

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

NEPR
Received:
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IN RE:

REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY 10
YEARS INFRASTRUCTURE PLAN-
DECEMBER 2020

CASE NO.: NEPR-MI-2021-0002

SUBJECT: Motion Updating Request for
Approval to Submit to COR3 and FEMA the
SOW to Convert San Juan Units 7 & 9 to Operate
with Natural Gas as Primary Fuel

**MOTION UPDATING REQUEST FOR APPROVAL TO SUBMIT TO COR3 AND FEMA
THE SOW TO CONVERT SAN JUAN UNITS 7 & 9 TO OPERATE WITH NATURAL
GAS AS PRIMARY FUEL**

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:

I. Introduction

1. On February 21, 2024, Genera filed a document titled *Motion Submitting Revision to the Fuel Optimization Plan in Compliance with Resolution and Order Dated January 10, 2024* ("February 21st Motion") through which Genera included a revised FOP (“Revised FOP”) as Exhibit A in Case No. NEPR-MI-2023-0004, *In Re: Genera PR LLC Fuel Optimization Plan*. The Revised FOP outlines the Fuel Cost Savings initiatives and expected methods for achieving estimated fuel savings.

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.

2. Furthermore, on January 9, 2026, Genera filed in the instant case a *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* (“Genera’s January 9th Motion”). On the other hand, on January 14, 2026, Genera also submitted a *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* (“Genera’s January 14th Motion”).

3. Moreover, on February 6, 2026, the Energy Bureau issued a *Resolution and Order* (“February 6th Resolution”) through which it acknowledged Genera’s abovementioned requests submitted regarding the proposed natural gas conversions at Palo Seco Units 3 and 4, and for San Juan Units 7 and 9, respectively. The Energy Bureau further noted that, following Genera’s request, an informal technical meeting was held on February 3, 2026. Prior to the meeting, the Energy Bureau’s staff requested additional information and clarifying responses specifically in connection with the submission for Palo Seco Units 3 and 4. Given the proximity of the meeting date, the meeting proceeded so that the parties could discuss the information available and identify any outstanding issues. As stated in the February 6th Resolution, following discussions with the Energy Bureau’s staff and consultants and in view of the anticipated project modifications, the Energy Bureau noted that the scope and basis of the ongoing evaluation may materially change and will await the filing of revised proposals and supporting information before promptly proceeding with its evaluation.

4. In light of the above, Genera respectfully files the instant motion with an updated request for approval by the Energy Bureau to submit to COR3 and FEMA the SOW for conversion of San Juan Units 7 and 9 to operate with natural gas as primary fuel, along with a Revised SOW

submitted herein as **Attachment A** and FEMA Funds reappropriation breakdown submitted as **Attachment B**.

5. The Puerto Rico's Public Energy Policy, as established in several interlocking statutes, established a long-term goal of eliminating fossil fuels and reaching a 100% renewable energy portfolio which was extended to year 2050. The latter, after further evaluating that the immediate retirement of the entire fossil-fueled fleet is not feasible without compromising the reliability, stability and continuity of the electric service. Therefore, subject to approval from the Energy Bureau, Genera proposes projects designed to significantly reduce fuel costs through no material costs to ratepayers. These transitional initiatives aim to sustain fuel cost savings until the Legacy Generation Assets units can be adequately retired or systematically replaced.

6. Furthermore, the PREPA Certified Fiscal Plan approved in February 2025 ("2025 PREPA Fiscal Plan") incorporates initiatives to be undertaken by Genera to meet demand and avoid generation shortfall.² As recognized in the Fiscal Plan, the transitioning to natural gas aligns with the Puerto Rico energy public policy and paves the road for the use of hydrogen as fuel in the future. Also, the 2025 PREPA Fiscal Plan's Consolidated List of Largest Projects for Fiscal Year 2025³ sets forth the projects to improve fuel efficiency. Although this project was not considered at the time of the approval of the plan, it meets the Impact on System Reliability by reducing fuel consumption of a generation asset.

7. In alignment with Puerto Rico's Public Energy Policy, Genera has identified the San Juan Units 7 & 9 conversion project as a key initiative that can significantly reduce fuel costs without requiring capital investment from customers. This submission requests the Energy

² See *2025 PREPA Fiscal Plan*, available at <https://drive.google.com/file/d/1WksRhtfmoLvaZfb-5pUNkFXGEiT3t6vp/view>.

³ See *Appendix D of the 2025 PREPA Fiscal Plan*.

Bureau's authorization to submit to COR3 and FEMA a federal fund request under the 428 and/or 406 programs for the conversion of the aforementioned San Juan units, enabling these units to operate with dual fuels, with natural gas as the primary fuel and Fuel Oil 6 (FO6) as the backup fuel.

8. Genera intends to submit to COR3 and FEMA a request for funds under the 428 and/or 406 programs to undertake the works to convert the units to burn natural gas with the corresponding regasification infrastructure.

9. The Multisite LNG supply contract approved by the FOMB on December 4, 2025, will provide natural gas to the San Juan facility as described in the contract. The natural gas will be delivered through the existing regasification infrastructure and connecting additional piping for San Juan 7 & 9 to the existing gas delivery facilities, eliminating any need of truck transport.

10. Genera has identified multiple components and parts required for the regasification of San Juan Units 7 and 9 that were previously purchased by the Puerto Rico Electric Power Authority (PREPA). Genera conducted a preliminary inspection of those items and based on that inspection, the components appear to be in good condition and functionally operable.

11. In light of the Energy Bureau's stated directive to minimize costs borne by ratepayers and consistent with Genera's commitment to maximize the use of federal funds and ratepayer resources, Genera has determined that procuring new replacement parts with federal funding is not necessary, and submits that it is reasonable and prudent to utilize the previously purchased equipment that is available and appears serviceable.

12. As a result, the originally proposed scope of work and cost estimate may be materially reduced. Based on Genera's analysis and inventory, the projected cost reduction is approximately \$8,250,000.00, yielding a revised estimated total project cost of \$25,000,000.00

(plus the value of equipment already on hand) to complete the fuel-conversion work necessary to enable San Juan Units 7 and 9 to operate on dual fuel (natural gas and FO6). Therefore, although the units' fuel-conversion scope of work will remain the same, the cost estimate proposed to be submitted for FEMA project formulation will be modified, as reflected in **Attachment A** of this motion.

13. In terms of adequate and prudent administration of federal funds, and as detailed in **Attachment B**, Genera has identified \$103,000,000.00 from FEMA PW-10710, PW-108115, PW-10819 and PW-009510 which can be used for the fuel swap of Cambalache, Palo Seco units 3 & 4 and San Juan 7 & 9. If this project is approved by the Energy Bureau, Genera will submit to FEMA the necessary scope of work alignment and project formulation to expedite the fuel swap of San Juan units 7 & 9.

II. Environmental Benefits

14. Moreover, beyond the associated cost savings stemming from fuel swapping, Genera submits that swapping fuels from FO6 to natural gas as primary fuel and FO6 as backup fuel also brings significant environmental benefits, making this project a step forward towards a more sustainable energy future for Puerto Rico.

15. As you may be aware, the San Juan plant is presently located within a Non-Attainment Area designated by the United States Environmental Protection Agency (USEPA) for the Sulfur Dioxide (SO₂) contaminant, thus requiring that the Government of Puerto Rico through its State Implementation Plan (SIP), to develop and implement alternatives to reduce the emissions of said contaminant to bring this area into compliance with the applicable National Ambient Air Quality Standards (NAAQS).

16. This specific fuel swap for this project is one of the alternatives that will significantly reduce the emissions of SO₂ in the area, as the burning of natural gas will significantly reduce the emissions of said contaminant, when comparing it to FO6. After developing preliminary emission calculations, it can be concluded that the emissions of the Units 7 & 9 operation on natural gas will be reduced for most contaminants, with the exception of carbon monoxide (CO) and the Green House Gas (GHG) emissions. These emissions reductions for most contaminants, particularly SO₂, will contribute to improve environmental conditions, reduce adverse health effects in surrounding areas, and allow for eliminating possible restrictions on the award of federal funds to certain government agencies.

17. Nonetheless, based on these preliminary emissions calculations it can be determined that a PSD permit modification is applicable to maintain the baseload operation of the units with the fuel swap. This process will take some time as the USEPA will analyze and issue a determination on the applicability of the Best Achievable Technology (BAT) for this fuel swap. After this determination and the corresponding Department of Natural and Environmental Resources (DNER) permit authorization, the facility will be allowed to commence operation on natural gas, while FO6 will be reserved only for emergencies. It is important to clarify that after these permit authorizations are obtained, Genera will not be able to use FO6 as a primary fuel any further, even during the brief times that FO6 market price may be lower than natural gas, hence the overall environmental benefits and improved overall conditions will prevail.

WHEREFORE, Genera respectfully requests that the Energy Bureau **take notice** of the above for all purposes and **approve** Genera's updated request for 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.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 12th day of February 2026.

ECIJA SBGB

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CERTIFICATE OF SERVICE

We 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 we will send an electronic copy of this motion to alexis.rivera@prepa.pr.gov; mvalle@gmlex.net; margarita.mercado@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; nzayas@@gmlex.net; rcruzfranqui@gmlex.net; emmanuel.porrogonzalez@us.dlapiper.com; jfr@sbgblaw.com; jdiaz@sbgblaw.com; regulatory@genera-pr.com; and legal@genera-pr.com.

In San Juan, Puerto Rico, this 12th day of February 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

Attachment A
Revised SOW of San Juan Gasification Project

Version 0

In Re: San Juan Power Plant Gasification Project Detailed ISOW

Project # XXXXXXXX

I. Overview

Project Name: Initial SOW San Juan Gasification Project

Project Type: 428.Detailed SOW

Project Location: San Juan 7 & 9

Longitude/Latitude: 18.427681, -66.104840

Version: 0

II. Introduction

On September 6, 2017, Puerto Rico's northern coastline was struck by Hurricane Irma, a Category 4 storm. Two weeks later, on September 17, Hurricane Maria tore through the island of Puerto Rico as a Category 5 storm. Subjected to 150+ mph winds and more than 25 inches of rain, 3.4 million residents lost power and a great deal of infrastructure, including critical facilities, was damaged. In particular, the electrical infrastructure suffered catastrophic impacts. In the aftermath, diligent recovery and reconstruction have been going on, not only to restore the electrical infrastructure to pre-storm function and capacity, but to take this opportunity to bring it in line with current standards and technology. This "transformative moment in the history of Puerto Rico", as Governor Ricardo Rossello called it, is an opportunity to not just to rebuild the system but to transform it into a smarter, more resilient, and cleaner one. Puerto Rico's generation system must meet customer demand and have adequate additional capacity to comply with the reserve required by the standard operating procedures of the T&D system operator (LUMA). In terms of service

continuity, the system must be reliable so that service interruptions are within the margins established in the electrical industry.

Unfortunately, the generation system presents critical performance metrics with a deficiency in capacity to meet the energy demand and the minimum reserve requirements. The forced outage percentage of the units is increasing while the generation capacity decreases. This combination of factors puts the continuity of the service at high risk, adversely affecting the quality of life of those who live in PR.

Genera is responsible for operating and maintaining PREPA's legacy asset generation fleet pursuant to the Generation O&M Agreement between Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A") and Genera PR. The current fleet condition presents poor performance due to the impact of hurricanes María and Fiona. Generation capacity has been reduced to 46% of installed capacity. In addition, of the generation units in operation, about 32% or 640 MW, are disconnected monthly, causing thousands of customers to suffer interruptions in their service.

To improve the system's reliability, Genera proposes to submit for approval the Detailed Scope of Work (SOW) to COR3 and FEMA for Project 663383 under DR-4339-PR Public Assistance. The document provides a description of the project including scope, schedule, and cost estimates as well as Environmental & Historical Preservation ("EHP") requirements and proposed 406 hazard mitigation work.

The Puerto Rico Electric Power Authority ("PREPA") is a public corporation of the Government of Puerto Rico created pursuant to Act No. 83 of May 2, 1941, as amended. PREPA owns and operates electric generation, transmission and distribution facilities serving all of Puerto Rico. As the sole electric utility in Puerto Rico, PREPA provides electricity to approximately 1.5 million customers. Since 2017, PREPA has performed damage assessments, studies, and evaluations to identify areas of repair and improvements. These include transmission and distribution lines, electrical substations, generation plants, mitigation, and other improvements. On January 2023, PREPA and the Puerto Rico Public-Private

Partnership Authority (“P3 Authority”) selected Genera PR, LLC (“Genera”) to operate, maintain and modernize the Generation system of PREPA for ten years through a public-private partnership.

Following Presidential Disaster Declarations 4337DR-PR (Hurricane Irma) and 4339DR-PR (Hurricane Maria), the Federal Emergency Management Agency (FEMA) has been working with PREPA to assist in recovery and repair efforts. In October 2020, FEMA approved Project #136271 Puerto Rico Electrical Power Authority Island Wide FEMA Accelerated Award Strategy (“FAAST”) in the amount of \$10.7 billion for PREPA to repair and restore the to restore the PR electric power infrastructure to industry standards without regard to pre-disaster condition and to restore components not damaged by the disaster when necessary to fully effectuate restoration of the disaster-damaged components to restore the function of the facility or system to industry standards, as authorized by Section 20601 of the Bipartisan Budget Act of 2018 and described in FEMA Recovery Policy FP-104-009-5 Version 2 (Implementing Section 20601 of the 2018 Bipartisan Budget Act through the Public Assistance Program, September 11, 2019). The facilities provide a critical service as defined in Stafford Act Section 406.[1]. The list of projects using funds from 136271 – Puerto Rico Electrical Power Authority Island Wide FAASt project is still under development.

III. Project Description

Genera PR proposes the change in combustibles on San Juan Power Plant to a Dual Fuel and incorporates Liquefied Natural Gas as another fuel. The conversion will support the development of a reliable fuel source for PREPA’s generation fleet in San Juan units 7 & 9 and reduce the high cost of bunker fuel that will result in direct economy to the electrical bill to Puerto Rico citizens.

The proposed work will increase fuel supply reliability, enhance energy resilience, and reduce environmental emissions by integrating natural gas as an alternate fuel source and support the development of a reliable fuel source

for PREPA's generation fleet in San Juan, ensuring continued operation during natural disasters and emergencies that may disrupt fuel supply chains.

This project involves replacement and installation of critical mechanical, electrical, and control components necessary to restore the dual-fuel operational capability of San Juan units 7 & 9. The work will bring these units back to OEM design conditions, enabling operation on both natural gas and diesel fuel and ensuring compliance with FEMA, OSHA, EPA, and NFPA safety and operational standards. Additionally, the construction and installation of infrastructure and systems associated with the Liquefied Natural Gas (LNG) Facility in San Juan Power Plant.

Work will ensure fuel flexibility, reliability, and compliance with OEM, FEMA, OSHA, and NFPA standards.

- Certified design submittals and fabrication drawings.
- Factory test certificates for valves, blowers, and liners.
- Updated as-built mechanical and electrical drawings.
- Calibration and inspection reports with traceability.

When the facility is restored, the original design will support dual-fuel power generation operations for the San Juan Power Plant and related energy infrastructure. The project includes civil, structural, mechanical, and electrical components, designed to meet the requirements of the Puerto Rico Building Code (PRBC 2018), NFPA 59A, NEC, and applicable PREPA/LUMA standards. The purpose of the project is to increase fuel supply reliability, enhance energy resilience, and reduce environmental emissions by integrating natural gas as a primary fuel source.

IV. Codes and Standards

The following will be referenced when applying specific codes, specifications, and standards to the project design:

- Consensus-based codes, per FEMA (*Public Assistance Alternative Procedures (Section 428) Guide for Permanent Work FEMA-4339-DR-PR*, February 2020).
- Industry standards per FEMA Recovery Policy FP-104-009-5, Version 2, *Implementing Section 20601 of the 2018 Bipartisan Budget Act through the Public Assistance Program*.
- FEMA Recovery Interim Policy FP-104-009-11 Version 2.1, *Consensus-Based Codes, Specifications, and Standards for Public Assistance*.
- Rus 1730B - The referenced standards, as defined and as per their requirements, state every system is required to have an Emergency Restoration Plan (ERP) in the event of a major failure or storm event.
- GE Alstom GT11N1 OEM specifications
- ASME B31.1 Power Piping Code
- ASME B31.8 Gas Transmission and Distribution Piping
- NFPA 37 and NFPA 85 (Combustion Safety)
- NFPA 54 (National Fuel Gas Code)
- NFPA 70 (NEC) Electrical Code
- OSHA 29 CFR 1910 & 1926
- EPA and Puerto Rico EQB environmental regulations
- FEMA Public Assistance Guidelines (2 CFR 200)

V. San Juan Power Plant Conversion

A. Site Description

The San Juan Plant is located on the northern coast of Puerto Rico in San Juan. It consists of four thermal steam units and two combined-cycle units with a total nameplate capacity of 864 MW. The Plant has two main types of power generation units: conventional steam plants (Units 7, 8, 9, and 10) and combined-cycle power blocks (Units 5 and 6). The four conventional steam plants are fired using heavy fuel oil (HFO) and consist of a Combustion Engineering (now GE Power) natural circulation boiler, a General Electric condensing steam turbine (ST) generator and supporting auxiliary equipment. Each generator is rated for 133,689 kVA, and each unit (Units 7, 8, 9, and 10) is

rated at 100 MW. Construction of the Plant began in the early 1950s and continued with Unit 7 going into commercial service in 1965 and the last thermal unit, Unit 10, beginning commercial service in 1968.

Also, ten GE TM-2500 combustion turbines were installed in 2023 to be used as peaking units. These units are dual fuel capable, using natural gas a primary fuel, and ULSD and secondary. All these TM2500 have a 25MW nameplate capacity each.

Figure 1. San Juan Power Plant



B. Scope of work

Provide all engineering, procurement, installation, and testing (EPI&T) services required to restore dual-fuel capability. All work will be conducted under the supervision of a licensed professional engineer and in accordance with OEM and FEMA construction standards, ASME codes, and NFPA safety regulations.

Gasification project will be implemented on San Juan Power Plant Unit 7 & 9

Conversion San Juan to Dual Fuel

1. Accessory Compartment Systems
 - Supply and install new electric fuel pump clutches to enable decoupling during dual-fuel transitions.
 - Materials: A36 carbon steel, SS304 internal liners, and mineral wool insulation per NFPA 850.

2. Off-Base Kiln Nozzles Compartment Systems
 - Replace two (2) ventilation damper sets per unit with explosion-proof, backdraft, and CO₂ isolation types.
 - Replace aged combustion liners and install dual-fuel nozzles.
 - Inspect and replace solenoids, drain valves, filters, regulators, and tubing.

3. Gas Fuel Module Restoration
 - Remove, inspect, test, and reinstall Stop & Ratio Valves (SRV) and Gas Control Valves (GCV) through certified testing facilities.
 - Replace exhaust blowers per module.
 - Inspect, calibrate, and verify gas strainers, pressure transducers, servo valves, and gauges.
 - Repair and recoat module exterior for corrosion protection.

4. Fire suppression system for gas system
 - Supply and installation of Fire Suppression System

5. Natural Gas Piping
 - Procuring, installing and testing piping for natural gas interconnection from meter to units

- Gas receiving and isolation system
- Custody transfer metering skid
- Gas conditioning/ regulating skid

VI. Cost Estimate

Item	Topic	Estimated Costs
0.1	A&E	\$1,000,000.00
1	San Juan Unit 7 & 9 Conversion	\$1,750,000.00
1.2	San Juan Unit 7 & 9 Conversion (Force Account Equipment- Already On Hand)	\$8,250,000.00
1.1	Permitting	\$1,000,000.00
1.2	Natural Gas Piping Equipment	\$10,000,000.00
INSTALLATION DIRECT COSTS		
2	Construction	8,000,000.00
3	CONSTRUCTION MANAGEMENT SUPPORT	2,500,000.00
4	START-UP/COMMISSIONING	\$750,000.00
TOTAL		\$33,250,000.00

VII. Environmental & Historical Preservation (“EHP”) Requirement

Other than design, planning, and non-destructive due diligence studies, no construction work will commence prior to the issuance of specific expressed written FEMA approval for the specific scope of work. FEMA’s required EHP compliance review will precede the execution of each proposed scope of work submitted by PREPA through its agent Genera to FEMA. PREPA, through its agent Genera, is aware of its responsibility for coordinating, notifying, obtaining permits, and complying with applicable federal, state, and local laws, regulations, and executive orders and understands that failure to comply with EHP requirements will jeopardize FEMA funding.

Attachment B
FEMA Funds Reapportionment

FEMA Funds Reapportionment

Gasification Breakdown		
Power Plant	Amount	Comment
Cambalache	\$ 58,000,000.00	
San Juan Units 7 & 9	\$ 25,000,000.00	Originally \$33.25M. (\$8.25M) - equipment at warehouse
Palo Seco Units 3 & 4	\$ 20,000,000.00	Originally \$80.35M. (\$60.35M) - equipment at warehouse
Total	\$ 103,000,000.00	
Funding Source		
FEMA PA Project	Amount	Comment
PW 10710 - FAASt Equipment and Materials	\$ 34,508,328.00	From Fuel Efficiency Components
PW 108115 - FAASt Plant Repairs & System Restoration	\$ 36,675,056.76	From Critical Components Installations
PW 108019- FAASt Repair Unit 9 San Juan Steam Plant	\$ 17,556,615.24	100% funds reallocation
PW 9510- FAASt PREPA A&E	\$ 14,260,000.00	A&E Services at 8%- Originally Estimated at 2.35% (\$5.8M)
Total	\$ 103,000,000.00	