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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:** Motion to Inform Lack of Funding of the Genera Contingency Reserve Account and Request for Order Directing Immediate Funding

MOTION TO INFORM LACK OF FUNDING OF THE GENERA CONTINGENCY RESERVE ACCOUNT AND REQUEST FOR ORDER DIRECTING IMMEDIATE FUNDING

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW Genera PR, LLC ("Genera"), through the undersigned counsel, and respectfully STATES, ALLEGES, and PRAYS as follows:

1. On June 15, 2026, the Puerto Rico Energy Bureau (the "Energy Bureau") issued a Resolution and Order in the above captioned proceeding (the "*June 15 Resolution*"), through which it established a contingency reserve account for each of LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA"), Genera, and the Puerto Rico Electric Power Authority ("PREPA") (collectively, the "Contingency Reserve Accounts").

2. The *June 15 Resolution* established the Genera Contingency Reserve Account in the amount of $30.0 million and expressly **APPROVED** an amendment to the FY2027 Budget to include an additional $30.0 million in Genera's budget for the establishment and funding of the Genera Contingency Reserve Account. *June 15 Resolution p. 4.*

3. As the Energy Bureau explained, the Contingency Reserve Accounts respond to the fact that the Puerto Rico Electric System remains exposed to extraordinary, unexpected operational, infrastructure, and reliability events requiring the prompt deployment of significant resources, the costs of which are frequently not immediately recoverable through insurance proceeds, federal assistance, or other external funding sources. The Energy Bureau further found that maintaining

readily available contingency funding enhances system preparedness, operational resilience, and the ability of the electric service companies to respond expeditiously to events that threaten the continuity, reliability, and safety of electric service. *June 15 Resolution pp. 2-3.*

4. Genera notes, consistent with footnote 7 of the *June 15 Resolution*, that the Genera Contingency Reserve Account established by the Energy Bureau is distinct from, and additional to, the Reserve Account that PREPA is required to establish and maintain under Section 7.6(d) of the Operation and Maintenance Agreement for the Legacy Generation Assets (the "OMA"). Genera raises both matters in this filing because both remain unfunded and because their combined effect bears directly on Genera's operational capacity, but Genera does not ask the Energy Bureau to make any determination or interpretation regarding the reserve account funding or replenishment provisions of the OMA.

5. Notwithstanding the June 15 Resolution and the FY2027 Budget amendment approved therein, as of the date of this filing PREPA has not deposited any funds into the Genera Contingency Reserve Account.

6. Consequently, Genera has no access to the resources that the Energy Bureau determined were necessary and in the public interest to address extraordinary events, catastrophic equipment failures, significant unplanned outages, and other unforeseen circumstances requiring urgent corrective action. The account exists on paper, but it holds no funds.

7. The purpose of the *June 15 Resolution* is therefore frustrated. The Energy Bureau found that the availability of contingency resources is what enables an operator to respond expeditiously to events that threaten the continuity, reliability, and safety of electric service. An unfunded account provides none of that capability.

8. Under Section 7.6(d) of the OMA, PREPA, as Owner, was required to fund the Reserve Account in the amount of US$30 million no later than ten (10) Business Days prior to the Service Commencement Date, and following any withdrawal, to replenish the Reserve Account no later than the eleventh (11th) Business Day of the month immediately succeeding the month in

which the withdrawal occurred, in an amount equal to the aggregate amount withdrawn during the previous month.

9. Section 7.6(d) of the OMA provides that Genera, as Operator, shall draw from the Reserve Account to pay for costs in connection with Forced Outages, Force Majeure Events, or Owner Fault, and for the procurement and installation of Capital Spare Parts approved by the Administrator and the Energy Bureau under Section 5.6 of the OMA.

10. During the month of August 2026, Genera incurred costs of the type described in Section 7.6(d)of the OMA in connection with critical emergency repairs necessary to maintain the operation of the Legacy Generation Assets and avoid disruption of electric service. Because no funds were on deposit in the Reserve Account, Genera proceeded in the manner that Section 7.6(d) of the OMA contemplates.

11. Genera emphasizes that this course of action, although contractually available, is a stopgap and not a substitute for funding. It diverts resources committed to other operational obligations, and it depends on the continued availability of balances in the very Service Accounts that, as described below, PREPA is also failing to fund. Section 7.6(g) of the OMA provides that Genera shall under no circumstances be required to pay or incur Pass-Through Expenditures on its own account.

12. Genera further informs the Energy Bureau that, as of the date of this filing, PREPA is not depositing funds into the Service Accounts in the amounts and within the timeframes required under Section 7.6 of the OMA. The combination of these circumstances, that is, the absence of funding of the Genera Contingency Reserve Account together with the failure to timely fund the Service Accounts, may materially affect Genera's ability to continue to timely discharge its obligations and responsibilities as operator of the Legacy Generation Assets, including its ability to procure materials, mobilize contractors, and execute emergency and critical repairs on the schedules that system conditions demand. Genera brings this matter to the attention of the Energy Bureau in the interest of transparency and of the continuity, reliability, and safety of electric service.

13. The reporting mechanism established in the *June 15 Resolution* presupposes a funded account. It requires reporting of the expenditures charged to the Contingency Reserve Account, the amounts drawn during the reporting period, the cumulative amounts drawn to date, and the remaining account balance.

14. Because the Genera Contingency Reserve Account has received no funds, Genera cannot charge expenditures against that account and cannot report amounts drawn or a remaining balance. Any absence of monthly reporting is therefore attributable exclusively to the absence of funding and not to any failure or unwillingness on Genera's part to comply with the June 15 Resolution.

15. Genera stands ready to submit the required monthly reports, and will do so beginning with the first reporting period following the funding of the account. In the alternative, and to eliminate any question as to compliance, Genera is prepared to submit monthly reports reflecting a zero balance for so long as the account remains unfunded, should the Energy Bureau prefer that approach.

WHEREFORE, Genera respectfully requests that the Energy Bureau:

(a) **TAKE NOTICE** of the matters set forth herein, and in particular that the Genera Contingency Reserve Account established in the June 15 Resolution remains unfunded as of this date;

(b) **ORDER** PREPA to immediately deposit into the Genera Contingency Reserve Account the $30.0 million approved in the June 15 Resolution and included in the amended FY2027 Budget;

(c) **ORDER** PREPA to immediately make, and thereafter to timely maintain, the deposits into the Service Accounts required under Section 7.6 of the OMA, including the funding and replenishment of the Reserve Account under Section 7.6(d);

(d) **DETERMINE** that Genera's inability to submit the monthly reports contemplated in the June 15 Resolution with respect to amounts used from the Genera Contingency Reserve

Account is attributable to the absence of funding of such account, and that Genera's reporting obligation shall commence with the first reporting period following the funding of the account; and

(e) **GRANT** such other and further relief as the Energy Bureau deems just and proper to ensure that the lack of funding does not interfere with Genera's operational responsibilities.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 11th day of September, 2026.

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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 rramos@spalawpr.com.

In San Juan, Puerto Rico, this 11th day of September 2026.

/s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo

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

/s/ José Javier Díaz Alonso
José Javier Díaz Alonso