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

IN RE: PRIORITY PLAN FOR ELECTRIC GRID STABILIZATION	**CASE NO.:** NEPR-MI-2024-0005 **SUBJECT:** Update Regarding Need for Temporary Generation Capacity.

RESOLUTION AND ORDER

I. Relevant Background

On February 26, 2025, Genera PR, LLC ("Genera") requested that the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") evaluate the need for approximately 800 megawatts ("MW") of additional temporary generation capacity and determine whether the proposed temporary-generation alternatives were consistent with Puerto Rico's energy public policy and the applicable regulatory framework.[1] Given LUMA Energy, LLC and LUMA Energy ServCo, LLC's (jointly, "LUMA") responsibilities as system operator and energy dispatcher, the Energy Bureau ordered LUMA to present its position regarding Genera's request and, specifically, the need for additional temporary generation and the amount of such capacity, if any, in light of the applicable resource-adequacy analyses.[2]

On March 6, 2025, LUMA filed its *Motion Submitting LUMA's Position Regarding Genera's Request for Expedited Approval of Emergency Generation Capacity Solutions* ("March 6 Motion"). LUMA explained that its three preceding annual resource-adequacy assessments had consistently identified a generation-supply deficit of approximately 700 to 850 MW and that the condition had been further strained by the forced outage of Aguirre Unit 1.[3] LUMA also reported 115 load-shed events attributable to generation issues during 2024 and projected a substantial increase in generation-shortfall events for the summer of 2025.[4] Based on its analysis, LUMA concluded that there was an immediate need for additional generation to meet customer demand and maintain adequate reserves.[5] LUMA further modeled the effect of adding 150 MW, 350 MW, and 800 MW, finding that the addition of approximately 800 MW would materially improve resource adequacy and would allow planned unit replacements to proceed with less risk to system reliability. [6] LUMA cautioned, however, that it had not yet completed the site-specific, interconnection, fuel-supply, and feasibility analyses necessary to determine the full feasibility of installing the proposed 800 MW.[7]

On March 12, 2025, the Energy Bureau ordered LUMA to submit the additional studies referenced in its March 6 Motion.[8] On March 24, 2025, LUMA complied by submitting, among other materials, a discussion of the analyses conducted for the interconnection of the proposed 800 MW and a detailed Emergency Offshore Power Interconnection Assessment. [9] LUMA reiterated that a comprehensive assessment of individual project locations, interconnections,

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[1] See *Request for Expedited Approval of Emergency Generation Capacity Solutions*, filed by Genera on February 26, 2025, in this case ("February 26 Motion").

[2] See *Resolution and Order* dated February 27, 2025 ("February 27 Resolution").

[3] See March 6 Motion, Exhibit 1, p. 1.

[4] See March 6 Motion, Exhibit 1, p. 1-2.

[5] See March 6 Motion, Exhibit 1, p. 2.

[6] See March 6 Motion, Exhibit 1, p. 3 and Exhibit 2, p. 7.

[7] See March 6 Motion, pp. 5-7 and Exhibit 2.

[8] See *Resolución y Orden* dated March 12, 2026 ("March 12 Resolution").

[9] See *Motion in Compliance with Resolution and Order of March 12, 2025, and Request for Confidential Treatment* filed by LUMA on March 24, 2026 ("March 24 Motion").

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and fuel supply - including System Impact and Feasibility Studies - would require additional detailed analysis.[10]

On March 28, 2025, the Energy Bureau established the Electric System Priority Stabilization Two-Year Plan ("Priority Stabilization Plan"), which identified and prioritized generation, transmission, and distribution initiatives intended to achieve the greatest near-term reliability impact within a two-year implementation period.[11] As part of that plan, the Energy Bureau incorporated, as an immediate stabilization activity, the previously authorized initiative to procure up to 800 MW of additional emergency temporary generation, recognizing that the addition of dependable, dispatchable capacity was necessary to address the system's reserve-margin shortfall and reduce expected load shedding.[12]

Thereafter, on December 5, 2025, LUMA filed its Fiscal Year 2026 Puerto Rico Electrical System Resource Adequacy Analysis Report ("FY2026 Resource Adequacy Study").[13] The FY2026 Resource Adequacy Study continued to identify a significant resource-adequacy deficiency. Under its Base Case, LUMA projected approximately 36.9 days per year of loss-of-load events and approximately 196.3 hours per year of loss-of-load hours.[14] LUMA further found that major improvements in resource adequacy could not be expected unless supply resources were materially increased through new resource additions or major improvements to the existing generation fleet.[15] Of particular relevance here, one of LUMA's principal sensitivity analyses found that the addition of 900 MW of generation assumed to be always available -described in the study as "perfect" resources- would improve Puerto Rico's resource adequacy to levels approaching mainland U.S. standards.[16] Thus, approximately nine (9) months after the March 6 Motion, LUMA's annual resource-adequacy analysis continued to reflect a substantial need for additional dependable generation resources.

II. Evaluation and Determination

The Energy Bureau recognizes that the need for temporary generation must be evaluated on the basis of current system conditions. The March 6 Motion and the studies subsequently submitted by LUMA reflected the generation fleet, expected resource additions, outage assumptions, demand forecasts, and other system conditions existing at that time. Likewise, the FY2026 Resource Adequacy Study was based on assumptions concerning the resources expected to be available during the July 1, 2025 through June 30, 2026 study period. Since those analyses were prepared, the status and expected availability of the generation portfolio may have changed as generating units have been repaired, returned to service, experienced additional outages, or otherwise changed in dependable capacity, and as new generation, storage, demand-response, or other resources have entered or are expected to enter service.

The Energy Bureau further notes that it has granted regulatory approval to two emergency generation contracts through Resolutions issued on December 11, 2025 and February 2, 2026, and that PREPA has informed the Energy Bureau that a third contract may remain under

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[10] See March 24 Motion, pp. 2-4.

[11] See *Resolution and Order* dated March 28, 2025 ("March 28 Resolution").

[12] See March 28 Resolution, pp. 5-7 and Attachment A.

[13] See *Motion to Submit LUMA's Fiscal Year 2026 Resource Adequacy Study and Request for Confidential Treatment*, filed December 5, 2025, Exhibit 1, Puerto Rico Electrical System Resource Adequacy Analysis Report, Fiscal Year 2026, Executive Summary and Section 3.1, in Case No. NEPR-MI-2022-0002 ("FY2026 Resource Adequacy Study").

[14] See FY2026 Resource Adequacy Study, p. 13-14.

[15] See FY2026 Resource Adequacy Study, p. 10.

[16] See *Id.*

negotiation or otherwise in process.[17] Notwithstanding the foregoing, none of these three potential resources should presently be treated as available or committed generation for purposes of LUMA's updated assessment. The two contracts that have received regulatory approval remain subject to additional action by the Financial Oversight and Management Board for Puerto Rico ("FOMB"), while the third potential contract, to the extent still under negotiation or otherwise under consideration, has not been executed, approved by PREB nor FOMB, or become effective. Therefore, in updating its analysis, LUMA **SHALL NOT** assume that the generation capacity associated with any of those three potential resources will enter service or otherwise be available to the system unless and until there is sufficient certainty that the applicable agreements have been executed, have received all required approvals, including FOMB approval, and will become effective within the relevant planning period.

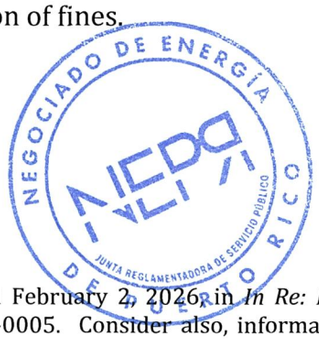
Consequently, before the Energy Bureau makes any further determination concerning the continuing need for the temporary generation resources contemplated in this proceeding, the record should be updated to reflect present system conditions. In particular, the Energy Bureau requires an updated assessment of whether the generation-resource deficiency identified by LUMA in March 2025 continues to exist, the magnitude of any remaining deficiency, and the extent to which developments since that time -including changes reflected after the FY2026 Resource Adequacy Study- affect the need for the temporary generation capacity that gave rise to this proceeding.

Therefore, the Energy Bureau **ORDERS** LUMA to complete and file, within **ten (10) days** from notification of this Resolution and Order, an updated assessment of its March 6 Motion position regarding the need for additional temporary generation. The filing **SHALL**: (i) state whether LUMA continues to conclude that additional temporary generation is necessary to maintain adequate generation reserves and system reliability; (ii) quantify the amount of additional dependable generation capacity, if any, that LUMA currently determines is necessary; (iii) update the analyses and studies supporting its March 6 Motion position using the most current information reasonably available; and (iv) explain the principal changes in assumptions and system conditions since the March 6 Motion and the FY2026 Resource Adequacy Study. The update **SHALL** specifically account for generating units that have been repaired, returned to service, or experienced material changes in availability or dependable capacity; units that remain unavailable or have experienced new or extended outages; and generation, storage, demand-response, or other supply resources that have entered service or are reasonably expected to enter service during the relevant period. To the extent LUMA's current assessment differs from its prior determination concerning the need for approximately 800 MW of additional temporary generation, LUMA **SHALL** identify and explain the basis for such change.

Nothing in this Resolution and Order prejudges whether the amount of temporary generation previously identified remains necessary. The purpose of the present directive is to ensure that any further regulatory determination concerning temporary generation is supported by an updated technical record that reflects the current condition of Puerto Rico's generation-resource portfolio and the most recent information available to the T&D System Operator.

The Energy Bureau **WARNS** LUMA that, in accordance with Art. 6.36 of Act 57-2014,[18] non-compliance with this Resolution and Order may carry the imposition of fines.

Be it notified and published.



[17] See Resolution and Order dated December 11, 2025, and Resolution dated February 2, 2026, in *In Re: Plan Prioritario para la Estabilización de la Red Eléctrica*, Case No. NEPR-MI-2024-0005. Consider also, information subsequently provided by PREPA regarding the status of the additional temporary emergency generation contracts. See *Motion Submitting the First Proposed Contract Resulting From Temporary Emergency Power Generation RFP for the Energy Bureau's Review and Approval and Memorandum of Law in Support of Request for Confidential Treatment* filed y PREPA on November 26, 2026, p. 3, and *Motion in Compliance with October 10, 2025 Resolution and Order and Memorandum of Law in Support of Request for Confidential Treatment* filed by PREPA on October 15, 2025. In addition, through its *Resolution and Order* dated August 12, 2026 in this case, the Energy Bureau ordered PREPA to submit a detailed report regarding the implementation status of several projects and initiatives, including those related to the procurement and deployment of emergency temporary generation resources.

[18] *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

Edison Avilés Deliz
Chairman

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

Omar M. Rodríguez González
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on August 19, 2026. I also certify that on August 19, 2026, I have proceeded with the filing of this Resolution and Order and was notified by email to alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; lrn@roman-negron.com; legal@genera-pr.com; regulatory@genera-pr.com; RegulatoryPREBorders@lumapr.com; Emmanuel.porrogonzalez@us.dlapiper.com; laura.rozas@us.dlapiper.com; margarita.mercado@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, today August 19, 2026.

Sonia Seda Gaztambide
Clerk

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