

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

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IN RE:

CASE NO.: NEPR-MI-2024-0004

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

SUBJECT: Motion in Compliance with
Resolution and Order Dated March 26, 2026

**MOTION IN COMPLIANCE WITH RESOLUTION AND ORDER DATED MARCH 26,
2026**

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 March 26, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order titled *Resolution and Order pertaining to Mayagüez CTs conversion* (the "March 26 Resolution"), wherein, among other things, it noted that, to date, after the conditional approval of the Mayagüez CTs conversion, Genera has not submitted information demonstrating compliance with the conditions imposed in the January 31 Resolution.

2. As referenced in the March 26 Resolution, on January 31, 2025, the Energy Bureau issued a Resolution and Order titled *Resolution and Order for Request for Leave to Operate*

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.

Mayagüez CTs with Natural Gas as Primary Fuel (“January 31 Resolution”), which, among other things, **conditionally** approved the fuel swap for the Mayagüez CTs subject to the same conditions set for the Palo Seco MPs conversion.

3. The conditions set forth in the relevant January 31st Resolution for Mayaguez CTs, are as follows:

- (i) The P3 Authority, 3PPO or PREPA, as applicable, **SHALL** execute a competitive procurement process, which may include either an RFP or any other legally permitted process (not necessarily an RFP). This process must ensure, to the extent feasible, the participation of multiple natural gas suppliers, fostering a transparent and competitive selection that secures the most favorable economic and technical conditions for PREPA. Any selected approach must guarantee long-term cost-effectiveness, operational reliability, and financial benefits for ratepayers. The execution of this process will be a prerequisite to proceeding with the conversion, ensuring that the supply arrangements promote market competition and do not create undue entry barriers for alternative suppliers. The scope of the project **SHALL** include the conversion of the Mayagüez CTs to operate on dual-fuel—natural gas and diesel—requiring the supply and installation of the necessary conversion components, including, but not limited to, modifications to combustion systems, fuel handling equipment, and control systems. Additionally, the project will involve the installation of regasification units and associated infrastructure to facilitate the processing and delivery of natural gas to the converted units. This includes, but is not limited to, ambient air vaporizers, LNG storage facilities, interconnection pipelines, pressure regulation systems, and safety and monitoring equipment to ensure reliable and efficient operations.
- (ii) The structure selected for the development and execution of the project, as well as the completion of the applicable contract documents, shall ensure that the construction and implementation of the required improvements under item (i) comply with all conditions necessary to maintain eligibility for Federal Emergency Management Agency (“FEMA”) funding and do not jeopardize access to such funds.
- (iii) Upon completing the necessary improvements at PREPA’s facilities for the fuel swap implementation at the Mayagüez CTs, the parties shall execute all requisite agreements and documents to formally confirm PREPA’s exclusive ownership of these improvements.
- (iv) If the selected structure under item (i) does not designate PREPA as the owner of the regasification units at the end of the natural gas supply term or

any extension thereof, the parties' agreements shall outline the process for the removal of the regasification facilities within a reasonable timeframe. This process should allow other fuel suppliers to install their own regasification facilities without imposing onerous conditions on the new supplier or restricting the use of the generation units served by such facilities.

- (v) The Mayagüez CTs **SHALL** continue to be used as peaking units, not as baseload units. Genera **SHALL** maintain accurate records of all maintenance and operational costs incurred when operating the units at a capacity factor higher than what is typically used for peaking purposes. Upon request, these records **SHALL** be made available to the Energy Bureau for evaluation to ensure compliance with this condition.

4. The January 31 Resolution expressly authorized either the Public Private Partnership Authority (“P3 Authority”), the Third-Party Procurement Office (“3PPO”), or PREPA to conduct the procurement process. Genera was not designated as a party responsible for this procurement process.

5. On July 18, 2025, PREPA filed its *Motion in Compliance with Resolution and Order dated June 11, 2025*, and on July 31, 2025, PREPA filed its *Motion in Compliance with Resolution and Order of July 22, 2025*. In both filings, PREPA confirmed that the procurement process was not undertaken by PREPA itself, but rather by the Third-Party Procurement Office (“3PPO”) under the authority of the Puerto Rico Public-Private Partnerships Authority (“P3 Authority”).

6. This allocation of responsibility is consistent with the structure established under the LGA OMA, which requires that procurement processes involving potential conflicts of interest be conducted independently from Genera. Accordingly, Genera did not participate in, control, or influence the procurement process, including the evaluation of proposals, the selection of suppliers, or the definition of the scope of the Request for Proposals (“RFP”).

7. Importantly, the January 31 Resolution contemplated a single, integrated competitive procurement process encompassing both (i) the supply of natural gas and (ii) the development,

installation, and operation of the regasification infrastructure and all components necessary to enable dual-fuel operation.

8. However, as reflected in the record, the 3PPO subsequently modified the scope of the procurement process and restructured the RFP to address only the supply of natural gas, expressly excluding the regasification infrastructure component. Instead, the infrastructure component was deferred to a separate procurement process. By separating the procurement of fuel supply from the procurement of regasification infrastructure, the process managed by the 3PPO no longer reflects the integrated structure contemplated by the Energy Bureau in the January 31 Resolution. Moreover, the technical and operational aspects of the regasification system remain inherently dependent on the supplier's proposal and the final contractual framework that will govern the project.

9. It should be noted that 3PPO's decision to exclude the regasification infrastructure component from its original procurement process was completely outside of Genera's control, which neither managed nor oversaw the RFP process. Genera reiterates that the determination to remove infrastructure elements from the RFP and to move forward exclusively with LNG procurement was made independently by the 3PPO.

10. In order to better understand the basis for the RFP's structure, PREPA sought clarification from the 3PPO, and the latter responded in a letter justifying its decision as follows ²:

Accordingly, **the 3PPO concluded that the prudent and compliant course of action was to remove all conversion scopes from the Multi-Site LNG Acquisition RFP.** This decision was taken as a risk prevention strategy, ensuring alignment with procurement regulations, protecting federal fund eligibility, and enabling the continuation of LNG supply procurement without further delay.

The conversion of legacy units remains a strategic objective and will be pursued through separate and properly structured procurement processes, once funding,

² See Exhibit B of PREPA's Motion filed on July 31, 2025, available at <https://energia.pr.gov/wp-content/uploads/sites/7/2025/08/20250731-MI20240004-Motion-in-Compl-with-Resol-July-22-2025.pdf>

permitting, and engineering readiness allow for a compliant and competitive solicitation.

11. Through the 3PPO-led RFP process described the above, the 3PPO issued the Request for Proposal 3PPO-RFP-1125-17-MSIN (“RFP”) to seek competitive proposals for Natural Gas Supply for Multiple Generation Sites on April 11, 2025. As a result, Crowley was awarded the natural gas supply contract for the Mayaguez generation facility. Negotiation of this contract remains ongoing, with 3PPO negotiating and running the process.

12. In the absence of a gas supply agreement, not only does the Mayaguez project not yet meet the Energy Bureau’s first condition above, but Genera also lacks the ability to determine the specific equipment and technical specifications that will govern the natural gas delivery infrastructure needed by the awarded supplier, which flows into meeting other Energy Bureau conditions. As established in the January 31 Resolution, the installation of regasification units and associated infrastructure is a fundamental component of the project. Those elements depend entirely on the outcome of the gas supply procurement process.

13. Accordingly, Genera presently does not have the information or data to demonstrate compliance with the conditions imposed by the Energy Bureau, as such compliance necessarily depends on processes managed by the 3PPO and the definition and implementation of the infrastructure solutions needed by the natural gas supplier. That being the case, the technical and operational parameters required to evidence compliance remain undefined, and its entirely under 3PPO’s control.

14. In sum, and in compliance with the March 26 and January 31 Resolutions, Genera provides the foregoing explanation for the delay out of Genera’s control and awaits further guidance from this Energy Bureau regarding the procurement process and the actions required to demonstrate compliance as soon as practicable.

WHEREFORE, Genera respectfully request that this Energy Bureau **take notice** of the above for all relevant purposes; **deem** Genera to have complied with the March 26 Resolution, or, in the alternative, recognize that any pending compliance is subject to matters outside of Genera's control.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 27th day of March of 2026.

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 27th day of March 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