

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

IN RE: 10-YEAR PLAN FEDERALLY
FUNDED COMPETITIVE PROCESS

CASE NO.: NEPR-MI-2022-0005

SUBJECT: Order to Show Cause Regarding
the Imposition of Administrative Penalties.

RESOLUTION AND ORDER

I. Relevant Background

On January 23, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") approved, subject to several conditions, PREPA's¹ Request for Proposals ("RFP") for the procurement of 200MW² of peaking generation and black-start generation resources. Thereafter, Genera PR LLC ("Genera") represented that it could complete the procurement process more efficiently, at a lower cost, and within a shorter timeframe than originally proposed by PREPA. Relying upon those representations, the Energy Bureau authorized Genera to proceed with the procurement process under the conditions established in its prior Resolutions and Orders.

Subsequently, based on information submitted by Genera regarding the status of the procurement process, the Energy Bureau concluded that the project had significantly deviated from the representations previously made about both projected costs and the Commercial Operation Date ("COD"). As a result, on September 17, 2024, the Energy Bureau issued a Resolution and Order ("September 17 Resolution") determining, among other things, that the project should be completed no later than the end of the second quarter of 2026 and warning that failure to comply with that deadline would result in the imposition of administrative penalties pursuant to Article 6.36 of Act 57-2014.³

Genera sought judicial review of the September 17 Order. Following appellate proceedings, the Court of Appeals ultimately affirmed the Energy Bureau's Resolution and Order and its directive requiring completion of the project by the end of the second quarter of 2026 and the Energy Bureau's authority to impose administrative penalties under Article 6.36 in the event of noncompliance.

II. Discussion

The Energy Bureau has carefully reviewed the procedural history of this case, the reports submitted by Genera throughout the implementation of the 268 MW peaking generation project, the September 17 Resolution, the subsequent judicial proceedings, and the monthly reports filed on the status of the project.

The September 17 Resolution remains valid and enforceable. Therefore, the requirement that the peaking generation project be completed by the end of the second quarter of 2026 remains binding upon Genera.

The monthly reports submitted by Genera after June 2026 reflect that the peaking generation project was not completed by the deadline established in the September 17 Resolution. Rather, Genera acknowledges that substantial portions of the project remain

¹ Puerto Rico Electric Power Authority.

² There was an increase in authorized capacity to 268MW.

³ Puerto Rico Energy Transformation and RELIEF Act, as amended ("Act 57-2014").



pending while attributing the delay to several factors, including permitting processes, coordination with LUMA Energy, FEMA-related matters, interconnection requirements, procurement issues, and other circumstances which Genera alleges were beyond its control.

The Energy Bureau recognizes these explanations have been placed in the administrative record. However, the existence of such explanations does not, by itself, relieve a regulated entity from compliance with a lawful order by the Energy Bureau.

After the issuance of the Puerto Rico Supreme Court's decision in *Katiria's Café v. Municipio de San Juan*, 2025 TSPR 33, the Energy Bureau deems it appropriate to afford Genera an opportunity to request an adjudicative hearing limited to the proposed imposition of administrative penalties before issuing a final determination regarding such sanctions. In doing so, the Energy Bureau seeks to ensure that any administrative penalty ultimately imposed complies with the procedural safeguards required under the Puerto Rico Constitution, the Uniform Administrative Procedure Act, and applicable jurisprudence.

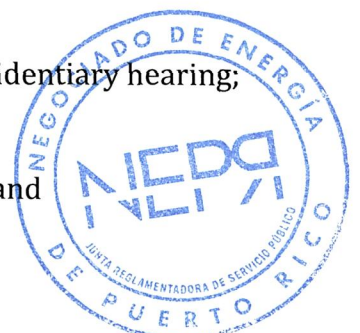
Accordingly, the Energy Bureau concludes that sufficient grounds exist to require Genera to show cause why administrative penalties authorized under Article 6.36 of Act 57-2014 should not be imposed for its alleged failure to comply with the implementation deadline established in the September 17 Resolution.

The Energy Bureau further finds that the alleged failure involves infrastructure directly affecting the reliability and resiliency of Puerto Rico's electric system. The Energy Bureau preliminarily determines that the proposed administrative penalty is appropriate to enforce compliance with its lawful Orders, protect the public interest, and promote the timely completion of the project, while affording Genera the procedural protections required before the Energy Bureau issues a final determination regarding such penalties.

III. Order

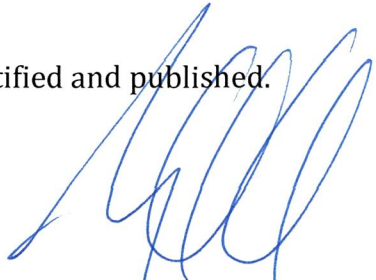
Pursuant to Article 6.36 of Act 57-2014, the Energy Bureau hereby **ORDERS** as follows:

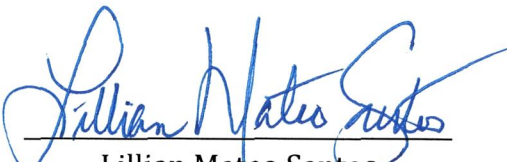
1. Genera PR LLC **SHALL SHOW CAUSE, within twenty (20) days from the notification of this Resolution and Order**, why the Energy Bureau should not impose administrative penalties for its apparent failure to comply with the implementation deadline established in the Resolution and Order dated September 17, 2024.
2. Based upon the current administrative record, the Energy Bureau preliminarily determines that Genera's apparent failure to comply with the implementation deadline established in the Resolution and Order dated September 17, 2024 warrants the imposition of an administrative penalty of Twenty-Five Thousand Dollars (\$25,000.00) for each day of noncompliance beginning on July 1, 2026, and continuing until the Energy Bureau determines that Genera has achieved full compliance with the Energy Bureau's lawful orders or until otherwise ordered by the Energy Bureau under Article 6.36 of Act 57-2014.
3. The foregoing determination is preliminary and is issued solely to provide notice of the sanctions that the Energy Bureau intends to impose. Genera shall have the opportunity to request an adjudicative hearing about the proposed administrative penalties, including any factual or legal grounds it contends excuse, justify, mitigate, reduce, or otherwise preclude the imposition of the proposed administrative penalties.
4. Any request for hearing shall specifically identify:
 - a) the material factual issues Genera contends require an evidentiary hearing;
 - b) the witnesses it intends to present;
 - c) the documentary evidence upon which it intends to rely; and

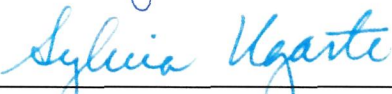


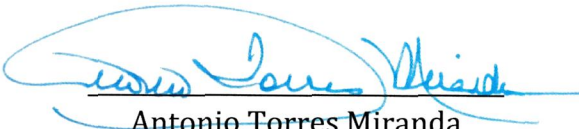
- d) the relief requested.
5. If Genera does not timely request an adjudicative hearing, the Energy Bureau may deem the right to such hearing waived and may issue a Final Resolution imposing the proposed administrative penalties based upon the existing administrative record.
6. Nothing in this Resolution and Order shall be construed as modifying, reconsidering, or otherwise altering the obligations imposed upon Genera by the Resolution and Order dated September 17, 2024, which remain in full force and effect unless modified by a court of competent jurisdiction or by subsequent action of the Energy Bureau.

Be it notified and published.



Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

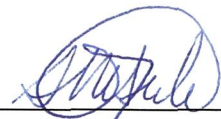
Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on July 30, 2026. I further certify that on July 30, 2026, I have proceeded with the filing of this Resolution and Order and was notified by email to Mirelis Valle Cancel, mvalle@gmlex.net; María Teresa Bustelo-García, mbustelo@gmlex.net; Richard Cruz Franqui, rcruzfranqui@gmlex.net; Natalia Zayas Godoy, nzayas@gmlex.net; legal@genera-pr.com; regulatory@genera-pr.com; Luis Román Negrón, lrn@roman-negron.com; and Alexis Rivera, alexis.rivera@prepa.pr.gov.

I sign this in San Juan, Puerto Rico, today, July 30, 2026.



Sonia Seda Gaztambide
Clerk