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Legal Update: PREB Approves Second Temporary Power Generation Contract

The Puerto Rico Energy Bureau (“PREB”) issued a [Resolution](#) and Order in Case No. NEPR-MI-2024-0005 addressing the continued procurement of temporary emergency generation to stabilize Puerto Rico’s electric system. As part of this proceeding, PREB noted that the Second Proposed Contract provides approximately 200 MW of capacity at the San Juan port through Mobile Sea Generation Units (Floating Power Plants).

Key Determinations

- PREB continues to oversee an expedited process to secure temporary emergency generation due to ongoing system instability and a significant island-wide generation deficit.
- PREB determined that the terms and conditions of the Second Proposed Contract are prudent, reasonable, and aligned with the public interest.
- PREB approved the Second Proposed Contract as presented in PREPA’s January 23 Motion.
- PREPA was ordered to file the approved contract immediately with the Financial Oversight and Management Board for Puerto Rico (“FOMB”) for its review and approval.

PREB’s approval—explicitly confirming the 200 MW capability at San Juan—signals continued momentum in the deployment of temporary emergency generation. Stakeholders with operational, commercial, or industrial interests should monitor subsequent filings and approvals, as these will affect deployment timelines, commercial structures, and PREPA’s broader system-stabilization planning efforts.

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