As a result of this process, Crowley was awarded the natural gas supply contract for the Mayagüez generation facility, and NFE was awarded the NG Agreement, which was approved by the FOMB.²⁰

Genera further alleges that the Palo Seco MPs operate exclusively on ULSD and require no major modifications to operate on natural gas, as they were originally designed for such capability.²¹ Genera reiterates that the regasification infrastructure at Palo Seco is ready for use and can be utilized for the Palo Seco MPs without additional investment from PREPA or the ratepayers.²²

Based on Genera's representations, all regasification infrastructure required to supply natural gas to the Palo Seco MPs is already fully installed, completed, and ready for use, allegedly by the selected supplier, and can be utilized with no additional investment by PREPA or ratepayers. Under these circumstances, it follows that, at this stage, it would not have been feasible to structure or re-procure the natural gas supply arrangement in a manner that separately contemplated the development, installation, or financing of such regasification infrastructure as part of a different competitive procurement designed to secure potentially more favorable pricing or terms. The Energy Bureau relies on the procurement efforts undertaken by other relevant governmental entities to ensure that the resulting terms are competitive and in the public interest.

As the Energy Bureau explained in its January 31 Resolution for the Palo Seco MPs, the October 11 Resolution and July 4 Resolution for the Cambalache CTs, the purpose of requiring a competitive procurement process was to prevent monopolistic outcomes and to promote transparency and competition, objectives that are fully set forth in those determinations and need not be restated herein.²³ The Energy Bureau further notes, however, that the procurement process ultimately implemented did not necessarily align with the underlying intent of the Energy Bureau's directives, which sought not only to secure more favorable natural gas pricing, but also to incentivize the natural gas supplier to assume

¹⁸ *Id.*

¹⁹ See December 23 Motion, p. 3.

²⁰ *Id.*

²¹ See December 23 Motion, p. 4.

²² *Id.*

²³ See January 31 Resolution for the Palo Seco MPs, pp. 2-3 and October 11 Resolution, p. 8.



the costs associated with the installation of regasification infrastructure and the conversion-related work, potentially in exchange for a longer-term supply arrangement comparable to prior agreements. The NG Agreement reflects that such an approach was not followed here, as it does not contemplate that the Supplier will install or fund the regasification infrastructure; rather, as discussed further below, the NG Agreement provides that PREPA is responsible for installing the required equipment and obtaining the required permits at its own cost.

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The Energy Bureau did not participate in the procurement or negotiation process that resulted in the NG Agreement and is therefore unaware of the reasons the process did not conform to the framework contemplated in its prior orders. Nevertheless, without prejudice to any determinations that may be made regarding the satisfaction of conditions applicable to other pending conversions, such as the Mayagüez and Cambalache conversions, or any future requests submitted before the Energy Bureau, the Energy Bureau finds this case presents unique circumstances warranting satisfaction of this condition for the Palo Seco MPs. Specifically, Genera represents that substantial regasification infrastructure already exists at the Palo Seco facility and may be used, at least in part, to supply natural gas to the Palo Seco MPs. While Genera's cost breakdown, as discussed in Part III(D), reflects that certain additional work remains necessary, such as the installation of metering skids, connection lines to the units, gas pressure equipment, and related components, the overall incremental investment associated with the conversion is comparatively limited. For example, the estimated costs of the regasification infrastructure are approximately \$26.6 million for both Cambalache and Mayagüez. Given these circumstances, including Genera's representation that the remaining conversion-related costs for the Palo Seco MPs are approximately \$2.55 million, and subject to the reporting and certifications required under Part III (D) herein confirming that such **costs were not funded by PREPA**, the Energy Bureau concludes this condition is satisfied for the Palo Seco MPs conversion only. This determination shall not be construed as a finding that the same condition has been satisfied regarding any other conversion conditionally approved or pending before the Energy Bureau, nor as a precedent applicable to future conversion requests. Each case will be evaluated based on the circumstances applicable to it.

2. January 31 Resolution for the Palo Seco MPs - Second Condition

The Second Condition required Genera to ensure that the project's structure and contracts comply with all FEMA requirements, preserving eligibility and access to FEMA funding.

Genera acknowledges that the existing regasification infrastructure available for the Palo Seco MPs is owned by NFE and cannot be transferred to PREPA. Genera further notes that, because the existing regasification infrastructure is privately owned, it is not eligible for FEMA funding. However, Genera asserts that any future regasification infrastructure installed by PREPA or by a new supplier would be eligible.²⁴ Finally, Genera maintains that the FEMA ineligibility of the existing regasification infrastructure does not affect the FEMA eligibility of the Palo Seco MPs or their auxiliary components.²⁵

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Regarding this condition, the Energy Bureau notes from the administrative record that, on the one hand, Genera alleges that all infrastructure required for fuel delivery has been installed; however, it remains unclear who funded the costs associated with the infrastructure identified in Genera's cost breakdown²⁶. At this stage, and solely to determine whether this condition has been satisfied, the Energy Bureau assumes that any equipment installations, improvements, and construction work performed at the facility, other than the natural gas supply and delivery infrastructure itself, are owned by PREPA. Otherwise, the Energy Bureau could not ascertain whether FEMA eligibility could be affected if any

²⁴ See December 23 Motion, p. 4-5.

²⁵ *Id.*

²⁶ See Attachment #1 of this Resolution and Order.



infrastructure within the facility, aside from the natural gas transmission infrastructure, were not owned by PREPA. Although the Energy Bureau deems this condition satisfied to provide continuity to the process, Genera is required under Part III (D) herein, to produce certain information that will enable the Energy Bureau to confirm that all work performed in connection with the implementation of the Palo Seco MPs conversion follows the public interest.

3. January 31 Resolution for the Palo Seco MPs - Third Condition

The Third Condition requires that, after completing the fuel swap improvements at PREPA's facilities for the Palo Seco MPs, all necessary agreements and documents must be executed to formally confirm PREPA's exclusive ownership of the improvements.

Regarding this condition, Genera alleges that it is not applicable.²⁷ Genera further states that the regasification infrastructure, installed years ago by NFE for the TM2500 units, can be used for the Palo Seco MPs without additional investment from PREPA or the ratepayers.²⁸ Genera also notes that NFE has certified that it will remove the infrastructure reasonably and within industry-standard timelines to allow other fuel suppliers to install their own facilities.²⁹

As discussed in Part III(D) herein, Genera proposed, as part of the conversion, the installation of various components necessary to implement the project, including equipment to be installed on the Palo Seco MPs, such as digital valve positioners and related components such as pressure regulation skids, metering skids, and gas connection lines. While the Energy Bureau acknowledges that Genera has represented that the principal regasification infrastructure necessary for the project is owned by NFE, the record does not establish when these additional components were installed, whether they in fact have been installed, who incurred the associated costs, or who holds title to such equipment. Given that the Energy Bureau is requiring the submission of additional information under Part III(D) herein, the Energy Bureau deems this condition satisfied at this stage. If it is necessary to execute, issue or produce documentation confirming PREPA's ownership of any such equipment, Genera shall ensure that such documentation is duly executed and provided.

4. January 31 Resolution for the Palo Seco MPs - Fourth Condition

The Fourth Condition requires that if PREPA is not designated as the owner of the regasification units at the end of the supply term, the agreements must establish a process for their timely removal, allowing other fuel suppliers to install their own facilities without undue restrictions or interference with the generation units.

To comply with this condition, Genera states it was not involved in the RFP process and had no control over the contract negotiations or the agreement terms.³⁰ Genera notes that NFE has certified that it will remove the regasification infrastructure reasonably and within industry-standard timelines to allow other fuel suppliers to install their own facilities.³¹ Additionally, Genera states that the NG Agreement provides that NFE will use commercially reasonable efforts, upon request by a third-party LNG supplier, to provide ISO containers, trucks, and logistical support for ISO truck loading operations if NFE is unable to supply as required or declares Force Majeure.³²

²⁷ See December 23 Motion, p. 5.

²⁸ *Id.*

²⁹ *Id.*

³⁰ See December 23 Motion, p. 5.

³¹ *Id.* See also the Certification, attached as Attachment B to the December 23 Motion.

³² See December 23 Motion, p. 6.



The establishment of this condition, and the requirement that any procurement process for natural gas supply contracts include specific safeguards to prevent PREPA from becoming captive to suppliers that have installed regasification infrastructure at PREPA's generating units, was intended to avoid undue leverage by such suppliers. A supplier may exert pressure on PREPA or seek to impose onerous contractual terms due to the complexity associated not only with removing existing regasification infrastructure, but also with obtaining the permits required for a replacement supplier to install comparable infrastructure. In a separate filing before the Energy Bureau, Genera itself previously acknowledged that removing existing regasification facilities at Palo Seco, securing permits, and installing replacement infrastructure could take more than one year. In that instance, Genera sought compensation under the GOMA,³³ under the premise that, absent such compensation, its affiliate, NFE, would remove the regasification infrastructure at Palo Seco.³⁴

OTU The Energy Bureau notes that the risk it previously identified is not fully addressed by the framework reflected in the NG Agreement. Nevertheless, the Energy Bureau is limited to evaluating this matter based on the agreement before it. Under these circumstances, the Energy Bureau recognizes compliance with this condition based on Genera's representations and the Supplier's certification that, if removal of the existing regasification infrastructure becomes necessary, it will do so under industry-standard timelines and procedures.

JAB Notwithstanding the foregoing, the Energy Bureau emphasizes that PREPA must take appropriate measures, mindful that the removal and replacement process may take up to one year, to ensure that ratepayer interests are not adversely affected should the removal of such regasification infrastructure become necessary, including by acting with sufficient lead time and not waiting until the last moment to address such contingencies.

5. January 31 Resolution for the Palo Seco MPs - Fifth Condition

JAB As the Fifth Condition, the Energy Bureau requires that the Palo Seco MPs continue to operate strictly as peaking units, and that Genera must maintain accurate records of all maintenance and operational costs if the units are operated above typical peaking capacity factors, making these records available to the Energy Bureau upon request for compliance review.

Genera states that, for the Fifth Condition, it provides all operational units to the LUMA Operation Center ("TOC") daily and regularly shares estimated fuel costs to support economic dispatch decisions.³⁵ Genera notes that it does not control unit dispatch, which is the responsibility of the TOC, but asserts that the units will be operated as peaking units.³⁶ Genera also states that it will maintain accurate records of maintenance and operational costs incurred when the units operate regularly or at capacity factors above typical peaking levels.³⁷

³³ Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("GOMA"), dated January 24, 2023, executed by and among PREPA, P3 Authority and Genera.

³⁴ See Motion to Reconsider Final Resolution and Order on Genera's Fuel Optimization Plan from November 22, 2024, filed by Genera on January 23, 2025, in the case *In Re: Genera PR LLC Fuel Optimization Plan*, Case No.: NEPR-MI-2023-00047, p. 4, ¶8. Specifically, Genera states:

[m]oreover, if Genera affiliate decides to remove its owned regasification infrastructure being used for these generation units, it will take up to a year to design, procure and install a new regasification infrastructure, which will require a capital investment from PREPA equal to or higher than Genera's affiliate, not to mention the substantial increase in fuel costs for the operation of these units with ULSD until new regasification infrastructure is installed.

³⁵ See December 23 Motion, p. 6.

³⁶ *Id.*

³⁷ *Id.*



The Energy Bureau finds that Genera's representations regarding compliance with this condition, and the mechanism Genera proposes to satisfy it are acceptable for this proceeding; the Energy Bureau deems this condition satisfied.

C. Genera alleged fuel cost savings

am In Genera's December Request, Genera states that switching the primary fuel from ULSD to natural gas will benefit PREPA's customers through savings in fuel costs.³⁸ Genera also alleges that natural gas allows for more operational fire hours than ULSD, which will generate additional savings in operation and maintenance ("O&M") costs.³⁹ Genera provides a numerical comparison, stating that ULSD is forecasted to cost \$17.17/MMBtu, while LNG is forecasted at \$7.95/MMBtu (plus Henry Hub adjustments), and concludes that, conservatively, this represents savings of approximately \$3.17/MMBtu.⁴⁰

FA Genera further alleges that, based on the historical operation of the Palo Seco MPs, the proposed fuel conversion will result in savings for ratepayers.⁴¹ Specifically, Genera estimates that the average monthly savings will be approximately \$705,366.65, which would amount to cumulative savings of \$12,696,599.71 over an 18-month period.⁴² In support of this allegation, Genera includes as Attachment C a Excel table illustrating the historical fuel consumption of the Palo Seco MPs. Genera also alleges that actual savings could be higher if LUMA operates the units more frequently for economic dispatch and environmental reasons.⁴³

Sm As stated in the October 11 Resolution, Genera initially projected estimated annual savings of \$12.79MM for the operation of the Palo Seco MPs with natural gas.⁴⁴ However, in Genera's December Request, it reports that the savings will amount to \$12,696,599.71 over an 18-month period. This represents a deliberate extension of the period considered to reach the previously indicated savings figure, resulting in a comparison that is not directly consistent with the original annual estimate. Using Genera's assumption, the estimated annual savings will be \$8,464,399.80 approximately.

1 In its October 11 Resolution, the Energy Bureau set forth its analysis of the savings Genera projected from the proposed use of natural gas at the Palo Seco MPs.⁴⁵ Based on the information then available in the record, including the natural gas costs under the contract in effect at that time and the ULSD costs under the contract then in effect, the Energy Bureau evaluated the projected savings using the historical capacity factors of the Palo Seco MPs. In doing so, the Energy Bureau noted that Genera's cost estimates appeared overstated, particularly because they relied on capacity factors that were not consistent with the operational profile of peaking units, which is the applicable operating profile for the Palo Seco MPs. Based on the information, the Energy Bureau estimated that the annual savings would be almost half,⁴⁶ as compared to the higher savings initially projected by Genera. Nevertheless, the Energy Bureau conditionally approved the proposed conversions, recognizing that at least some measurable savings could be achieved.

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³⁸ See December 17 Motion, p. 4, ¶9 and December 23 Motion, p. 7, ¶3.

³⁹ See December 17 Motion, p. 4-5, ¶12 and December 23 Motion, p. 7, ¶4.

⁴⁰ See December 17 Motion, p. 6-7, ¶24 and December 23 Motion, p. 8, ¶6.

⁴¹ See December 23 Motion, p. 7-8, ¶7.

⁴² *Id.*

⁴³ See December 23 Motion, p. 8, ¶8.

⁴⁴ See October 11 Resolution, p. 4-5.

⁴⁵ See October 11 Resolution, p. 4-6.

⁴⁶ See October 11 Resolution, p. 6.



Genera now recalculates projected savings using a different approach. The Energy Bureau finds this inconsistent and ultimately not representative of the savings that may reasonably be expected from the proposed natural gas operations. For example, Genera relies on historical average cost data from approximately the last eighteen (18) months to estimate annual savings, a methodology that is not reliable and does not accurately reflect future operating conditions. Rather, any evaluation of savings associated with the operation of the Palo Seco MPs on natural gas must be based on a reasonable capacity factor consistent with peaking units, which, in the Energy Bureau's view, should not exceed twenty percent (20%). Likewise, the cost of natural gas must be calculated using the pricing structure established in the NG Agreement, including the transportation and delivery costs associated with the number of truck deliveries required at the applicable capacity factor. In addition, the Energy Bureau notes that the applicable natural gas delivery adder must reflect truck-based deliveries, rather than the lower adder contemplated under the NG Agreement for deliveries through a fixed pipeline connection; because no such fixed pipeline connection exists, any reasonable cost estimate must be calculated using the pricing mechanism applicable to the delivery method expected to be used in the coming years. In estimating the cost of natural gas on a forward-looking basis, the Energy Bureau notes that the Henry Hub indices published by the U.S. Energy Information Administration, Short Term Energy Outlook (STEO) provide an appropriate reference point. Finally, in the savings calculations, the ULSD price benchmark should reflect the current ULSD supply contract.

Genera shall apply the methodology described to calculate the savings realized from the operation of the Palo Seco MPs on natural gas and shall use that methodology in preparing the annual savings report ordered by the Energy Bureau in this Resolution and Order, as further discussed below.

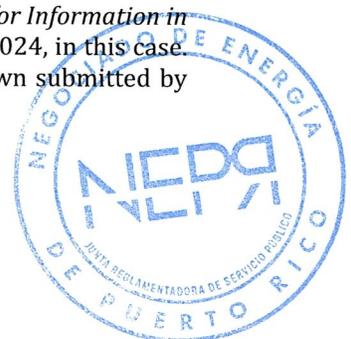
On February 1 of each calendar year, beginning on February 1, 2027, Genera shall file with the Energy Bureau an annual report detailing the savings realized as a result of operating the Palo Seco MPs using natural gas. The annual report shall include, for each unit: (i) the number of hours the unit operated during the reporting year; (ii) the resulting capacity factor for that unit; (iii) the unit's total natural gas consumption and the corresponding cost of natural gas incurred; (iv) an estimate of the cost that would have been incurred to operate the unit on ULSD during the same period, based on the ULSD procurement contract in effect at the time; (v) a calculation of the savings attributable to operating the unit on natural gas as compared to ULSD; (vi) the amount by which the minimum take-or-pay obligations under the NG Agreement increased as a result of the inclusion of the Palo Seco MPs as units served under that agreement; (vii) the amount incurred by PREPA during the applicable calendar year (January 1 through December 31) as a result of natural gas volumes not taken but paid for under the take-or-pay provisions of the NG Agreement; and (viii) a separate section identifying and supporting the maintenance costs attributable to each unit during the reporting year, as well as any capital expenditures incurred in connection with the operation of such units.

D. Palo Seco MPs Conversion Costs

Regarding project costs, the Energy Bureau noted that Genera initially claimed the conversion would require minimal capital investment and would not affect base rates. However, Genera's statements throughout the proceedings were inconsistent. Ultimately, Genera acknowledged that certain improvements and replacements would be necessary, estimating a total project cost of approximately \$2.55 million, including new components and infrastructure adjustments. Genera provided the following cost breakdown:⁴⁷

1. Digital Valve Positioners \$48,903.30

⁴⁷ See *MobilePac Project Description* filed as part of the *Motion to Submit Response to Request for Information in Compliance with Resolution and Order dated August 15, 2024*, filed by Genera on August 30, 2024, in this case. For reference purposes, the Energy Bureau includes the pages related to the Cost Breakdown submitted by Genera as **Attachment #1**.



2.	Audit Inspection	\$53,662.50
3.	Checkout & Commissioning	\$107,325.00
4.	Pressure Regulation Skids	\$440,000.00
5.	Metering Skid	\$191,000.00
6.	Engineering & Construction	<u>\$1,707,000.00</u>
	Total	\$2,547,890.80

AM
Additionally, Genera included in its filing a *MobilePac Layout* depicting certain construction work that would be required, such as, under item #5 (*Gas Line to Megagen[]s*), the gas line connection between the Palo Seco MPs and the existing regasification infrastructure, and under item #6 (*Megagens Gas Regulation Skids*) the metering skids associated with the Palo Seco MPs' operation, which had not been constructed when Genera submitted its conversion request. None of these facilities, nor the other expenses in the cost breakdown, may be incurred without the Energy Bureau's final approval, and as discussed below, they should not be funded by ratepayers and must remain under PREPA's ownership.⁴⁸

JAB
In its Genera's December Request, Genera stated that it was ready to immediately begin the commissioning process using natural gas at the Palo Seco MPs.⁴⁹ Under these circumstances, the expenditures reflected in the cost breakdown that Genera identified as necessary to complete the work required for natural gas operations must have been incurred.

Jmr
As a threshold matter, the Energy Bureau reiterates that Genera was not authorized to incur such costs, as the January 31 Resolution for the Palo Seco MPs provides, among other conditions, that no conversion-related expenditures could be undertaken unless and until the required conditions were satisfied and the Energy Bureau provided the corresponding authorization. The Energy Bureau further notes that this directive was reiterated in a subsequent Resolution and Order issued on May 30, 2025, in which, in response to Genera's statements that it intended to commence commissioning activities, the Energy Bureau reaffirmed the foregoing limitations.⁵⁰ Nonetheless, Genera now again represents that it is ready to proceed with commissioning. The Energy Bureau also notes that Genera previously represented that conversion-related costs would not be charged to its operating budget and would instead be borne by the natural gas supplier;⁵¹ however, the NG Agreement submitted

48 *Id.*

49 Specifically, Genera stated: "...Genera's notified that it is ready to initiate the testing and commissioning process of the natural gas supply systems for the Palo Seco MPs," see December 17 Motion, p. 7. Also, Genera states in the December 23 Motion: "[t]he purpose of this motion is to provide the information requested and to request PREB's approval to initiate the testing and commissioning procedures for the fuel conversion of Palo Seco MP, following the fulfillment of the conditions outlined in the January 31st Resolution for Palo Seco MPs, to the extent it was possible", see December 23 Motion, p. 2.

50 Specifically, the Energy Bureau stated: "[t]he Energy Bureau REITERATES that the fuel conversion initiatives proposed by Genera are subject to prior review and express authorization by the Energy Bureau in accordance with Puerto Rico's energy laws and regulatory framework." See, Resolution and Order dated May 30, 2025, p. 2.

51 See *Motion to Submit Response to Request for Information in Compliance with Resolution and Order dated August 15, 2024*, filed by Genera on August 30, 2024, Exhibit A, p. 19. Specifically, Genera stated:

[a]ll project costs, including but not limited to (i) engineering and design costs, (ii) construction and installation costs, (iii) equipment and materials costs, (iv) labor costs, (y) permitting and regulatory compliance costs, (y) contingency and risk management costs, and (vi) explanation of the assumptions and methodologies used to develop the cost estimate at the PREPA unit level are being, and will be, borne by Affiliate. The costs at the Fuel Supplier level will be borne by the Fuel Supplier. At the PREPA unit-level, the costs of the DVPs are estimated to be around \$82,500 for all 3 units. These costs are borne by Affiliate, not by Genera or PREPA, and thus, not by the ratepayers. Genera is unaware of the costs associated with the construction of infrastructure necessary for the transportation, storage, and handling of LNG at each facility, as the Fuel Supplier will bear these costs. The costs of the transportation, storage and handling of LNG are determined by the SPA.

See, also, Exhibit A, p. 21 of the referenced motion that stated:



in this proceeding does not clearly establish that the supplier was required to pay such costs, nor does it demonstrate that such costs were paid.

Consistent with the determinations set forth herein, the Energy Bureau authorizes Genera, through this Resolution and Order, to proceed with the testing and commissioning of the Palo Seco MPs, **without the need for further proceedings**. Notwithstanding the foregoing, Genera is **ORDERED** to file, **within thirty (30)** days from the notification of this Resolution and Order, a detailed report identifying and supporting all costs incurred in connection with the conversion-related work reflected in the cost breakdown, including complete documentation evidencing (i) how and when each cost was incurred, (ii) who paid each such cost, and (iii) a certification that none of these costs were paid using Genera's operating budget. Genera shall further certify that all equipment installed, as described in the cost breakdown, is owned by PREPA, and shall identify how such ownership has been established and documented, unless Genera demonstrates that such equipment constitutes an integral and inseparable part of NFE's regasification infrastructure and that, for any reason, title to such equipment cannot be transferred to PREPA. If the Energy Bureau later determines that these costs were improperly charged to Genera's operating budget or otherwise incurred without authorization, the Energy Bureau will evaluate whether Genera must reimburse PREPA for any unauthorized expenditures.

IV. Other Natural Gas Conversions

A. Mayagüez CTs

Through the January 31 Resolution for the Mayagüez CTs, the Energy Bureau conditionally approved the conversion of the Mayagüez CTs to operate with natural gas as the primary fuel and diesel as a backup fuel.⁵² To date, almost one year after that conditional approval, Genera has not appeared before the Energy Bureau or otherwise submitted information to demonstrate that it has satisfied the conditions required to implement such conversion. The NG Agreement submitted by Genera for this proceeding expressly provides in Section 1.1 that it may not be used to supply natural gas to the Mayagüez CTs.⁵³ Therefore, any delay related to the conversion of those units is not attributable to the Energy Bureau, which already acted with due diligence by granting the conditional approval.

B. Cambalache CTs

On July 4, 2025, the Energy Bureau conditionally approved the conversion of the Cambalache CTs to operate with natural gas as the primary fuel and diesel as a backup fuel.⁵⁴ To date, more than one year after that conditional approval, Genera has not appeared before the Energy Bureau or otherwise submitted information to demonstrate that it has satisfied the conditions required to implement such conversion. Although Genera relies on the NG Agreement in this proceeding as evidence of compliance for the proposed conversion of the Palo Seco MPs, and the NG Agreement expressly contemplates the supply of natural gas to Cambalache CTs⁵⁵, Genera has submitted no explanation or supporting documentation

[a]ll project costs, including capital investments, at the PREPA unit level are being and will be paid by Affiliate. The costs at the Fuel Supplier level will be borne by the Fuel Supplier. Neither the Operating Budget nor any budget funded by ratepayers will be used to cover the costs of the Palo Seco and Mayaguez fuel swaps.

⁵² See January 31 Resolution for the Mayagüez CTs.

⁵³ See NG Agreement, Section 1.1 (**Delivery Point**) at p. 4, stating that "the Mayaguez Power Station will not be included as a Delivery Point for purposes of this Agreement". See also NG Agreement, Schedule 2 (*Delivery Points*), excluding the Mayagüez Power Station as a location at which the Supplier (NFE) is obligated to deliver natural gas to PREPA.

⁵⁴ See July 4 Resolution for the Cambalache CTs, pp. 15-16.

⁵⁵ See NG Agreement, Schedule 2 (*Delivery Points*), identifying the Cambalache Power Station as a delivery point at which the natural gas supplier is obligated to deliver natural gas to PREPA.



demonstrating that it has satisfied requirements to complete the conversion.⁵⁶ Therefore, any delay related to the conversion of those units is not attributable to the Energy Bureau, which already acted with due diligence by granting conditional approval.

C. Palo Seco Units 3 and 4 and San Juan Units 7 and 9.

On January 9, 2026, Genera filed a request before the Energy Bureau seeking approval of a proposed Scope of Work ("SOW") covering the conversion of Units 3 and 4 at the Palo Seco Power Station to operate with natural gas as the primary fuel and Fuel Oil #6 (also known as "FO6" or "Bunker C") as a backup fuel.⁵⁷ In addition, on January 14, 2026, Genera filed a separate request seeking approval of a similar SOW for the conversion of the San Juan 7 and 9 units (collectively, the "SOW Requests").⁵⁸ The SOW Requests remain under the Energy Bureau's review. While Genera's filings are presented as requests limited to SOW approval, the Energy Bureau must first determine, as a threshold matter, that the proposed conversions comply with applicable law and the regulatory framework governing such fuel conversions. The Energy Bureau further notes that the information submitted with the SOW Requests does not include the level of detail that Genera has been repeatedly advised to provide in prior orders addressing natural gas conversions.⁵⁹ The Energy Bureau is evaluating whether additional information must be requested to complete its review. As a preliminary matter, and making no determination at this stage, the Energy Bureau observes that, based on projected fuel costs of LNG and FO6 for the next two years, operation of the units on natural gas may be more costly than continued operation using FO6, contrary to Genera's assertions. The Energy Bureau will continue to evaluate Genera's requests with due diligence and will issue any further determinations.

V. Conclusion

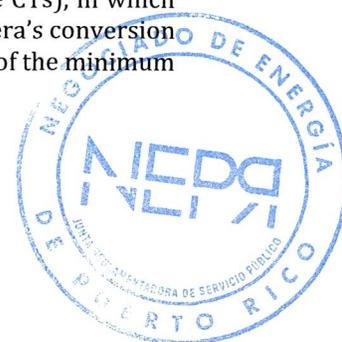
Based on the foregoing discussion and the procedural history, since October 11, 2024, the Energy Bureau has conditionally approved the conversion of the Palo Seco MPs for dual-fuel operation, with natural gas as the primary fuel and ULSD as the backup fuel. In late December 2025, Genera filed pleadings asserting compliance with the conditions imposed by the Energy Bureau and, to the extent any such condition could not be satisfied, provided the explanations it deemed sufficient to justify any deviation therefrom. After evaluating Genera's filings and the evidence in the administrative record, the Energy Bureau determines as follows:

⁵⁶ Under the NG Agreement, the Supplier (NFE) is not responsible for providing the infrastructure necessary to enable LNG regasification at Delivery Points such as the Cambalache CTs. Rather, the NG Agreement expressly provides that, prior to commencing any deliveries or sales of natural gas to those generation units, PREPA must install the required regasification equipment and obtain all permits necessary to enable natural gas operations at such Delivery Point, at its own cost. See NG Agreement § 3.3, at 16. In addition, according to Genera, the estimated cost of the regasification infrastructure for Cambalache is approximately \$26.6 million. At this time, however, it is unclear who would ultimately bear such costs, although it would not be the Supplier (NFE), and whether the savings Genera projected as part of its conversion request would remain achievable if PREPA, through ratepayer funds, were required to fund the necessary infrastructure. Moreover, the Energy Bureau notes that, in the ongoing rate case (Case No.: NEPR-AP-2023-0003), no party has requested or identified ratepayer funding, nor federal funding, for the installation of such regasification infrastructure for the Cambalache CTs.

⁵⁷ See Motion Requesting Leave to Submit for Approval to COR3 and FEMA the SOW to Convert Palo Seco Units 3 & 4 to Operate with Natural Gas as Primary Fuel, In re: Review of the Puerto Rico Electric Power Authority's 10 Year Infrastructure Plan-December 2020, case no. NEPR-MI-2021-0002, filed by Genera on January 9, 2026.

⁵⁸ See Motion Requesting Leave to Submit for Approval to COR3 and FEMA the SOW to Convert San Juan Units 7 & 9 to Operate with Natural Gas as Primary Fuel filed by Genera on January 14, 2026.

⁵⁹ See October 11 Resolution; January 31 Resolution for the Mayagüez CTs; and Resolution and Order dated November 20, 2025 (denying, without prejudice, the proposed conversion of the Cambalache CTs), in which the Energy Bureau emphasized the insufficiency of the information generally provided in Genera's conversion requests and, in the November 20, 2025 Resolution and Order, set forth a detailed description of the minimum information required for the Energy Bureau to properly evaluate such requests.



- (i) Genera is **AUTHORIZED** to conduct testing and commissioning activities for the Palo Seco MPs using natural gas and to continue operating such units using natural gas as primary fuel and USLD as backup fuel;⁶⁰
- (ii) Genera is **ORDERED** to submit, within thirty (30) days of the notification of this Resolution and Order, the additional information identified in Part III (D) herein; and
- (iii) On February 1 of each calendar year, beginning on February 1, 2027, Genera shall file with the Energy Bureau an annual report required in Part III (C) in this Resolution and Order.

AM The Energy Bureau clarifies that this approval is limited solely to the units at issue in this proceeding, namely, the Palo Seco MPs, and shall not be construed as applicable to, or dispositive of, any other matters pending before the Energy Bureau, including, without limitation, other conversion requests for which Genera has not yet submitted the information or evidence necessary to demonstrate compliance with the applicable conditions.

JAN The Energy Bureau further encourages Genera, to the extent it maintains that the conversions of the Mayagüez CTs and Cambalache CTs to natural gas would yield tangible benefits to ratepayers, to timely comply with the applicable conditions and submit the documentation necessary for the Energy Bureau to confirm that those conditions have been satisfied, so any such ratepayer benefits, if realized, may be achieved expeditiously.

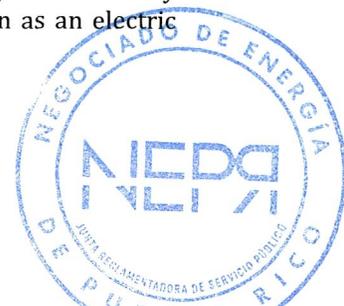
The Energy Bureau **WARNS** PREPA that, in accordance Art. 6.36 of Act 57-2014:⁹

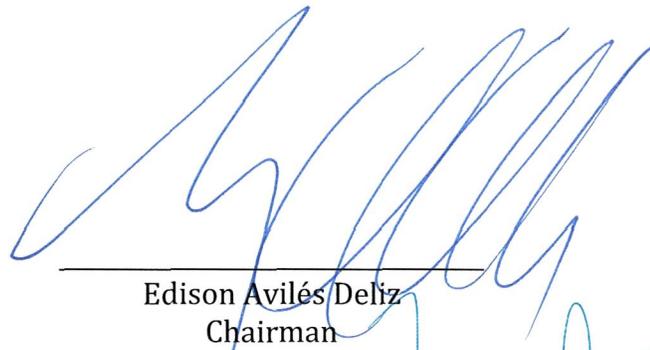
- Jim*
- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to one hundred twenty-five thousand dollars (\$125,000) per day; and
 - (ii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than fifteen thousand dollars (\$15,000) nor greater than two hundred fifty thousand dollars (\$250,000), at the discretion of the Energy Bureau.

1
Be it notified and published.

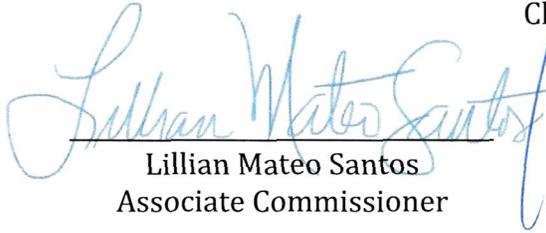
ASB

⁶⁰ On January 16, 2026, Genera filed a motion before the Energy Bureau in which it recounted its December 2025 filings in this proceeding, the Energy Bureau's determination that additional information was required, the additional information provided by Genera, and the cancellation of the technical hearing previously scheduled for January 14, 2026. Genera further stated that, considering the foregoing record and based on its belief that it had satisfied the conditions imposed by the Energy Bureau, it would commence testing and commissioning activities related to the Palo Seco MPs and that it intended to do so immediately. Genera should be aware that such unilateral action is contrary to law and the Energy Bureau's orders. As expressly stated in the January 31 Resolution for the Palo Seco MPs and in subsequent orders, particularly the Resolution and Order issued on May 30, 2025, Genera was clearly advised that it could not initiate testing and commissioning activities absent compliance with the applicable conditions and the Energy Bureau's confirmation and authorization. Notably, by motion dated May 6, 2025, Genera previously attempted to proceed under a similar premise, acting without prior authorization from the Energy Bureau. In response, the Energy Bureau stated unequivocally in its Resolution and Order issued on May 30, 2025, that Genera must refrain from taking such actions and that any future noncompliance could result in the imposition of severe administrative penalties. Accordingly, through this Resolution and Order, the Energy Bureau reiterates that Genera's unilateral conduct is improper and directs Genera to refrain from any similar action in the future, under penalty of significant fines and other enforcement measures. Nevertheless, because the Resolution and Order issued today authorizes the testing and commissioning activities Genera seeks to undertake, the Energy Bureau will not impose sanctions or penalties at this time. However, Genera is hereby expressly warned that future violations may result not only in substantial fines, but also in the initiation of proceedings related to Genera's certification as an electric service company.

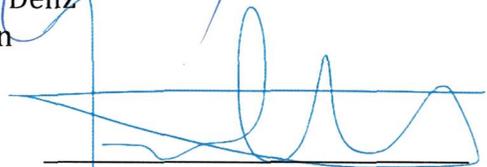




Edison Avilés Deliz
Chairman



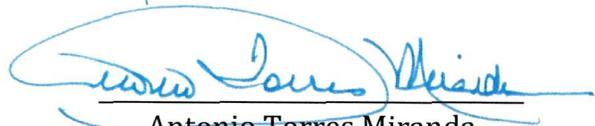
Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

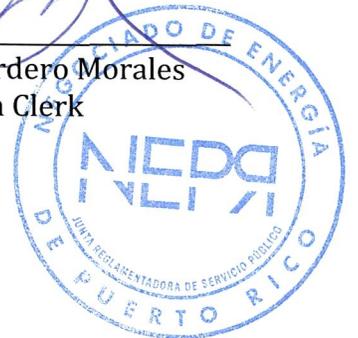
CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on January 23, 2026. Also certify that on January 23, 2026, I have proceeded with the filing of this Resolution and was notified by email to: alexis.rivera@prepa.pr.gov; cruzfranqui@gmlex.net; mvalle@gmlex.net; nzayas@gmlex.net; jdiaz@sbgblaw.com; jfr@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, today January 23, 2026.



Wanda I. Cordero Morales
Interim Clerk



ATTACHMENT 1

MobilePac Project Description

1. Project Description

A Natural Gas fuel swap is being proposed to supply the (3) Existing FT8 MP Units at the Palo Seco Facility from the existing LNG Tank Farm and/or LNG Mobile Regas Facility. This will include delivery of NG Supply, Audit Inspection of (3) FT8 MP Units Gas Fuel System Readiness, Replacement of parts, Checkout, and the Commissioning of the (3) FT8 MP Units.

2. Project Execution

2.1. Scope of work

The project will source, procure, transport, and install replacement components required for NG Operations of the (3) FT8 MP Units. It will also coordinate the required checkout and commissioning of the Gas Fuel System on the (3) FT8 MP Units while adhering to the OEM Specifications. The project contemplates an extension to the existing natural gas pipe already in service within the Palo Seco facility. For installation of the equipment, each turbine will be taken out of service during the daytime (Non-peak hours) at which time the new components will be installed. It is expected that each unit will take 6-10 hours of work, so one turbine would be taken out of service per day.

2.2. General Equipment Description

The following were found missing or not functioning:

- QTY 3 Each DVP's (Digital Valve Positioners) manufactured by Woodward

2.3. Cost Breakdown

The cost breakdown herein contains estimates and allocations that may change based on market conditions, additional efforts incurred to install, operate, or support this work scope plan may be required.

Palo Seco MobilePac FT8					
Description	UOM	Qty	LT/TAT	Unit Cost	Total Cost
Digital Valve Positioners	Each	3	12 weeks	\$16,303.10	\$48,909.30
Audit Inspection	Each	3	1 week	\$17,887.50	\$53,662.50
Checkout & Commissioning	Each	3	1 week	\$35,775.00	\$107,325.00
Pressure Regulation Skids	Each	2	1 week	\$220,000.00	\$440,000.00
Metering Skid	Each	1	1 week	\$191,000.00	\$191,000.00



Engineering & Construction	LS	1	-	\$1,707,000.00	\$1,707,000.00
Total					\$2,547,896.80

