

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

NEPR

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IN RE: GENERA PR LLC INCENTIVES
AND PENALTIES REPORT

Case No.: NEPR-MI-2025-0002

Subject: Motion Submitting Summary of
Ratepayers Savings Report Pursuant to Section
21.19(a) of the OMA

**MOTION SUBMITTING SUMMARY OF RATEPAYERS SAVINGS REPORT
PURSUANT TO SECTION 21.19(A) OF THE OMA**

TO THE PUERTO RICO ENERGY BUREAU:

COMES NOW, GENERA PR LLC (“Genera”), through its undersigned counsel and, very respectfully, states and prays as follows:

1. On January 24, 2023, the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnerships Authority (“P3A”), and Genera entered into the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (“OMA”), pursuant to which Genera serves as operator of PREPA’s Legacy Generation Assets.

2. Section 21.19(a) of the OMA, titled *Ratepayer Savings*, requires Genera, no later than ninety (90) days after the end of each Contract Year, to provide LUMA Energy, LLC, as the T&D Operator, with a summary of Genera’s calculation of the fuel and operational savings created by Genera’s activities during the preceding Contract Year. The provision further requires that the summary contain sufficient information for the T&D Operator to take such savings into account when proposing applicable electricity rates for PREB approval and provides that copies of the summary shall be made available to the Administrator, PREB, and FOMB.

3. In compliance with Section 21.19(a) of the OMA, Genera has prepared its Summary of Ratepayers Savings for the third Contract Year, covering the period from July 1, 2025

through June 30, 2026. Genera hereby submits a copy of that report to the Energy Bureau as Exhibit A to this Motion.

4. As reflected in Exhibit A, Genera reports approximately \$87.5 million in actual fuel-related savings during the third Contract Year through five principal fuel cost saving initiatives. The largest component—approximately \$65.8 million—resulted from the conversion of the TM2500 units at San Juan and Palo Seco to a lower-cost fuel source. Other reported savings resulted from reductions in ULSD and FO6 fixed premiums, the fuel conversion of the Palo Seco Mobile PACs, and the displacement of higher cost generation through Costa Sur Unit 5.

5. Genera also reports substantial improvements in generation availability during the Contract Year, including more than 180 MW of additional available reserve margin as of June 30, 2026, compared with the prior Contract Year.

6. Genera respectfully submits Exhibit A for the Energy Bureau's information and in fulfillment of the requirement under Section 21.19(a) of the OMA.

7. The submission and information contained in this motion, and filed under this docket, is made pursuant to Section 21.19 of the OMA, and is a distinct process, separate and independent of any other contractual filing made by Genera with similar information. For the avoidance of doubt, this filing, the information and annexes contained herein, do not replace or modify any other information, filing or report submitted by Genera under this docket or pursuant to the requirements of the OMA.

8. This submission does not confer any rights, obligations, oversight rights, interpretations, or any other rights to the Energy Bureau over the OMA, including Section 7.1(c)(ii) and Section III of Annex II of the OMA, and shall not be construed as establishing any additional requirements or commitments.

WHEREFORE, Genera respectfully requests that the Energy Bureau take notice of the foregoing and deem Genera in compliance with Section 21.19(a) of the OMA.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 30th day of September, 2026.

It is hereby certified that this motion was filed using the electronic filing system of this Energy Bureau, and that electronic copies of this Motion will be notified to the following attorneys who have filed a notice of appearance in this case: legal@genera-pr.com; regulatory@genera-pr.com.

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Exhibit A

Summary of Ratepayers Savings

September 29, 2026



Executive Summary

Section 21.19(e) of the Puerto Rico Thermal Generation Facilities Operations and Maintenance Agreement (“OMA”) dated as of January 24, 2023, by and among the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnership Authority (“P3A”) and Genera PR LLC (“Genera”), requires Genera to provide a summary to LUMA Energy, LLC (“T&D Operator”) of Genera's calculation of the fuel and operational savings, which summary shall show Genera's calculations of the savings created by Genera activities in the third Contract Year (July 1st, 2025 – June 30th, 2026).

Genera achieved actual savings of \$87.5M during the third Contract Year. The savings reflected are mostly related to Fuel Savings initiatives. Genera was also on track to achieve over \$10M in additional operational savings to the rate payers when the Puerto Rico Energy Bureau (“PREB”), pre-emptively reduced Genera’s budget by more than 15% three months before the end of FY26.

The following is a summary breakdown of the initiatives and operational efficiencies implemented and achieved by Genera to obtain savings for the ratepayers. Calculations of the saving are available upon request.

I. Fuel Savings

Genera executed five Fuel Cost Savings Initiatives during its third Contract Year, generating total fuel-related savings of approximately \$87.5M. These initiatives are summarized in Table 1.

Table 1 – Summary of Fuel Savings

Initiative		Approximate Savings (Millions)
#1	ULSD Fixed Premium Reduction (Marine & Terrestrial)	\$13.1
#2	FO6 Fixed Premium Reduction	\$2.2

#3	Fuel Type Conversion – Palo Seco Mobile Pacs	\$3.9
#4	Fuel Type Conversion – TM2500s (San Juan & Palo Seco)	\$65.8
#5	Displaced Higher-Cost Generation Units (Costa Sur Unit 5)	\$2.5
Total Savings		\$87.5

II. Operation Savings

During FY2025–26, Genera demonstrated disciplined control of operations and maintenance expenditures. From July 1, 2025, until April 15, 2026, Genera operated the Legacy Generation Assets under budget that was issued by PREB on July 31, 2025. That budget authorized spends of \$345 million on operating, maintaining and repairing the Legacy Generation Assets. On April 15, 2026, the PREB issued an order that reduced its approval to \$288 million for FY 2026. This order was issued in the tenth (10th) month of FY 2026 and slashed the previously approved budget substantially – a final savings of over \$50 million.

Prior to this reduction, Genera was projecting savings of more than \$10 million against the provisional budget. Despite the significant mid-year budget constraint, Genera avoided material budget overages through rapid action and fiscal discipline, saving multiple tens of millions in ratepayer funds versus the provisional budget.

Genera's operational savings initiatives in FY2026 included:

Labor: Restructured workforce organization, eliminated position redundancy, aligned staffing with actual operational demand, incentivized cross-training and knowledge transfer, and reduced dependence on outside contractors. Overtime costs decreased as cross-trained staff covered multiple roles. Critical vacancies were filled through internal promotions rather than external hiring.

Operations: Realigned Peaker operator scheduling with actual hours of use and dispatch needs rather than fixed staffing patterns.

Vehicle Fleet: Acquired a new fleet using federal funds, materially reducing

maintenance and repair costs, reducing reliance on towing services, and lowering employee mileage reimbursement claims.

Corporate Security: Renegotiated security-camera contracts for more favorable pricing and conducted site-by-site reassessments of security needs to reduce guard posts where risks did not justify costs.

Corporate Affairs: Achieved a 20% reduction in spend by onboarding new vendors on improved commercial terms and reallocating previously outsourced tasks internally.

Environmental: Assumed a greater share of regulatory and reporting work internally, reducing third-party service costs while strengthening direct compliance oversight.

Legal: Locked outside counsel billing rates at prior-year levels, reduced litigation expense, increased use of local firms, and promoted a stronger legal and compliance mindset across the organization.

Insurance: Replaced the broker of record, solicited multiple proposals, and negotiated pricing and terms, lowering Genera-specific policy costs by 7%. In coordination with LUMA and PREPA, participated in a combined effort that produced program-wide savings, of which more than \$6.5 million was attributable to Genera. The property program gained an additional \$250 million in catastrophic limits at lower cost.

Contract Management: Improved contractor oversight, tracking of service requests and invoices, and vendor performance scrutiny, reinforced by better inventory management and competitive sourcing practices.

III. Projected Savings / Additional Initiatives

Generation Availability Improvements

Genera closed FY2025–26 with more than 180 MW of additional available energy reserve margins as of June 30, 2026, compared to the prior Contract Year, with baseload units operating more reliably and efficiently. Key unit repairs included:

Costa Sur Unit 5: Air pre-heater basket replacement increased available capacity by

45 MW, with availability rising from 49% to 87%, restoring the unit to its original nameplate capacity.

Aguirre Unit 2: Generator repair and automatic voltage regulator replacement increased unit availability from 9% to 82%, bringing back over 300 MW to support the grid.

Palo Seco Unit 4: Generator repair brought unit availability from 0% to 51%, adding 100 MW of power to support the grid.

San Juan Unit 6: Major inspection (auxiliary equipment repairs, filter changes, control repairs) increased unit availability from 24% to 38%.

These improvements reduced load-shedding events, improved economic dispatch, and supported short-term outages for quick repairs. Baseload units exceeded the EAF target by 13.2%. This produced savings versus alternative generation, which LUMA's PROMOD can verify.

For the second consecutive year, Genera completed 100% of the required Annual Performance Tests, ensuring EAF figures were based on verified, current unit performance.