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

IN RE: LUMA INITIAL BUDGETS AND RELATED TERMS OF SERVICE	**CASE NO.:** NEPR-MI-2021-0004 **SUBJECT:** Determination of Mootness of Genera's June 13 Urgent Motion for Reserve Account Funding.

RESOLUTION AND ORDER

I. Background

On June 13, 2026, Genera PR LLC ("Genera") filed a document titled *Urgent Motion Requesting Immediate Authorization of Reserve Account Funding to Address Ongoing Superaqueduct Water Supply Emergency* ("June 13 Motion"), through which Genera requests that the Energy Bureau of the Puerto Rico Public Service Regulatory Board (the "Energy Bureau") authorize Genera to use approximately $1.0 million from the Reserve Account established under the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("LGA OMA") for the procurement of emergency water tanker services necessary to supply approximately 150,000 gallons of water per day to Central San Juan for a five-day period, until normal water service is restored.

Genera explains that between June 11, 2026 and June 13, 2026, the Puerto Rico Aqueduct and Sewer Authority ("PRASA") reported three successive disruptions affecting the Superaqueduct. These disruptions resulted in the suspension of the water supply essential to Genera's operations. As a result, Genera faces an immediate operational need to secure alternative sources of water necessary for the continued operation of critical plant systems.

Genera specifies that Central San Juan requires approximately 150,000 gallons of water per day to replenish the tanks used by its cooling systems and is currently consuming approximately 6,500 gallons per hour. Genera reports that the cost of water to be delivered by private suppliers is estimated to be approximately $1.00 per gallon delivered to Genera's generating plant. Genera cautions that without the procurement of water tanker services, the water reserves available to generation resources could be exhausted, which could adversely affect the reliability of the generation resources available to Puerto Rico's electric system and its ratepayers.

Genera concluded that, to mitigate this risk, it must immediately contract water tanker services for approximately 150,000 gallons per day until normal water service is restored, at an estimated cost of $1.0 million for a five-day period.

Genera states that it would ordinarily draw funds from the Reserve Account established under Section 7.6(d) of the LGA OMA, which expressly contemplates the use of such funds to pay costs arising from Forced Outages and Force Majeure Events. However, because the Energy Bureau denied Genera's requested Reserve Account funding for Fiscal Year 2026, the Reserve Account currently lacks the funding necessary to cover emergency expenses of the type contemplated by Section 7.6(d). Genera asserts that the need for the requested water services arises directly from the ongoing Superaqueduct emergency and constitutes an extraordinary, unforeseen, and non-recurring operational expense of precisely the type the Reserve Account is designed to address. Genera accordingly requests that the Energy Bureau authorize the immediate funding and use of the Reserve Account to cover these emergency costs.

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II. Discussion

The June 13 Motion describes an urgent operational need for emergency funding to secure the water necessary for continued electric generation at Central San Juan. However, developments subsequent to Genera's filing have a direct bearing on, and ultimately resolve, Genera's request.

On June 15, 2026, the Energy Bureau amended the FY 2027 Budget established in the Final Rate Order[1] to provide for the establishment and funding of contingency reserve accounts for LUMA, Genera, and PREPA, of which $30.0 million was allocated to the Genera Contingency Reserve Account. Use of the Contingency Reserve Accounts is limited to expenditures incurred in response to extraordinary events, force majeure events, and other unforeseen circumstances requiring urgent corrective action to prevent, mitigate, respond to, or recover from material disruptions to electric service or electric system operations. The Energy Bureau authorized LUMA, Genera, and PREPA to draw from their respective accounts without prior Energy Bureau approval, subject to strict monthly reporting requirements.[2]

The emergency costs described in the June 13 Motion—water tanker services required to respond to an extraordinary, unforeseen third-party supply disruption—fall squarely within the authorized uses of the Genera Contingency Reserve Account. Because Genera now has access to a funded contingency mechanism from which it may draw for these costs without prior Energy Bureau approval, the separate authorization Genera seeks to fund and use the LGA OMA Reserve Account is no longer necessary. The Energy Bureau, accordingly, considers Genera's request to be moot.

Any expenditures Genera charges to the Genera Contingency Reserve Account remain subject to the eligibility criteria, reporting requirements, and reviewing provisions specified in the June 15 Resolution. The Energy Bureau therefore makes no determination at this time as to the scope or reasonableness of the proposed expenditure set forth in the June 13 Motion or as to any expenditures Genera ultimately charges to the Genera Contingency Reserve Account.

The Energy Bureau expects Genera to fully explore all alternative sources of emergency water supply that may be available, including, but not limited to, services provided by PRASA or the National Guard, to mitigate the cost of privately contracted water tanker services to the Genera Contingency Reserve Account. The Energy Bureau recognizes, however, that some Contingency Reserve Account funds may still be required to pay for emergency water services obtained from such alternative sources.

III. Conclusion

The Energy Bureau **DETERMINES** that Genera's request for authorization to use $1.0 million from the LGA OMA Reserve Account for the procurement of emergency water tanker services, as set forth in the June 13 Motion, is **MOOT**. Genera may address the emergency costs described in the June 13 Motion through the Genera Contingency Reserve Account, subject to the eligibility criteria and reporting requirements established in the June 15 Resolution.

The Energy Bureau **WARNS** that, in accordance with Article 6.36 of Act 57-2014, noncompliance with this Resolution and Order, regulations, and/or applicable laws may carry the imposition of fines and administrative sanctions.[3]

Be it notified and published.

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[1] Final Resolution and Order on Electricity Rates, Case No. NEPR-AP-2023-0003, In Re: Puerto Rico Electric Power Authority Rate Review (April 15, 2026).

[2] Resolution and Order Establishing LUMA and Genera Contingency Accounts ("June 15 Resolution"), Case No. NEPR-MI-2021-0004, In Re: LUMA Initial Budgets and Related Terms of Service (June 15, 2026), pp. 2–4.

[3] Act 57-2014, art. 6.36.

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 has so agreed on August 11, 2026. I also certify that on August 12, 2026. I proceeded with filing the Resolution and a copy was notified by electronic mail to katiuska.bolanos-lugo@us.dlapiper.com; RegulatoryPREBOrders@lumapr.com; margarita.mercado@us.dlapiper.com, Yahaira.delarosa@us.dlapiper.com; jan.albinolopez@us.dlapiper.com; katiuska.bolanos-lugo@us.dlapiper.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; hrivera@jrsp.pr.gov, Ricardo.pallens@genera-pr.com; jfernandez@ecija.com; eramos@ecija.com; jdiaz@ecija.com; legal@genera-pr.com; regulatory@genera-pr.com.

I sign this in San Juan, Puerto Rico, on August 12, 2026.

Sonia Seda Gaztambide
Clerk

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