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

IN RE: 10 YEAR PLAN FEDERALLY FUNDED COMPETITIVE PROCESS	**CASE NO.:** NEPR-MI-2022-0005 **SUBJECT:** Retirement and Decommissioning of Existing Peaking Units at Jobos and Daguao

RESOLUTION AND ORDER

I. Relevant Background

On October 15, 2026, the Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order addressing, among other matters, the status of the retirement and decommissioning of the existing peaking units at the Jobos and Daguao facilities ("October 15 Resolution").

The October 15 Resolution followed the Energy Bureau's review of Genera PR LLC's ("Genera") Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement for August 2026, filed on September 15, 2026.[1] The report identified outstanding disagreements between Genera and LUMA concerning the retirement and decommissioning of the existing Jobos and Daguao units. The Energy Bureau emphasizes that, prior to issuing the October 15 Resolution, it had not received from Genera any formal or informal request addressed to the Energy Bureau seeking approval of decommissioning plans for Jobos or Daguao or requesting that the Energy Bureau resolve the disagreement between Genera and LUMA. The Energy Bureau initiated this inquiry on its own initiative, in the exercise of its independent regulatory oversight responsibilities, rather than in response to an application or request for relief by Genera.

The Energy Bureau determined that additional information was necessary to clarify the parties' respective positions, assess the implications for system reliability, and evaluate the potential effect of continued disagreement on the implementation of replacement generation projects. Accordingly, the Energy Bureau directed Genera and LUMA to respond to specific requirements of information concerning the units' operating status, the technical basis for proposed retirement conditions, the sequence of decommissioning activities, and coordination between the parties.

The Energy Bureau required each party to separately state its position, supporting technical and factual basis, and proposed resolution. The parties were also directed to address the units' current operating status and dependable capacities; monthly actual utilization; justification for replacement generation or battery energy storage system ("BESS") prerequisites; permitting, preparatory, decommissioning, and retirement schedules; and coordination between the parties.

On October 26, 2026, Genera and LUMA filed a *Joint Motion in Compliance with October 15, 2026 Resolution and Order* ("October 26 Motion"), including LUMA's responses as Exhibit 1 and Genera's responses as Exhibit 2, together with correspondence, operational information, and project schedules. The Energy Bureau has reviewed those submissions.

II. Positions of the Parties

A. LUMA's Position

LUMA maintains that retirement must be evaluated in light of current system conditions, replacement-resource availability, and operational requirements. In its January 26, 2026 correspondence, LUMA conditionally concurred with Genera's proposed schedule subject to

[1] *Motion to Submit Monthly Report on the Status of Emergency Generation and Black-Start Generation Procurement in Compliance with Resolution and Order of July 30, 2024,* filed by Genera on September 15, 2026 ("September 15 Motion").

incorporation of at least 76 MW of new firm capacity through BESS or other new firm and dispatchable generation, fully installed, interconnected, and operational before physical retirement or decommissioning commenced.

LUMA explains that the replacement resources contemplated by the earlier schedule have not materialized as anticipated and that the original assumptions require reassessment. LUMA identifies a systemwide need for approximately 800 MW of additional dependable resources, and emphasizes reserve margins, contingency response, geographic reliability, operational flexibility, and the importance of Daguao for system restoration and black-start operations. LUMA advocates a net-zero or positive outcome in available system resources before retirement.

B. Genera's Position

Genera maintains that only Jobos 1-2 (approximately 18 MW) and Daguao 1-1 (approximately 16 MW) are currently available, while Jobos 1-1 and Daguao 1-2 are out of service. Genera states that LUMA, as system operator, should provide the technical justification for replacement generation or BESS requirements. Genera submitted twelve months of operating-hour data and detailed decommissioning and EPC schedules, and reports regular coordination with LUMA on project and interconnection matters.

III. Energy Bureau's Evaluation and Determination

A. Operational Status and Dependable Capacity

LUMA identifies three active units with combined dependable capacity of approximately 53 MW, while Genera reports two currently available units with combined capacity of approximately 34 MW:

Unit	LUMA: status/dependable capacity	Genera: reported current availability
Jobos 1-1	Inactive / 0 MW	Out of service
Jobos 1-2	Active / 19 MW	Available / 18 MW
Daguao 1-1	Active / 18 MW	Available / 16 MW
Daguao 1-2	Active / 16 MW	Out of service
Total	53 MW	34 MW

The principal difference concerns Daguao 1-2. Genera's operating-hour data show that it operated for 161.1 hours in September 2026, yet Genera reported it out of service in October. Genera did not specify the subsequent outage date, cause, expected duration, or whether it is permanent. LUMA's historical dependable-capacity metric and Genera's current-availability metric are not identical measures. The available evidence therefore does not establish that the potential capacity impact of retirement is necessarily limited to the 34 MW currently reported by Genera.

Nevertheless, the record supports examining a range of approximately 34 to 53 MW, depending on current and reasonably recoverable availability. This should be distinguished from LUMA's 76 MW replacement prerequisite and its approximately 800 MW estimate of systemwide resource adequacy needs. Neither number, standing alone, quantifies the incremental reliability impact of retiring these particular units.

B. System Reliability and Black-Start Considerations

The Energy Bureau recognizes LUMA's legitimate concern about limited reserves and the importance of maintaining dispatchable resources. Daguao's identified black-start and restoration functions may require replacement measures that are not captured by a simple MW-for-MW comparison. The record, however, does not sufficiently explain the quantitative relationship between the 76 MW condition and the specific capacity and functions of the four affected units. Jobos and Daguao should therefore be evaluated on their respective operational circumstances, with particular attention to Daguao's restoration role.

C. Project Schedules and the Timing of Actual Retirement

According to the schedules submitted by Genera in October 2026, Genera anticipates submitting the decommissioning plans by December 14, 2026, with approval projected for February 9, 2027. Genera's schedules contemplate the commencement of decommissioning activities on February 16, 2027, followed by contractor mobilization between March 5 and 15, 2027. Genera further projects that fuel removal and electrical de-energization will take place between March 16 and 29, 2027, with removal of the existing turbines beginning on April 29, 2027. Under Genera's proposed timeline, general demolition would be completed by August 6, 2027, followed by the commencement of site preparation activities for the replacement facilities on August 9, 2027. Commercial operation of the replacement peaking facilities is projected by Genera for June 12, 2028. These are proposed schedule milestones, not authorized disconnection dates.

Under that proposed sequence, the activities most directly associated with making the existing units unavailable, fuel removal and electrical de-energization, would occur during March 16-29, 2027, notwithstanding the earlier February 16 commencement of decommissioning activities and the later April 29 commencement of turbine removal. The schedule does not establish a separate, definitive permanent disconnection date for each unit. If the existing units become unavailable in March 2027, approximately fourteen to fifteen months would elapse before the projected June 12, 2028 commercial operation of their replacements. Genera has also represented that replacement units will occupy the existing facilities' footprint.

The Energy Bureau distinguishes approval and preparatory execution of a decommissioning plan from the specific physical activities that make an operating unit unavailable. Permitting, procurement, engineering, environmental review, and other preparatory activities should, insofar as technically feasible, proceed while operational units remain available. The plans must identify the latest feasible unit-specific permanent disconnection dates consistent with timely project completion.

D. Other Approved Generation Investments

The Energy Bureau also considers, as part of its overall assessment, its recent actions to facilitate the maintenance, restoration, and continued availability of other generation resources. These actions do not establish that replacement MW are already operational, but they demonstrate that the Energy Bureau is pursuing system reliability through measures in addition to preserving the four aging Jobos and Daguao units.

On October 1, 2026, the Energy Bureau approved an amendment to Genera's FY2027 budget allocating $6,050,000 from the unallocated balance of the FY2026 Reconciliation Amount to restore TM2500 Units 3 and 4 at Palo Seco.[2] Genera's fleet information identifies nameplate ratings of 25 MW for TM03 and 26 MW for TM04, or approximately 51 MW in aggregate nameplate capacity.[3] The Energy Bureau recognizes that restoration of these units could provide a meaningful contribution to available generation; however, 51 MW represents nameplate, not verified dependable capacity, and cannot be treated as available replacement capacity merely because repair funding was approved. In its October 5, 2026 motion, Genera informed the Energy Bureau of the original equipment manufacturer's recommendation for a more extensive major overhaul, as an alternative to the previously approved hot-section work, and sought a determination regarding restoration scope and multiyear budget treatment.[4] According to that submission, the major-overhaul alternative would involve an

[2] See *Resolution and Order* dated October 1, 2026 issued in case *In Re: LUMA Initial Budgets and Related Terms of Service*, Case No.: NEPR-MI-2021-0004 ("October 1 Resolution"), pp. 6-7.

[3] See *Motion in Compliance with Resolution and Order of August 31, 2026* filed by Genera on September 9, 2026 in case *In re Electric System Priority Stabilization Plan*, Case No. NEPR-MI-2024-0005 ("September 9 Motion"), Ex. A, Attach. 2, fleet status table dated August 28, 2026, "Nameplate Rating ISO" column, Palo Seco TM03 and TM04 rows.

[4] See *Genera PR LLC's Motion to Inform OEM Recommendation Regarding TM2500 Units 3 and 4 at Palo Seco and Request for Determination on Scope of Restoration and Multiyear Budget Allocation*, filed by Genera on October

estimated $17 million and approximately 24-36 months, while the previously approved repair alternative was intended to permit a faster restoration but did not establish a firm return-to-service date. Thus, the actual restoration schedule and dependable output remain uncertain.[5]

In the same docket, the Energy Bureau approved $4,015,000 for Consent Decree-mandated environmental outages at Costa Sur Unit 5 ($1,825,000) and Palo Seco Unit 4 ($2,190,000), subject to the order's conditions and funding-offset requirements. The authorization supports required inspections and environmental compliance, and should not be characterized as a direct addition of generation capacity.[6]

In addition, through its June 15, 2026 Resolution and Order, the Energy Bureau established a $30,000,000 Contingency Reserve Account for Genera, funded from the FY2026 Reconciliation Amount. [7] In its July 13, 2026 Resolution and Order, the Energy Bureau authorized Genera to effectuate the creation of the account and ordered PREPA to fund it by July 31, 2026.[8] The reserve is intended to address extraordinary events, force majeure, major weather-related events, catastrophic equipment failures, significant unplanned outages, and other unforeseen circumstances requiring urgent corrective action to prevent, mitigate, respond to, or recover from material disruptions to electric service. Subject to the eligibility criteria, funding availability, applicable procedures, and other requirements established in those orders, this mechanism may provide an additional means of financing urgent corrective work to restore generating units unexpectedly removed from service and thereby support system reliability.[9] The Energy Bureau's assessment of the reserve's potential contribution to system reliability depends on the funds available at the time of the expenditure, whether the specific repair qualifies, and the amount of dependable capacity the repair could restore.

These authorizations are relevant to the Energy Bureau's balancing of system reliability and the need to advance the Jobos and Daguao replacement projects, but their timing must be considered. Under Genera's proposed schedule, fuel removal and electrical de-energization of the existing Jobos and Daguao units would occur during March 16-29, 2027, whereas the replacement peakers are projected to commence commercial operation on June 12, 2028. The original Palo Seco TM2500 repair option does not have a verified return-to-service date that would establish availability by March 2027. The major-overhaul option, with a projected duration of 24-36 months, likewise should not be presumed to supply capacity during the relevant transition period. Accordingly, the potential 51 MW nameplate restoration must not be counted as an assured offset against Genera's reported 34 MW currently available at Jobos and Daguao or LUMA's 53 MW of dependable capacity associated with three active units. The environmental-outage appropriations support continued operation and compliance rather than adding new capacity; the $30 million contingency reserve may support qualifying unforeseen restoration needs, but only under its governing requirements. None of these measures, individually or collectively, establishes that LUMA's resource-adequacy and black-start concerns have been resolved. Nevertheless, they form part of the broader set of measures that the Energy Bureau considers in assessing how to preserve reliability while avoiding unnecessary delay in installing replacement generation.

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5, 2026 in case *In re: LUMA Initial Budgets and Related Terms of Service*, Case No. NEPR-MI-2021-0004, ¶¶ 9, 13–16 (October 5 Motion").

[5] See October 1 Resolution; September 9 Motion; and October 5 Motion. The projected major-overhaul duration is not an established return-to-service date.

[6] See *Resolution and Order* dated November 6, 2026 issued in case *In re: LUMA Initial Budgets and Related Terms of Service*, Case No. NEPR-MI-2021-0004 ("November 6 Resolution"), p. 8.

[7] See *Resolution and Order* dated June 15, 2026 issued in case *In re: LUMA Initial Budgets and Related Terms of Service*, Case No. NEPR-MI-2021-0004 ("June 15 Resolution), pp. 4-5.

[8] See also *Resolution and Order* dated July 13, 2026, in case *In re: LUMA Initial Budgets and Related Terms of Service*, Case No. NEPR-MI-2021-0004, p. 3, §§ II.B and III.

[9] See June 15 Resolution, pp. 3-4.

E. BESS and Other Replacement Resources

Prior resource adequacy schedules identified planned BESS at Cambalache, Vega Baja, Costa Sur, and other facilities.[10] However, earlier projected commercial operation dates are not evidence of actual commissioning. The October 26 Motion does not establish an updated, verified in-service date for BESS sufficient to satisfy LUMA's replacement condition. Any subsequent plan evaluation shall consider the actual interconnection, testing, operational status, and dependable contribution of relevant storage and generation resources.

The Energy Bureau further recognizes the anticipated incorporation of additional renewable generation and energy storage resources into the electric system, particularly the AES Clean Flexible Energy projects at Jobos and Salinas. These projects contemplate a combined 200 MW of solar photovoltaic generation and 285 MW of battery energy storage capacity, consisting of 80 MW of solar PV and 110 MW of BESS at Jobos, and 120 MW of solar PV and 175 MW of BESS at Salinas. Of particular relevance to the present evaluation is the substantial battery storage capacity associated with these projects, which could contribute to system reliability and operational flexibility during the period preceding the retirement of the existing Jobos and Daguao units.

The Clean Flexible Jobos project has already completed the energization of its interconnection facilities and entered the testing and commissioning stage, while the development and interconnection of the Salinas project continue to advance. Although commercial operation of additional project capacity is anticipated during the first quarter of 2027, potentially before the March 2027 de-energization activities contemplated in Genera's proposed schedules, the Energy Bureau recognizes that these dates remain subject to actual project completion, testing, and commissioning. Accordingly, the expected contribution of these resources is a relevant consideration in evaluating the proposed decommissioning schedules, without presuming that their full capacity is already available or that all such capacity necessarily qualifies as firm replacement capacity.

F. Submission of Decommissioning Plans

In view of the foregoing, the Energy Bureau determines that it is appropriate to advance the Jobos and Daguao projects to formal decommissioning-plan review. This determination neither approves the plans nor authorizes permanent retirement or disconnection. It recognizes the importance of both system reliability and timely construction of replacement resources. The Energy Bureau will determine appropriate conditions when it reviews each plan, including distinct requirements for Jobos and Daguao and preservation of Daguao's black-start and restoration functions.

In reaching this determination, the Energy Bureau recognizes the importance of preserving existing generation capacity in light of the system's current resource adequacy deficiencies and the concerns raised by LUMA. Nevertheless, those concerns must be balanced against the importance of advancing the federally funded replacement generation projects at Jobos and Daguao, which are intended to provide more reliable generating resources. Although LUMA has identified a requirement for 76 MW of additional firm capacity before retirement, the units currently reported as available by Genera represent approximately 34 MW, while LUMA identifies approximately 53 MW of dependable capacity associated with three active units.

The Energy Bureau also considers the anticipated incorporation of additional generation and energy storage resources, as well as the measures authorized to restore and maintain existing generation capacity. Under these circumstances, the Energy Bureau does not consider it justified to impose a requirement that would unnecessarily delay the decommissioning process and, consequently, the construction and commissioning of the replacement facilities solely to preserve the existing units, particularly where their continued operation can be maintained during preparatory activities and until their removal

[10] See *Motion to Submit October 2026 Collaborative Report* filed by LUMA on October 237, 2026 in case *In Re: Plan Prioritario para la Estabilización de la Red Eléctrica*, Case No. NEPR-MI-2024-0005, Ex. 1, §§ 3.2.1–3.2.6, pp. 25–27 (identifying BESS projects at Cambalache, Vega Baja, Palo Seco, Costa Sur, Aguirre, and Yabucoa).

becomes technically necessary. This determination does not disregard LUMA's reliability concerns or the need to preserve Daguao's black-start capabilities, which must be appropriately addressed in the proposed decommissioning plans and their subsequent evaluation by the Energy Bureau.

Genera must structure the plans to preserve the availability of operational units as long as reasonably and technically practicable without unnecessarily delaying construction. The plans must identify activities that can occur while units operate, those requiring disconnection, and the latest feasible permanent removal date for each unit.

IV. Conclusion

Accordingly, the Energy Bureau finds that the appropriate course of action is to proceed with the review of the proposed decommissioning plans while requiring Genera and LUMA to identify and implement measures that preserve existing generation and system restoration capabilities for as long as technically feasible, without unnecessarily delaying the federally funded replacement projects.

For the reasons discussed above, the Energy Bureau **DETERMINES** that the retirement and decommissioning of the existing Jobos and Daguao units may advance to formal decommissioning-plan review, subject to the following requirements:

1. Genera to submit proposed Decommissioning Plans for Jobos and Daguao for the Energy Bureau's review and approval, consistent with Article 16 of the Generation OMA[11] and applicable requirements, no later than December 15, 2026.

2. Genera to include an updated, unit-specific schedule identifying (a) permitting, procurement, environmental and other preparatory activities compatible with continued dispatch; (b) activities requiring permanent disconnection; (c) the latest technically feasible removal-from-service date; (d) demolition, site preparation, construction, testing and commissioning milestones; and (e) any shared-system or safety constraint preventing continued operation.

3. Genera to identify the cause, date, expected duration, and potential return-to-service date of Daguao 1-2's reported outage, and to reconcile its September 2026 operating hours with its October 2026 out-of-service classification.

4. Genera to coordinate with LUMA on continued unit availability and on sequencing decommissioning and replacement construction, and to describe any unresolved disagreement in the plans.

5. Submission or subsequent approval of a plan does not, without express authorization, permit permanent disconnection or physical retirement of an operating unit. Conditions for execution will be determined upon review of the plans.

6. Genera and LUMA to continue coordinating the projects to avoid unnecessary delay while preserving system reliability to the extent technically feasible.

Nothing in this Resolution and Order shall be construed as approving, excusing, justifying, or otherwise validating any delay in the installation, construction, or commissioning of the replacement peaking units, which remains the subject of a separate pending adjudicative proceeding before the Energy Bureau. Nor shall anything herein be interpreted as a waiver, modification, limitation, or relinquishment of any finding, position, claim, authority, remedy, or determination of the Energy Bureau concerning such delays, including associated contractual

[11] *The Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (the "Generation OMA"), executed on January 24, 2023, by and among the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3 Authority"), and Genera.

obligations, compliance requirements, liabilities, penalties, or other consequences. All such matters are expressly reserved for determination in the corresponding proceeding.

The Energy Bureau **WARNS** Genera and LUMA that noncompliance with any provision of this Resolution and Order may result in the imposition of fines pursuant to Act 57-2014 and applicable Energy Bureau's regulations and any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.

Edison Avilés Deliz
Chairman

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

Omar M. Rodriguez González
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on November 23, 2026. I also certify that on November 23, 2026 I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and a copy was notified by electronic mail to: alexis.rivera@prepa.pr.gov; mvalle@gmlex.net; mbustelo@gmlex.net; rcruzfranqui@gmlex.net; nzayas@gmlex.net; carlos@cwllegal.com; legal@genera-pr.com; regulatory@genera-pr.com; lrn@roman-negron.com; PREBorders@lumapr.com; laura.rozas@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, today November 23, 2026.

Sonia Seda Gaztambide
Clerk

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