



# Periodic Update #3

March 10, 2023

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## I. Overview

In accordance with Section 4.2(i) *Periodic Reports* of the Operation and Maintenance Agreement (OMA), Genera PR LLC (Genera) hereby submits to the Puerto Rico Public-Private Partnership Authority (P3A) the Periodic Report #3 which includes updates on the Mobilization Plan, invoice and completed obligations. It also provides updates on the Handover Checklist per Section 4.2(b) *Handover Checklist* of the OMA. Information regarding the Handover Checklist and Media Communications is in the appendices.

## II. Executive Summary

The Periodic Report #3 for March 10, 2023, includes Genera's progress through the mobilization phase. Genera is proud to report that we have engaged with 95% of the Puerto Rico Electric Power Authority (PREPA) employees through our meet-and-greet sessions with a final approval rating of 4.0 stars (out of 5.0 stars) on the process. A predominant majority of PREPA's Employees have expressed high interest in joining the Genera team. Moreover, we have met with 212 employees in critical positions. Genera has been present in the media, conveying our message aligned with the Communication Plan and all the Genera transition team functional areas continue to engage their respective counterparts in PREPA, LUMA Energy LLC (LUMA), Central Office for Recovery, Reconstruction and Resiliency (COR3) & P3A.

### III. [Commercial Report](#)

#### Completed Mobilization Period OMA Obligations

This section shows the OMA obligations completed in the past two weeks only. All previous weeks' completed OMA obligations have been removed to minimize the length of the report.

Section	Description	Responsible Party	Status
4.2 (h)	Critical Employee Interviews	Genera PR LLC (Operator)	Completed
4.3 (c) 4.5 (f)	Initial O&M Budgets	P3A (Administrator) PREB (Approval)	Completed

### IV. [Mobilization Process Update](#)

#### Personnel and Training

- All plant “Meet and Greet” sessions are now complete, with over 95% participation rate from employees over the 11 days. The visits included meeting with 899 employees – 167 at San Juan, 146 at Palo Seco, 206 at Aguirre, 179 at Costa Sur, 106 across the peakers, and 95 at the corporate level (Santurce). During the sessions, existing PREPA employees were asked to participate in a voluntary survey focusing on their view of the transition to privatization, what they liked and disliked about the current setup, their desire to join Genera and what they want to see the most out of the transition. On a scale of 5.0 (being the best), the average score for favoring the privatization of the operation and maintenance was 4.0. 62% reported the desire to move to and grow their careers with Genera, and most respondents noted seeing improvements in the plants and process equipment as their most desired outcome.
- Genera’s focus on critical positions remains a key priority, with 264 critical positions now identified. During the Meet and Greet sessions, 212 employees met would fall into the “critical position” category. Genera will continue to work with our third-party – PIC Group – to carry out the next phases of the hiring

process. Starting the week of March 13<sup>th</sup>, employees in the Critical Position category will receive a link via email (as provided during the Meet and Greet sessions) wherein they will complete a technical questionnaire. These employees will have two weeks to respond to the questionnaire. In-person technical assessments will commence in the week of March 27<sup>th</sup>. The current target is to complete all skills assessments by April 21<sup>st</sup>.

- At a corporate level, several key roles have been interviewed for and some filled. Key roles in Human Resources, Information Technology, Corporate Affairs, Regulatory Affairs, and HSEQ (Health, Safety, Environmental, and Quality) have now been filled with more to come.
- Evaluation of training programs continues – with scheduling going to priority technical and regulatory requirements. The implementation of the learning management system is also progressing – a system that will be used as part of the questionnaire process.

### **Stakeholder Engagement**

- Conducted extensive meetings with FEMA and COR3 on federal funding opportunities
- Presented Genera overview to Puerto Rico Manufacturers Association and the Puerto Rico Shipping Association to share our plans for improving reliability and reducing costs
- Responded to multiple information requests from Puerto Rico’s House of Representatives Committee following participation in public hearing
- Participated in meetings with FOMB and LUMA to discuss iterations after Service Commencement Date and align execution plans for areas in which the parties share responsibilities
- Genera team introduction at the Made in PR Association monthly meeting
- Engaged with LUMA, P3A and PREPA in FY2024 budget planning process
- Plant visits and technical training beginning for corporate affairs team
- Upcoming meeting for next week with PR Hotels & Tourism Association

## **Information Technology**

- Genera met with PREPA and LUMA with key technical and administrative personnel to request and discuss technical information, including system extracts, to help the planning process for the separation of the applications. Analysis of Asset Suite began with a review of system data mapping, vendor information & status, equipment lists, and warehouse inventory.
- Genera has issued an RFP for application separation services to consulting firms with strong local presence and experience. The scope is centered around the Enterprise Resource Planning system (ERP) and the Computerized Maintenance Management System (CMMS) / Enterprise Asset Management system (EAM).
- Genera and LUMA have collaborated to create an ongoing working group call related to IT/OT, including PREPA. The meetings have been focused on RFI and RFI response clarification.

## **Inventory**

- Genera sent in a team of internal supply chain experts to analyze and better understand the current processes and systems utilized by PREPA. Visits were held at the San Juan and Palo Seco power plants. Detailed discussions with current staff took place around critical functions such as shipping, receiving, inventory controls, and selection process. The team validated the overall process and mapped out the flow.
- Genera is working through a third-party vendor to validate the critical spare part status and identify any potential gaps or needs.

## **Finance, Procurement & Accounting**

- The development of the Procurement Manual is currently at 35% complete. Evaluation of workflows, “as is” and “to be” processes and system requirements are of current focus. As a key step in the process, understanding the current system utilized by PREPA as well as the most efficient means of transition would be based on certain critical factors, such as legal entity assignments and system capabilities, needs to be factored into as the development of the manual progresses.

- Genera has completed the reviews necessary to finalize a Back Office Operating Model summary. Based on the findings, decision points will be developed and can be shared in the next Periodic Report.
- Genera has placed significant focus on the confection of the FY2024 Budget process. Genera has been actively involved in the process, participating in discussions with LUMA, PREPA, and P3A. The main focus has been allocating revenues that all PREPA subsidiaries share from the base rate. Further, Genera continues to develop internal models around labor costs, SG&A and overhead expenses, and the proposed IT budget. Lastly, internal coordination regarding maintenance schedules and fuel assumptions continues.

### **Environmental Permitting/ Safety Programs**

- The PREPA Environmental team has responded to 12 requests for information focused on validating and/or providing existing permits for review. In addition to the permits, all the baseline Environmental Impact Assessments have been delivered by PREPA to Genera for review and discussion. Genera has commenced reviewing these documents and intends to use the recognized environmental conditions/findings within the assessments to aid in prioritizing site visits and inspection protocols, which are targeted to commence by the end of the month.
- The development of the Safety and Hazardous Materials Procedures Manual is now nearly 50% complete and on target for the submission deadline. Through positive interactions and responsiveness by PREPA and LUMA, Genera has been provided with the existing procedures, from which gaps have been identified, and the development of the manual progressed.

### **Federal Funding**

- Genera has reviewed with PREPA a site-specific list of federally funded projects for each legacy generation site. The status of each project was discussed.



**V. Expenditures Update**

Note to report: Genera recognizes the requirements to report on mobilization budget analysis as outlined in Appendix IX Section V(B)(3) Accounting and Reporting and will provide monthly reports as required. Below is the budget and analysis to date.

**Genera - Mobilization Phase | Weekly Finance Summary**

**3/10/2023**

ID #	Budget Category	Budget		Paid to Date		Remaining (Unpaid)	
		Orig Budget	Forecast	Actual Paid	%	Committed (via PO)	Uncomm. (no PO)
100	Communications	250,000	243,670	–	0.0%	80,164	163,506
200	Facilities	200,000	200,000	–	0.0%	–	200,000
300	Finance	360,000	360,000	–	0.0%	360,000	–
400	HSSEQ	790,000	783,330	–	0.0%	425,575	357,755
500	Human Resources	1,420,000	1,563,753	–	0.0%	61,559	1,502,194
600	Insurance	50,000	45,000	–	0.0%	–	45,000
700	IT	900,000	838,000	–	0.0%	276,000	562,000
800	Legal & Compliance	3,600,000	3,600,000	–	0.0%	192,021	3,407,979
900	Power	6,100,000	6,100,000	–	0.0%	5,148,562	951,438
1000	Procurement	530,000	521,080	–	0.0%	400,000	121,080
1100	T&E	300,000	291,500	–	0.0%	–	291,500
1200	Project Management Fees	500,000	453,667	–	0.0%	–	453,667
<b>Total</b>		<b>15,000,000</b>	<b>15,000,000</b>	<b>–</b>	<b>0.0%</b>	<b>6,943,882</b>	<b>8,056,119</b>





**VI. Submissions Update**

**Transmittals – February 26, 2023 – March 10, 2023**

Name	Description	Sending Org.	Receiving Org.	Genera Dept.	Created
P3A-PREPA-00001	Governmental Approvals and Tax Matters	P3A	PREPA	PM	2/22/2023
GENERA-PREPA-00017	General Request for Information #3	Genera	PREPA	PM	2/27/2023
PREB-GENERA-00001	Resolution and Order (PREPA and Luma)	PREB	Genera	PM	2/27/2023
GENERA-PREB-00001	Communications between Genera PR LLC and PREB	Genera	PREB	PM	2/28/2023
PREB-GENERA-00002	Resolution Nunc Pro Tunc	PREB	Genera	PM	2/28/2023
GENERA-PREPA-00018	Request for Participation in Permitting Actions and Meetings	Genera	PREPA	PM	3/1/2023
PREPA-GENERA-00002	General Request for Information	PREPA	Genera	PM	3/3/2023
PREB-GENERA-00003	Resolution and Order (Potential use of Hydrogen)	PREB	Genera	PM	3/6/2023
GENERA-P3A-00008	Completion of Critical Employee Interviews	Genera	P3A	PM	3/7/2023

## VII. Areas of Concern / Items of Interest

Genera recognizes the requirements to advise on items of interest and potential areas for concern as outlined in Section 4.2(i) Periodic Reports. Below is a list of items to be discussed and addressed:

- 1) Section 4.3(n) requires that PREPA notifies Genera of any procurement process and nominations or similar actions under existing Fuel Contracts and that Genera provides written consent before PREPA carries out these activities. However, Genera is being notified of nominations after they are sent to fuel Sellers, not before. Thus, these nominations are not being sent with Genera's consent.
- 2) Genera has submitted three critical requests for information to continue advancing in their respective functional team tasks. The RFI's in question affect contract deliverables for Insurance and Information Technology. Genera will make them available to P3A for assistance and follow-up with recipients.

## Appendixes



## B. Mobilization Stakeholder Engagement



Mobilization Stakeholder Engagement		In Contact	Initial Briefing	Regular Dialogue	Notes
1	<b>Federal Agencies</b>				
2	FEMA	Yes	Yes	Yes	Multiple Meetings
3	DOE	Yes	No	No	Established contact, scheduling meeting
4	US Army Corps	Yes	Yes	Yes	Multiple Meetings
5	EPA	Yes	No	No	Initial outreach
6	White House	No	No	No	
7	OSHA	No	No	No	
8	DOJ	No	No	No	
9	FOMB	Yes	Yes	Yes	
10	<b>Puerto Rico Agencies / Energy Stakeholders</b>				
11	P3A	Yes	Yes	Yes	Weekly Coordination Meetings
12	PREPA	Yes	Yes	Yes	Daily Meetings, Bi-Weekly Coordination Meetings
13	LUMA	Yes	Yes	Yes	Daily Meetings, Weekly Coordination Meetings
14	AAFAF	Yes	Yes	Yes	Regular Meetings
15	COR3	Yes	Yes	Yes	Weekly Meetings
16	PREB	Yes	No	No	Outreach Began, Scheduling Meetings
17	PRDRNA	No	No	No	
18	<b>US Congress</b>				
19	House Committee on Natural Resources	Yes	No	No	Reached out, haven't scheduled meetings yet
20	Senate Committee for Energy a& Natural Resources	Yes	No	No	Met with individual Senators, not committee staff
21	Rep. Jennifer González Colón	Yes	No	Yes	Scheduling first briefing
22	<b>PR Legislature</b>				
23	President of the House	Yes	No	No	Initial conversations
24	President of the Senate	Yes	No	No	Initial conversations
25	House Minority Leader	Yes	No	No	Initial conversations
26	Senate Minority Leader	Yes	No	No	Initial conversations
27	Senate Energy Commission	Yes	No	No	Initial contact
	House Energy Commission	Yes	Yes	Yes	Public Hearing 2/9; Responded to multiple RFI's
28	House Joint Commission Public Private Alliances	Yes	Yes	Yes	Scheduling first briefing and plant tours
29	<b>Puerto Rico Municipalities</b>				
30	Association of Mayors	Yes	No	No	Scheduling first briefing
31	Federation of Mayors	Yes	No	No	Scheduling first briefing
32	Plant Local Mayors	0 of 12	0 of 12	0 of 12	
33	<b>Private Sector Organizations</b>				
34	PR Manufacturers Association	Yes	Yes	No	Official Genera Presentation
35	PR Chamber of Commerce	Yes	Yes	Yes	Participated in Chamber Energy Event
	PR Navieros Association	Yes	Yes	No	Official Genera Presentation
36	PR Retailers Association	Yes	No	No	Scheduled presentation for March 23
	PR Bankers Association	Yes	No	No	Initial contact and scheduling presentation to the board
37	PR Hotels & Tourism Association	Yes	No	No	Scheduled presentation on March 16
	PR Automobile Industry Association	Yes	No	No	
	PR Hospital Association	Yes	No	No	
	PR Farm Bureau	Yes	No	No	
	PR Construction Materials Association	Yes	No	No	Scheduled presentation on March 29
	Justicia Energetica	Yes	No	No	Scheduled presentation on March 28
38	Association of Restaurants	Yes	No	No	Scheduled presentation on March 22
39	Made in PR Association	Yes	No	No	Initial team contact at their montly event
40	PR Small Business Association	Yes	No	No	
	PR Builders Association	Yes	No	No	Scheduled presentation on May 3
	AGC	Yes	No	No	
41	PR Food Wholesalers and Supermakets Association	Yes	No	No	
42	PR Coalition for Food Security	Yes	No	No	
43	National Hispanic Caucus of State Legislators	Yes	No	No	Scheduled presentation for spring meeting
44	PR Energy System Recovery & Resilience Advisory Group	Yes	No	No	
45	South East & Caribbean Disaster Resilience Partnership	Yes	No	No	
46	PR Bussiness Emergency Operation Center	Yes	No	No	

C. Handover Checklist Update

SITE: General Compliation (all sites)

PRELIMINARY CHECKLIST ITEM	Required for O&M Services? (Y / N)	Start Date	Due Date	Progress (% Complete)	Completed? (Y / N)	Amt Spent (US\$)	Status Notes
<b>1 People Management (Applicable to Critical Positions Only)</b>							
Staffing completed	N	2/13/2023	4/30/2023	25%	N		Genera meet-and-greet sessions have been completed. Interviews and skills assessments have commenced. Efforts will continue with offers targeted to be made for critical positons around end-of-March timeframe depending on VTP.
Orientation to Genera PR completed (incl training on role & responsibility)	Y		4/30/2023		N		Will commence after offer accepted
Skill Assessment Completed	Y		3/30/2023	10%	N		ESP3 accounts created and invitation email to be sent to critical position employees no later than 3/10/23 for ther technical self assesment.
Training and Development Plan created	Y	2/15/2023	3/17/2023	30%	N		Training plans under development, ESP3 accounts for employee self assesment, and training program deployment.
Training program implemented	Y	3/20/2023	4/30/2023		N		Program will be developed and implemented after line item 4 is complete
Site and department procedures have been implemented, including applicable Emergency Response Plans, Fuel Supply Management, and applicable O&M procedures	Y	2/1/2023		15%	N		Genera continues coordinating with PREPA on this checklist item through various workstreams.
<b>8 Procedures</b>							
New Procedures fully developed and trained	Y		4/30/2023		N		Initial discussions have taken place with PREPA and an information request has been submitted.
All new personnel have completed applicable training program	Y		4/30/3023		N		Prerequisite items to be addressed first
<b>11 Contracts</b>							
Review of applicable contracts	N	2/15/2023	3/17/2023	25%	N		Following requests for information, contracts have been provided by PREPA to Genera for review. Review continues to progress.
Determinations of contracts - Retention of existing contracts - New contracts entered	N	2/15/2023	4/30/2023	15%	N		Taking place in parallel with the review where possible
Contractor partners in place to support O&M needs	Y		4/30/2023		N		

PRELIMINARY CHECKLIST ITEM	Required for O&M Services? (Y / N)	Start Date	Due Date	Progress (% Complete)	Completed? (Y / N)	Amt Spent (US\$)	Status Notes
<b>15 Project and Workload Management</b>							
16 Work Management System implemented	Y		4/30/2023		N		Work relating to this section of the handover checklist will commence at a later date after prerequisite work is completed (hiring of positions, finalization of procedures)
17 Project teams in place with training items 4+ weeks out	N		4/30/2023		N		
18 Work plans for first 4 weeks identified	Y		4/30/2023		N		
19 Introductory meeting with Plant Technical Services lead and the Pod Manager supporting the specific plant	Y		4/30/2023		N		
20 Plant Manager and Pod Manager agreed on formed project teams	Y		4/30/2023		N		
<b>21 HSSE and Regulatory Compliance</b>							
22 Permit and current status of compliance reviewed with PREPA functional area leads (with HSSE Support)	Y	2/8/2023	3/17/2023	30%	N		Working sessions continue between Genera and PREPA to review permits, current status and compliance.
23 Risk assessments reviewed with PREPA functional area leads and updated where necessary	Y	2/22/2023	4/30/2023	10%	N		Working session with PREPA continue.
24 Safety and HazMat Manual implemented and trained on	Y	2/8/2023	3/31/2023	25%	N		Most of the information received has been reviewed. Some information requested is still pending to be received.
25 Permits reviewed and deconstructed with HSSE support	Y	2/8/2023	4/30/2023	15%	N		Review and deconstruction continues.
26 Authorized Operator/Signatory changed to Genera PR on applicable permits	N	2/23/2023	4/30/2023	10%	N		P3A has sent notice to PREPA to confirm list of existing permits and plans. PREPA has to confirm or edit list and resubmit by 3/8/2023. Following receipt of this, efforts to notify the applicable agencies appointing/recognizing Genera PR as the operator of record and allowing signator delegation (where needed) will commence. PREPA will remain the "owner" of all permits. Genera will just be a party to the permit.
27 For sites under jurisdiction of the Consent Decree, EPA has authorized Genera as Operator	Y	2/7/2023	4/30/2023	10%	N		Progress is beeing made to achieve this task by conituing comunication with PREPA and EPA.



SITE: General Compliance (all sites)

PRELIMINARY CHECKLIST ITEM	Required for O&M Services? (Y / N)	Start Date	Due Date	Progress (% Complete)	Completed? (Y / N)	Amt Spent (US\$)	Status Notes
<b>IT</b>							
28 Transition of FCC licenses	Y		4/30/2023	20%	N		Strategy for transition in development.
29 Established DOA from PREPA to Genera PR to reassign account accesses, where applicable							Currently evaluating not only with PREPA but LUMA as well to ensure there are no issues of entanglement, verify who is responsible, and who manages the various accounts. Meetings have been held with PREPA and LUMA and additional requests for information requesting further supporting documentation and detail that has not yet been received.
30	Y		4/30/2023	15%	N		
<b>LUMA Coordination</b>							
31 Communication established with LUMA dispatch (agree to initial agreed operating procedures set in the Gridco-Genco Operating Agreement)	Y		4/30/2023		N		Work relating to this section of the handover checklist will commence at a later date after prerequisite work is completed
32 Jointly, with LUMA, identify the requirements and procedures for the annual performance and heat rate testing for each unit	Y		4/30/2023		N		
33 Align on dispatch schedule for first 4 weeks and ready to support	Y		4/30/2023		N		
<b>Fuel Management</b>							
34 Fuel inventory adequate for dispatch schedule	Y		4/30/2023		N		Inventories to be verified at a later date
35 Fuel delivery schedule adequate to match long-term dispatch projection	Y		4/30/2023		N		Delivery schedule will be verified at a later date
<b>Spare Parts</b>							
36 Site team and Genera PR have reviewed current inventory	Y		3/31/2023		N		General discussions have commenced and requests for information submitted to PREPA - most recently on 2/22/2023. External support has been identified and onboarding process commenced. Internal support has been identified
37 Inventory is understood and support continued operations	Y		4/7/2023		N		
38 Identify all necessary consumables, spare parts, and capital spares for first 12 months of operations (with communication of this to PREPA and PREB)	Y		4/7/2023		N		
<b>Relations and Communications</b>							
39 Establish communication with potential site-level union officials	Y		4/30/2023		N		Strategy is under internal review.
<b>Finalization</b>							
40 Genera PR and PREPA Functional Area Leaders have agreed handover is ready	Y		4/30/2023		N		This line item will only be available for completion once all other required line items of this checklist are complete