

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

NEPR

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IN RE:

CASE NO.: NEPR-MI-2021-0004

**REVIEW OF LUMA'S INITIAL
BUDGET**

Subject: Genera's Reply to P3A's Motion in Further Support of its Opposition to Genera's Motion for Declaratory Determination

**GENERA'S REPLY TO P3A'S MOTION IN FURTHER SUPPORT OF ITS
OPPOSITION TO GENERA'S MOTION FOR DECLARATORY DETERMINATION**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC ("Genera"), through undersigned counsel, and respectfully submits this Reply to P3A's Motion in Further Support of Its Opposition to Genera's Motion for Declaratory Determination ("P3A's Supplemental Motion"), filed on April 9, 2026, and in support thereof respectfully STATES and PRAYS:

I. PRELIMINARY STATEMENT

1. Genera's Motion for Declaratory Determination filed on March 19, 2026 presents a focused regulatory question: whether the \$369,130.54 invoice submitted by the Third-Party Procurement Office ("3PPO") is authorized, prudent, and reasonable. That is the question the Bureau retained for itself when it ordered PREPA to submit the costs associated with the temporary generation procurement so that the Bureau could "establish whether such costs are prudent and reasonable." See *December 11, 2025 Resolution and Order*. Genera respectfully asks this Bureau to stay focused on that regulatory question.

2. P3A's Supplemental Motion seeks to reframe this proceeding as a contract dispute over the scope of Genera's OMA obligations. That reframing should be rejected. The Energy Bureau need not resolve questions of OMA scope or contract interpretation to grant the relief Genera requests. Following the rate case budget approval, Genera's Legal department has sufficient funds available to cover this cost. Genera remains willing to make payment as a practical accommodation, but only upon the Bureau's confirmation that the amount is authorized, prudent, and reasonable.

3. Genera's Motion for Declaratory Determination presents a focused regulatory question: whether the \$369,130.54 invoice submitted by the Third-Party Procurement Office ("3PPO") is authorized, prudent, and reasonable. That is the question the Bureau retained for itself when it ordered PREPA to submit the costs associated with the temporary generation procurement so that the Bureau could "assess whether such costs are prudent and reasonable." See *December 11, 2025 Resolution and Order*. Genera respectfully asks this Bureau to stay focused on that regulatory question.

II. THE BUREAU'S OWN ORDERS DEFINE THE QUESTION BEFORE IT

4. The March 19, 2025 Resolution and Order, issued in Case No. NEPR-MI-2024-0005, directed PREPA, not Genera, to initiate the 3PPO procurement process and, upon completion of the bidding process, to submit the associated costs to this Bureau so that the Bureau could assess whether such costs are "prudent and reasonable." The December 11, 2025 Resolution and Order, issued in the same docket and incorporated by reference into this proceeding, reiterates that same framework. Both orders are consistent in their allocation: PREPA is the initiating party, and cost review belongs to the Bureau.

5. That framework is dispositive here. The Bureau need only do what its own orders already contemplate: determine whether the invoiced amount of \$369,130.54 is authorized, prudent, and reasonable, so that Genera may, if the Bureau so confirms, cover that amount from its budget on behalf of PREPA and P3A through the appropriate budgetary mechanism. Genera remains willing to make payment as a practical accommodation, but only upon that confirmation. P3A's request that the Bureau order immediate payment from Genera's existing Operating Budget, without completing that review, would invert the process the Bureau's own orders establish.

6. The Bureau's directives also confirm that the procurement pathway at issue was structured through PREPA/P3A/3PPO, not through Genera. That structure is consistent with the broader regulatory framework under which system-wide generation procurement is pursued through PREPA acting through P3A when directed by PREB, whereas Genera's role under the OMA

is focused on the operation and maintenance of the Legacy Generation Assets. At minimum, that regulatory context reinforces why the Bureau should not short-circuit its retained review authority by ordering payment first and evaluating the propriety of the amount later.

7. Indeed, P3A's request that the Bureau order immediate payment from Genera's existing Operating Budget, without first determining whether the invoiced amount is authorized, prudent, and reasonable, would invert the process established by the Bureau's orders. Genera will not ask the Bureau to resolve every downstream question related to this proceeding. Nor is such a determination necessary at this stage. The threshold issue is whether the \$369,130.54 invoice has been shown to be authorized, prudent, and reasonable. Genera awaits that confirmation from PREB before making payment here.

III. THE INVOICE AMOUNT ITSELF HAS NOT BEEN REVIEWED FOR PRUDENCE AND REASONABLENESS

8. Moreover, there is a threshold reason why payment cannot be compelled at this time. The \$369,130.54 invoice has not yet been subjected to the prudence and reasonableness review that the Bureau's own orders require. Genera was entirely outside the TPG procurement process. It had no visibility into the 3PPO's work or expenditures and cannot independently verify or justify the scope or amount of the fees charged for a process it neither directed nor participated in.

9. Before any payment obligation can attach, whether framed as a contractual requirement or as a voluntary accommodation, the Energy Bureau must first confirm that the amount is authorized, prudent, and reasonable. That is precisely what the March 19 and December 11 Resolutions reserved for this Bureau to determine. Ordering payment now, without completing that review, would be inconsistent with the Bureau's own regulatory framework.

WHEREFORE, Genera respectfully requests that this Honorable Bureau:

- (1) Confirm that the question of whether the \$369,130.54 3PPO invoice is authorized, prudent, and reasonable is within the Bureau's regulatory jurisdiction and

consistent with its retained review obligation under the March 19, 2025 and December 11, 2025 Resolutions and Orders; and

- (2) Deny P3A's request to compel immediate payment of the invoice from Genera's existing Operating Budget absent the Bureau's prior determination that the invoiced amount is authorized, prudent, and reasonable;
- (3) To the extent the Bureau determines, after prudence and reasonableness review, that payment is warranted, confirm that Genera may satisfy the invoice from its existing legal budget allocation following the rate case budget approval.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 28th day of April 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
jfernandez@ecija.com
TSPR 9,669

/s/ Ernesto R. Ramos Maldonado
Ernesto R. Ramos Maldonado
emaldonado@sbgblaw.com
TSPR 23,882

/s/ Gabriela Alejandra Castrodad García
Gabriela Alejandra Castrodad García
gcastrodad@sbgblaw.com
TSPR 23,584

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 mvalle@gmlex.net; nzayas@gmlex.net; rcruzfranqui@gmlex.net; hrivera@jrsp.pr.gov; yahaira.delarosa@us.dlapiper.com; alexis.rivera@prepa.pr.gov; alejandro.figueroara@lumapr.com; regulatorypreborders@lumapr.com; margarita.mercado@us.dlapiper.com; jan.albinolopez@us.dlapiper.com; katiuska.bolanos-lugo@us.dlapiper.com; and rrosas@spalawpr.com.

In San Juan, Puerto Rico, this 28th day of April 2026.

/s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo

/s/ Ernesto R. Ramos Maldonado
Ernesto R. Ramos Maldonado

/s/ Gabriela Alejandra Castrodad García
Gabriela Alejandra Castrodad García