

PUERTO RICO
**PUBLIC-PRIVATE
PARTNERSHIPS**
AUTHORITY



Partnership Committee Report

LNG to H2 Combined Cycle Generation Plant Project

November 6, 2024

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Executive Summary

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Introduction

On November 6, 2024, following an extensive and competitive procurement process that spanned over 21 months, the Partnership Committee (the “**Partnership Committee**”), established by the Puerto Rico Public-Private Partnerships Authority (the “**P3 Authority**”) pursuant to Section 5 of the Puerto Rico Electric System Transformation Act, Act No. 120-2018, as amended (the “**Transformation Act**”), determined to recommend to the board of directors of the P3 Authority (the “**P3 Authority Board**”) that the long-term power purchase and operating agreement (“**PPOA**”) be awarded to Energiza LLC (“**Energiza**”). The PPOA provides for the ownership, development, construction, management, and operation of a new combined-cycle generating facility (“**LNG to H2 Generation Facility**”) with multiple fuel capabilities, including hydrogen fuel capability (the “**CCGT Project**”). This LNG to H2 Generation Facility will be responsible for the supply and sale of electricity to the Puerto Rico Electric Power Authority (“**PREPA**”).

Energiza

Energiza is a special purpose company composed of two (2) primary shareholders, Tropigas de Puerto Rico (“**Tropigas**”) and Cratos Project Services PR LLC (“**Cratos**”), owning 65% and 35% respectively. In addition to Tropigas and Cratos, Energiza’s team members include Mitsubishi Power Americas Inc (“**Mitsubishi Power**”), as the chosen original equipment manufacturer, and NAES Corporation (“**NAES**”), as the provider of operation and maintenance services.

Tropigas is well established in the propane market in Puerto Rico. Since 1959, the group has been engaged in the importation, marketing, and distribution of liquefied petroleum gas and related products in Puerto Rico. It sells around 33 million gallons per year from 25 bottling plants located around the island, and also services various islands in the Greater Antilles. Tropigas is the majority shareholder of Energiza and brings extensive regulatory knowledge and a history of successful business and service in Puerto Rico.

Cratos is a Puerto Rico company with experience developing power projects in the Americas and a targeted focus in Latin America. Cratos focuses on identifying, structuring, and developing financeable power generation projects.

Mitsubishi Power, headquartered in Lake Mary, Florida, employs more than 2,500 power generation, energy storage, and digital solutions experts and professionals. Mitsubishi Power’s power generation solutions include gas, steam, and aero-derivative turbines, powertrains and power islands, geothermal systems, photovoltaic (“**PV**”) solar project development, environmental controls, and services.

NAES is the power generation industry’s largest independent services provider, dedicated to optimizing the performance of energy facilities worldwide and responsible for managing more than 50,000 megawatts (“**MW**”) of generation. The NAES family of companies, comprising 4,000+ team members, provides an unparalleled wealth of experience in operations, maintenance, fabrication, grid management, regulatory compliance, and technical support to build, operate and maintain both traditional and renewable resources.

Background and Description of the Procurement Process

The Partnership Committee’s recommendation of awarding the CCGT Project to Energiza marks another important milestone in the transformation of Puerto Rico’s electric system into a modern, sustainable, reliable, efficient, cost-effective, and resilient system. A new combined cycle LNG to H2 Generation Facility that is multi-fuel capable, with the ability to run primarily on natural gas, ultra-low sulfur diesel (as backup fuel) and eventually transitioning to 100% green hydrogen in the future, will significantly contribute to the reliability and resiliency of Puerto Rico’s electric grid, the diversification of energy sources and the reduction of cost and reliance on fossil fuels. The establishment of a public-private partnership (“**PPP**”) enables the Government of Puerto Rico (the “**Government**”)

to bring private sector investment, engineering, procurement, construction, operation and maintenance expertise to achieve these goals.

On August 3, 2022, the Puerto Rico Energy Bureau (“**PREB**”), which pursuant to the Puerto Rico Energy Transformation and RELIEF Act, Act No. 57-2014, as amended (“**Act 57**”), is tasked with regulating, monitoring, and enforcing the energy public policy of the Government, ordered the P3 Authority to launch a competitive procurement process for the establishment of the CCGT Project (“**PREB’s August 2022 Order**”). In accordance with PREB’s August 2022 Order, Section 8 of the Public-Private Partnership Authority Act, Act No. 29-2009, as amended (“**Act 29**”), and Resolution No. 2023-03 of the P3 Authority Board, on February 21, 2023, the P3 Authority established the Partnership Committee for the CCGT Project. On March 1, 2023, the P3 Authority issued a Request for Qualifications (the “**RFQ**”), in response to which it received eight (8) Statements of Qualifications (“**SOQ**”).

On May 22, 2023, the Partnership Committee selected the following six (6) experienced and reputable respondents (the “**Qualified Respondents**”) to participate in the next phase of the process: (i) CH4 Green Energy, LLC (“**CH4 Green Energy**”), (ii) Eco-Renovable, LLC (“**Eco-Renovable**”), (iii) Haina Investment Co., Ltd. (“**HIC**”), (iv) InterEnergy Group Limited (“**InterEnergy**”), (v) Karpower International B.V. (“**Karpower**”), and (vi) Energiza.

On August 22, 2023, the P3 Authority issued a Request for Proposals (“**RFP**”) for the CCGT Project. The RFP required each of the Qualified Respondents to submit as part of its proposals: (i) a technical and plant performance proposal, (ii) a schedule and implementation timeline, (iii) a price proposal, (iv) a financial capability analysis, (v) a ready to execute mark-up of the form of PPOA, and (vi) a letter of credit or other form of mutually agreed security, including bid bonds, to secure the commitment to execute the PPOA (the “**Bid Security**”) to be provided upfront to the P3 Authority together with the proposal.

CH4 Green Energy, Energiza LLC, and Karpower each submitted proposals in response to the RFP (each, a “**Proposal**”) on March 15, 2024. Following a detailed review and analysis of all three (3) Qualified Respondents’ Proposals, the Partnership Committee recommended that Energiza be selected to execute the PPOA for the CCGT Project.

Partnership Committee Recommendation

As discussed in greater detail in this report, given that Energiza’s Proposal fully complied with both the requirements of Act 29, Regulation No. 8968 of May 4, 2017, also known as the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts, under Act No. 29-2009, as amended (the “**Act 29 Regulation**”), and the requirements of the RFP, the Partnership Committee recommended that Energiza be awarded the CCGT Project based on the fact that it received the highest Total Proposal Score (as defined below).



Introduction

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As required by law, this Partnership Committee Report (the “**Report**”) has been prepared pursuant to:

- Section 8(b)(vii) and Section 9(g)(i) of Act 29;
- Section 5 and Section 10 of the Transformation Act; and
- Section 8.1 of the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Partnership Contracts and Sale Contracts for the Transformation of the Electric System under Act No. 120-2018, as amended (the “**Regulation**”).

Except as provided in Exhibit A hereto (*Defined Terms*), capitalized terms used but not otherwise defined in this Report have the meaning ascribed to them in, as applicable, Act 29, the Transformation Act, the Regulation, or the RFP.

This Report has been prepared in accordance with the Partnership Committee’s recommendation to the P3 Authority Board that the CCGT Project be awarded to Energiza.

On July 29, 2024, following a process of more than 21 months, the Partnership Committee voted to recommend to the P3 Authority Board that Energiza be selected to execute the PPOA for the CCGT Project (“**Selected Proponent**”). As required by Section 9(g) of Act 29, the Partnership Committee has prepared this Report to describe the procedures followed in the procurement process for the award of the PPOA and the reasons for its decision. In particular, this Report describes, pursuant to Section 9(g) of Act 29, the following considerations:

1. the public policy, environmental compliance, social welfare, and economic development objectives the P3 Authority seeks to address through the implementation of the CCGT Project;

2. the process leading to the recommended award of the PPOA, including the RFQ process, the RFP process, and the evaluation of Proposals;

3. the Partnership Committee’s selection of Energiza to engage in exclusive discussions and negotiations with the P3 Authority in connection with the CCGT Project;

4. the determination that Energiza’s Proposal is the most advantageous to the Government and the people of Puerto Rico following such exclusive negotiations, and thus that it was recommended as the Selected proponent for further discussions;

5. the Partnership Committee’s rationale for recommending to the P3 Authority Board that the PPOA be awarded to Energiza (the “**Recommended Award**”); and

6. the core elements and key provisions of the PPOA agreed with Energiza.

Act 29 provides the Partnership Committee with the authority to negotiate the terms of the PPOA, and PREPA with the authority to execute the PPOA negotiated by the Partnership Committee, subject to: (i) the approval of PREB, (ii) the approval of the P3 Authority Board and the board of directors of PREPA, and (iii) the approval of the Governor of Puerto Rico or a delegate, in each case pursuant to the Regulation (the approvals described in clauses (i) through (iii) together, the “**Required Approvals**”).

In addition, PREPA's authority to execute the PPOA with the Selected Proponent is subject to the consent of the Financial Oversight and Management Board for Puerto Rico ("FOMB") pursuant to the FOMB's contract review policy ("FOMB Consent") established pursuant to Section 204(b)(2) of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), which requires FOMB approval of all local Puerto Rico contracts with an expected value of \$10 million or more in the aggregate.

Accordingly, the PPOA was submitted to the relevant entities for the Required Approvals and to the FOMB for the FOMB Consent. On October 3, 2024, the Selected Proponent presented its Proposal to PREB. As required by Section 9(g)(viii) of the Act 29, and upon receipt of the Required Approvals and the FOMB Consent, as well as the execution of the PPOA, this Report will be: (i) filed with the Office of the Clerk of the House of Representatives and of the Senate of the Legislative Assembly of the Government of Puerto Rico (the "Legislature"), and (ii) published on the P3 Authority's website at: www.p3.pr.gov. Pursuant to Section 9(j) of Act 29, this Report, together with a final executed copy of PPOA, will also be: (A) published on the

Government's website at www.aafaf.pr.gov, and (B) announced in a newspaper of general circulation with information on where to locate a copy of this Report.

Throughout the procurement process for the CCGT Project, the P3 Authority and the Partnership Committee have received advice from various consultants to the P3 Authority (the "Consultants").¹

This Report has been prepared by the Partnership Committee and is divided into six (6) main sections:

- Section 1 – Executive Summary
- Section 2 – Introduction
- Section 3 – Project Background and Objectives
- Section 4 – Procurement Process Summary
- Section 5 – Recommended Award
- Section 6 – Conclusion



¹ Cleary, Gottlieb, Steen & Hamilton LLP ("Cleary"), FTI Consulting, Inc. ("FTI"), Nu Energy Consulting Group, LLC ("Nu Energy"), and Pietrantoni Méndez & Álvarez LLC ("PMA") acted as Consultants to the P3 Authority. Cleary and PMA provided legal advice. FTI provided technical and financial advice. Nu Energy provided energy policy and regulation advice. Finally, certain other Consultants provided advice from time to time on various specific elements of the CCGT Project.

The image shows a complex industrial structure, possibly a refinery or chemical plant, with multiple levels of metal scaffolding, pipes, and tanks. The entire scene is overlaid with a semi-transparent red and orange gradient. In the lower-left foreground, there is a large, white, hollow outline of the number '3'.

Project Background and Objectives

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3.1 Project Background

3.1.1 PREPA and the Transformation of Puerto Rico's Electric System

PREPA

PREPA is a public corporation and instrumentality of the Government, created pursuant to the PREPA Enabling Act, Act No. 83-1941, as amended. Its purpose is to provide electric power in a reliable manner, contribute to the general welfare and the sustainable development of Puerto Rico, and maximize the benefits while minimizing the social, environmental, and economic impacts of electric energy generation and distribution. As the sole electric utility in Puerto Rico, PREPA (currently through the T&D Operator and LGA Operator, as defined below) provides electricity to approximately 1.5 million customers, making it one of the largest U.S. public utilities by customers served. Out of their customers, 91% of customers are residential, 8% commercial and less than 1% are industrial.

PREPA's current priorities are focused on improving safe and reliable electric service, reducing energy costs, and protecting the environment. Strategies to achieve these objectives include:

- **reducing operating expenses;**
- **increasing efficiency;**
- **optimizing the availability of the baseload Legacy Generation Assets;**
- **diversifying energy sources and reducing reliance on fossil fuels;**
- **increasing environmental compliance; and**
- **maximizing the use of advanced and renewable technologies.**

Transformation of Puerto Rico's Electric Sector

Since 2018, the Government has worked to transform and modernize Puerto Rico's electric system. The planning, design, and operation of an isolated (not interconnected) islandbased electricity system necessarily imposes on PREPA, and Puerto Rico as a whole, significant challenges with respect to power system stability² and reliability. The Government has had to rethink how PREPA's power supply and delivery infrastructure should be managed and upgraded to ensure that it is better prepared for inevitable future weather events. A critical component of the transformation of the energy sector is the ability to bring U.S. mainland and other international best industry practices to PREPA, as well as the expertise, experience, and know-how to design and execute on a transformation through managerial continuity and long-term planning.

As part of the transformation process, the Government has sought solutions for the electric system that:

- are cost-effective and forward-looking;
- are resilient and built in accordance with codes, specifications, and standards consistent with mainland, island, and tropical U.S. electric utilities, while taking into consideration Puerto Rico's earthquake and hurricane prone areas;
- harness innovative thinking and best practices from around the world;
- align with Puerto Rico's goals to transition to clean, renewable energy as established by Puerto Rico Energy Public Policy Act, Act No.

² Power system stability refers to the ability of (i) the power generation plants and the electrical transmission and distribution system load to remain in balance during normal conditions and (ii) the power system to respond quickly to, and return to its normal state after, a power system disturbance. The power system design for island utilities must account for the lack of interconnection to other utilities. Otherwise, the power system will not be inherently stable and will suffer from load sheds and outages.



17-2019, as amended (“**Energy Public Policy Act**”); and

- contribute to the greater economic development, revitalization, and growth of Puerto Rico (in alignment with broader Government efforts to achieve fiscal and economic stability).

Legal Framework and Energy Public Policy

The first element of a thorough energy transformation was the adoption of legislation that would provide, among other things, for private sector participation in the transformation of the energy sector. The Government enacted the Transformation Act in June 2018 with the stated goal of transforming Puerto Rico’s energy system into a modern, sustainable, reliable, efficient, cost effective, and resilient one pursuant to PPPs or sale agreements with respect to the functions, services or facilities of PREPA (each such transaction, a “**PREPA Transaction**”). This Transformation Act provides

the legal framework for the transformation of the energy sector by articulating the guidelines and procedures for, among other things:

- identifying the PREPA functions, services, or facilities for which PPPs will be established;
- identifying which PREPA assets related to energy generation will be sold or transferred through sale contracts or delegated to private operators through long-term operation and maintenance agreements;
- soliciting, obtaining, and evaluating proposals for PREPA Transactions;
- selecting the entities or individuals that will enter into transformation contracts with PREPA; and
- negotiating and awarding PPP contracts for PREPA Transactions.

In addition, the Transformation Act designated the P3 Authority as the only Government entity authorized to determine and be responsible for the functions, services, or facilities for which PPPs can be established, subject to the priorities, objectives, and principles established in the energy public policy and regulatory framework developed by the Government pursuant to the Transformation Act.

The Transformation Act also set in motion the development of a new regulatory framework for the electric sector. A working group was created under the Transformation Act to develop a new energy public policy and regulatory framework, in consultation with the Southern States Energy Board and the U.S. Department of Energy, among others. The Energy Public Policy Act established a new framework for Puerto Rico's energy sector, the act was signed into law on April 11, 2019. The Energy Public Policy Act formulates Puerto Rico's energy policy through 2050 and aims to set the parameters for a resilient, reliable, and robust energy system. In particular, the Energy Public Policy Act requires planning for greater resilience through the establishment of micro-grids, distributed and renewable generation, and underground distribution lines.

In addition, as part of the Government's public policy to achieve diversification of electricity sources and energy technology infrastructure by reducing the dependence on fossil fuel-based energy sources, the Energy Public Policy Act: (i) requires that at least 20% of PREPA's energy come from renewable sources by 2022, increasing to 40% by the year 2025 and 60% by the year 2040, and reaching 100% by the year 2050, and (ii) prohibits the production of energy through the combustion of coal and its derivatives as a source of generation beginning in 2028. The Energy Public Policy Act also confirms the role of PREB as the independent entity in charge of: (i) regulating Puerto Rico's energy system with powers and duties to ensure fair, affordable, and reasonable costs through oversight and review of rates, and (ii) supervising and enforcing Puerto Rico's energy public policy.

Finally, the modernization of the regulatory framework has also taken a long-term view of the energy future of Puerto Rico. Pursuant to Act 57 requirements, PREPA is required to develop an integrated resource plan ("IRP") reflecting a detailed planning process considering all reasonable resources to satisfy the demand for electrical services over a 20-year planning horizon, which is updated every three (3) years.

PREPA submitted the **IRP** on February 12, 2019 (the "**2019 IRP**") with PREB, which was developed with the support from Siemens Power Technology, Inc., using a rigorous analytical process. It provided analysis and recommendations for PREPA's energy supply resources for the 20-year period comprising the years 2019 throughout 2038. The analyses set out in the 2019 IRP considered a large number of scenarios and incorporated input from PREPA and relevant stakeholders. The 2019 IRP establishes the importance of alternate generation sources until reaching the proposed goal for the year 2050. Following a determination by PREB that the original submission was not fully in compliance with certain PREB regulations and prior orders, PREPA submitted a revised IRP on June 7, 2019. On August 24, 2020, after a lengthy and thorough review process, PREB issued a Final Resolution and Order (the "**IRP Final Resolution and Order**") approving in part and rejecting in part the revised 2019 IRP. In the IRP Final Resolution and Order, PREB ordered the adoption and implementation of a modified action plan (the "**MAP**"), providing a roadmap to realize PREPA's modernization goals.

The MAP is based on the IRP Scenario 3, Case 2, rejecting the IRP's preferred resource plan (the "**Energy System Modernization Scenario**") following a determination that it did not demonstrate economic benefit relative to competing plans. Notwithstanding this, PREB found that the following five (5) core elements of the Energy System Modernization Scenario should be retained as part of the MAP:

- timely retirement or conversion of older steam plant infrastructure into synchronous condensers;
- energy efficiency deployment to the maximum amount obtainable;
- maximum procurement of solar PV;
- procurement of battery energy storage to meet integration requirements for renewable energy generation; and
- hardening of the transmission and distribution (“T&D”) system.

The MAP also relies on a combination of T&D system hardening and distributed resource deployment to ensure a resilient power system. The MAP estimates for plant retirements have not occurred due to a lack of replacement power supply on the T&D system.

According to Section 6.23 of Act 57, the IRP must be revised every three (3) years. After several extensions were granted for the filing of the revised IRP, LUMA Energy LLC and LUMA Servco, LLC (together, “LUMA” or, the “T&D Operator”) was supposed to file the plan by June 28, 2024. However, in a motion filed on June 28, 2024, the T&D Operator requested a further extension to May 16, 2025 because of certain difficulties with the modeling software that the T&D Operator and its technical consultant has encountered. The T&D Operator indicated in its filing that additional time was required to complete the modeling and scheduled tasks, as well as conduct stakeholder engagement meetings. PREB approved the extension of May 16, 2025 for T&D Operator to submit its full IRP proposal.

The current IRP docket is available to the public on PREB's website at: <https://energia.pr.gov/en/dockets/?docket=CEPR-ap-2018-0001>. The docket relating to the pre-filing process for the updated IRP is also publicly available on PREB's website at <https://energia.pr.gov/en/dockets/?docket=nepr-ap-2023-0004>.

3.1.2 Addressing Fiscal Challenges

Another critical component of the energy transformation involves the Government's strategy for tackling the fiscal crisis that Puerto Rico and its public corporations have been facing. Recognizing the delicate and declining fiscal condition of Puerto Rico and its government instrumentalities (including PREPA), the U.S. Congress enacted PROMESA on June 30, 2016. PROMESA provides a series of mechanisms to achieve fiscal and budgetary balance and restore access to the capital markets to spur the revitalization of infrastructure in Puerto Rico. PROMESA also established the FOMB, which is tasked with working with the Government and the people of Puerto Rico to create the necessary foundation for economic growth.

On May 3, 2017, the FOMB filed a petition for relief under Title III (“**Title III**”) of PROMESA for the Commonwealth of Puerto Rico (“**Commonwealth**”) in the United States District Court for the District of Puerto Rico (the “**Title III Court**”). On January 18, 2022, the Title III Court entered orders confirming the plan of adjustment for the Government (“**Commonwealth Plan of Adjustment**”). On March 15, 2022, the conditions precedent to effectiveness of the Commonwealth Plan of Adjustment were satisfied. Puerto Rico's central government emerged from its Title III proceedings. Accordingly, the Commonwealth Plan of Adjustment has been confirmed and is currently effective as of today. The Commonwealth Plan of Adjustment reduced Puerto Rico's total funded debt obligations from approximately \$34.3 billion of prepetition debt to approximately \$7.4 billion, representing a total debt reduction of 78%. All legacy Puerto Rico general obligation bonds, Employee Retirement System (“**ERS**”) bonds, and Public Building Authority (“**PBA**”) bonds were discharged, and all of the related Puerto Rico, ERS, and PBA obligations and guarantees were discharged. PREPA continues to engage in the in-court debt restructuring process under PROMESA. In addition, all Puerto Rico laws that required the transfer of funds from the Commonwealth to other entities have been

deemed preempted, and Puerto Rico has no obligation to transfer additional amounts pursuant to those laws. Importantly, effectuating the Commonwealth Plan of Adjustment provides a path for Puerto Rico to access the credit markets and develop balanced annual budgets.

In July 2017, the FOMB further filed a petition for relief under Title III on behalf of PREPA in order to begin the process of addressing PREPA's significant debt obligations and operational challenges. The filing resulted in an automatic stay of collection efforts against PREPA for prepetition debts. Restructuring PREPA's legacy obligations is a key component of Puerto Rico's energy transformation, and its successful conclusion will pave the way for a resilient, reliable, and affordable energy system. The Title III process has also allowed the Government, including the P3 Authority, to work closely with the FOMB and its consultants on transformation efforts. The process to restructure PREPA's debts is still ongoing.

On December 16, 2022, the FOMB filed its proposed Plan of Adjustment ("**PREPA Plan of Adjustment**") to restructure more than \$10 billion of debt and other claims against PREPA and to provide the financial stability necessary to invest in a modern, resilient, and reliable energy for Puerto Rico. The plan was amended in March 2023 and proposed cutting PREPA's unsustainable debt by almost 50%, to approximately \$5.68 billion. In June 2023, the FOMB announced that it would amend the PREPA Plan of Adjustment to reduce the debt to approximately \$2.5 billion, following a ruling by the U.S. District Court for the District of Puerto Rico to reduce bondholders' claims (the "**Lien Challenge Decision**") and updated projections for PREPA's expenses in the revised Certified PREPA Fiscal Plan.

On August 25, 2023, the FOMB filed its third amended PREPA Plan of Adjustment (as modified, amended, or supplemented, the "**Amended Plan**"). The Amended Plan incorporated settlements reached in mediation between the FOMB and (i) Vitol Inc., (ii) the Fuel Line Lenders, and (iii) National Public Finance Guarantee Corporation. It also

included a restructuring support agreement with funds and accounts managed by BlackRock Financial Management Inc. and its affiliates, with Nuveen Asset Management LLC, Franklin Advisers, Whitebox Advisors LLC, and Taconic Capital Advisors LP, who together hold over 40% of PREPA's uninsured bonds.

The latest version of the Amended Plan was filed on February 16, 2024, to incorporate the terms of a settlement the FOMB reached with the unsecured creditors' committee. The Title III Court held the confirmation hearing for the Amended Plan from March 4, 2024 to March 19, 2024. Upon its conclusion, the Title III Court took the matter under advisement. However, on June 12, 2024, the First Circuit affirmed in part and reversed in part the Lien Challenge Decision (the "**First Circuit Decision**").

On June 17, 2024, the Title III Court: (i) ordered the parties to meet and confer as to appropriate steps in response to the First Circuit Decision and any further submissions or litigation that may be necessary to conclude the Amended Plan confirmation proceedings for PREPA, and proposed timetables therefor, and (ii) scheduled a status conference for July 10, 2024, to address what further submissions or proceedings are necessary regarding the pending Amended Plan confirmation proceeding.

On July 3, 2024, multiple parties filed a joint status report in connection with the Amended Plan and its path forward post Lien Challenge Decision. The joint status report outlines the parties' perspectives on the next steps for PREPA's restructuring.

After hearing from all parties at the July 10, 2024 status conference, the Title III Court ordered all Amended Plan related matters and litigation in the case on PREPA bondholder issues stayed for 60 days and ordered the parties to mediate the outstanding issues. Upon the mediators' request, the Title III Court has extended the litigation stay until January 2025, and ordered the parties to continue mediating.

3.1.3 Government Response – Existing PPP Program

Against the backdrop of an economic and fiscal crisis, the Government sought to move forward in its economic and disaster recovery by investing in infrastructure, people, and the environment. The Government focused on developing a strategy to manage and upgrade PREPA's power supply and delivery infrastructure to ensure that it is better prepared for inevitable future weather events. A critical component of the transformation of the energy sector is the ability to bring to bear U.S. mainland and other international best industry practices to PREPA, as well as the expertise, experience, and know-how to design and execute on a transformation through managerial continuity and long-term planning.

For several years, Puerto Rico has been one of the few U.S. jurisdictions with an organized PPP program. Through these PPP, the Government sought to rebuild to, among other things, restructure PREPA's legacy debt obligations. Additionally, the Government aimed to use the recovery process to not only jumpstart a long-term revitalization of the Puerto Rican economy, but also to upgrade Puerto Rico's electric system to be more resilient against future natural disasters and to transition to renewable energy. In the months following September 2017, the Government spent substantial time and resources to bolster the legal framework for PPPs in the electric sector in order to attract and harness private sector creativity and resources, with a view towards fully delivering on the economic, infrastructure, and societal goals identified by the Government. Even before the enactment of the Transformation Act and the Regulation, the Government enacted Act 29 and promulgated the Act 29 Regulation, in order to finance infrastructure projects and provide multiple public services.

By providing clarity, uniformity, and certainty with respect to PPP selection and contracting, Act 29 and the Act 29 Regulation comprise one of the most robust legal frameworks for PPPs in the

Americas. In particular, Puerto Rico's PPP program is guided by the following five (5) key components of a successful PPP program identified by the World Bank Group: *clear public policy, strong legal framework, clear processes and institutional responsibility, responsible financial management, and good governance arrangements*, each of which is described in more detail below.

1. **Clear Public Policy** – Puerto Rico's PPP program clearly articulates: (i) the Government's intent to use PPPs to deliver public services and (ii) the objectives, scope, and implementation principles of the PPP program.
2. **Strong Legal Framework** – Puerto Rico's PPP program is grounded in a strong legal framework that sets the rules and boundaries for how PPPs are implemented.
3. **Clear Processes and Institutional Responsibility** – Puerto Rico's PPP program provides a detailed, clear, and consistent process by which PPP projects are identified, developed, appraised, implemented, and managed, and sets forth the roles of different entities involved in that process.
4. **Responsible Financial Management** – Puerto Rico's PPP program requires responsible public financial management that ensures PPPs provide value without placing undue burden on future generations.
5. **Good Governance Arrangements** – Puerto Rico's PPP program provides for governance arrangements that allow other entities, such as auditing entities, the Legislature, and the public, to participate in PPP projects.

Act 29 provides that the public policy with respect to PPPs must be to maintain such controls as are necessary to protect the public interest while balancing the need for controls with the profit-making purpose of any private operation. As described in Section 3.1.1 hereof (*PREPA and the Transformation of Puerto Rico's Electric System*), the P3 Authority is a public corporation

of the Government affiliated with the Puerto Rico Fiscal Agency and Financial Advisory Authority (known by its Spanish acronym, “AAFAF”) as part of the fiscal and economic component of the Government. The P3 Authority is designated as the sole Government entity authorized and responsible for implementing the Government’s public policy on PPPs and for determining the functions, services, and facilities for which PPPs are to be established.³

Act 29 recognizes the need for PPPs to allow for the development of infrastructure and other projects by delegating the risks inherent to such development or service to the party that is best capable of assessing and managing such risks, improving services, creating new jobs, and developing Puerto Rico’s economy and competitiveness. Likewise, these partnerships enable the Government to make infrastructure projects feasible when the funds needed to complete a project are not available in the public treasury.

Existing PPP Projects

The robustness of the Act 29 framework is evidenced by the success of a number of existing PPP projects. Over the past decade, the Government has had success in harnessing best industry practices, expertise, experience, and know-how to its infrastructure projects by entering into PPPs with private sector participants in other industries pursuant to the framework set forth in Act 29. These projects include: (i) the long-term concession of toll roads PR-22 and PR-5 that was awarded in 2011 (the “**Toll Roads Project**”), (ii) the long-term lease agreement for the Luis Muñoz Marín International Airport that was awarded in 2013 (the “**LMM Airport Project**”), (iii) the long-term operation and maintenance agreement for PREPA’s T&D transformation awarded in 2020 (the “**T&D Project**”), (iv) the operation and maintenance

agreement between the Puerto Rico and Island Municipalities Maritime Transportation Authority (the “**MTA**”), HMS Ferries – Puerto Rico, LLC and HMS Ferries, Inc. (collectively, “**HMS**”) to operate and maintain the MTA’s ferry system, including the operation and maintenance of vessels and related facilities for the municipal ferry service provided in the key routes of Cataño-San Juan and Ceiba-Culebra-Vieques that was awarded in 2020 (the “**Ferries Project**”), (v) the concession agreement awarded in 2022 between the Puerto Rico Ports Authority and the San Juan Port LLC to repair, improve, operate, and maintain the public cruise terminals and related facilities (the “**San Juan Bay Cruise Terminals Project**”), (vi) PREPA’s 10-year operation and maintenance agreement for the operation, maintenance, and decommission of the legacy generation assets, awarded in 2023 (the “**LGA Project**”), and (vii) the concession agreement awarded in October 2023 between the Puerto Rico Highways and Transportation Authority and the Puerto Rico Tollroads, LLC to operate, manage, rehabilitate, toll, and expand the toll roads (the “**Toll Roads Monetization Project**”). In each of these cases, the Government sought to strike a balance between Government and private sector participation through a mutually beneficial contractual relationship that results in the efficient, effective, and affordable delivery of public goods and services to all people of Puerto Rico.

The P3 Authority has continued its remarkable trajectory of recognition by recently being awarded *Procurer of the Year* at the 2024 P3 Awards, building on its previous accolade as *Organization of the Year – Public Sector* at the 2021 international awards ceremony. This latest honor highlights the P3 Authority’s outstanding leadership and execution of large-scale transformative projects that greatly improve Puerto Rico’s economic and social environment.

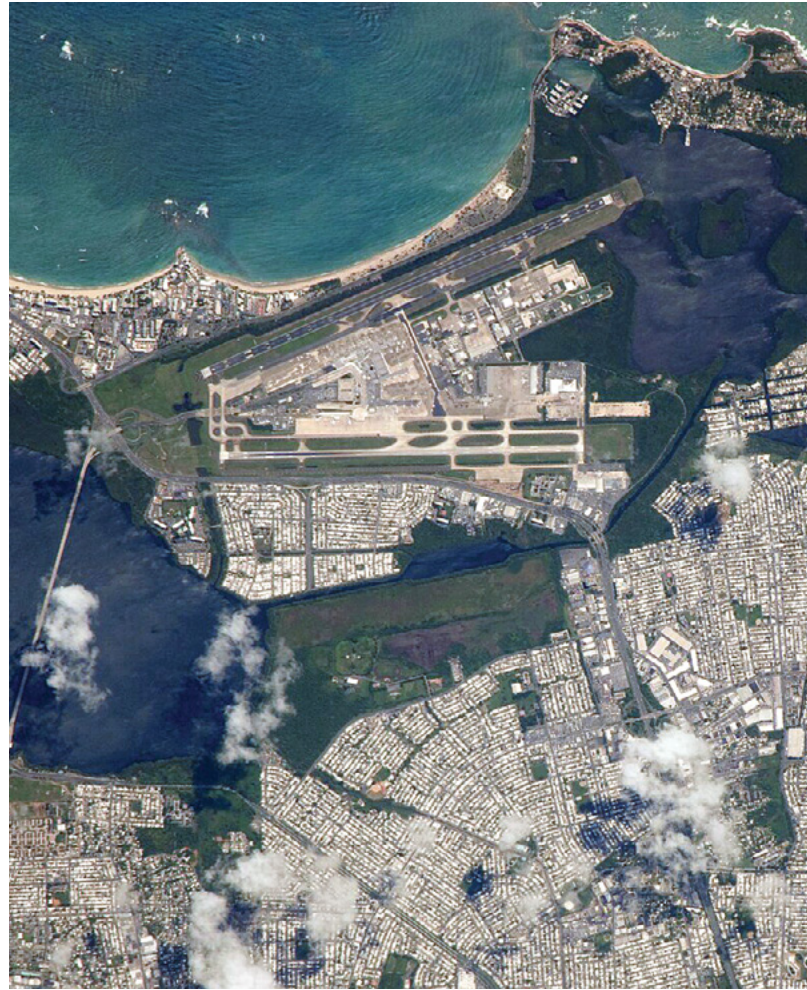
³ In addition, Act 29 expressly states that it is the public policy of the Government to favor and promote the establishment of PPPs and further authorizes all departments, agencies, public corporations, and instrumentalities, as well as municipalities and the legislative and judicial branches of the Government, to use the establishment of PPPs in accordance with the process specified therein. Act 29 also prohibits the Government from legislating to limit the powers or rights granted to the P3 Authority and partnering government entities, like PREPA, under Act 29 until the obligations under an executed PPP contract are satisfied.

The Toll Roads Project

The Toll Roads Project was initially structured as a 40-year concession agreement (the “**Toll Roads Agreement**”) between Autopistas Metropolitanas de Puerto Rico LLC (“**Metropistas**”), a consortium composed by Goldman Sachs Infrastructure Partners and Abertis Infraestructuras, and the Puerto Rico Highway and Transportation Authority (“**PRHTA**”) for the maintenance and operation of two highways, PR-22 and PR-5. Pursuant to the Toll Roads Agreement, Metropistas made an up-front payment to PRHTA in the amount of \$1.08 billion and committed to make certain investments to upgrade toll roads PR-22 and PR-5 and bring them to world-class standards. The Toll Roads Agreement provides that revenues generated by the toll roads belong to Metropistas. The Toll Roads Project was the first concession of its type successfully achieved in Puerto Rico and was internationally recognized as a successful PPP project, winning both Project Finance International’s *Deal of the Year in the Americas* award and the American Road and Transportation Builders Association’s *Project of the Year* award in 2011.

The LMM Airport Project

The LMM Airport Project was structured as a 40-year lease agreement (the “**LMM Airport Agreement**”) between the Puerto Rico Ports Authority (“**PRPA**”) and Aerostar Airport Holdings LLC (“**Aerostar**”), a partnership between Grupo Aeroportuario de Sureste S.A.B. de C.V. and Highstar Capital IV, L.P., to operate the Luis Muñoz Marín International Airport, the busiest airport in the Caribbean with the largest air cargo operation in Puerto Rico. Pursuant to the LMM Airport Agreement, Aerostar made an up-front payment to PRPA in the amount of \$615 million, agreed to annual payments equal to a percentage of airport revenues, and committed to make certain investments to upgrade the airport facilities. Like in the Toll Roads Project, the LMM Airport Agreement provides that revenues belong to Aerostar. The LMM Airport Project was the first PPP completed for an international airport under the Federal



Aviation Administration Pilot Program and was also internationally recognized as a successful PPP project, winning Project Finance International’s *Deal of the Year* award in 2013.

The Ferries Project

The Ferries Project was structured as a 23-year operation and maintenance agreement between MTA and HMS to operate and maintain the MTA’s ferry system, including the operation and maintenance of vessels and related facilities for the municipal ferry service provided in the key routes of Cataño-San Juan and Ceiba-Culebra-Vieques. The Ferries Project was meant to ensure operational safety and quality of service provided to customers, modernize public services and build a stronger and more resilient infrastructure, introduce operational efficiencies, increase resources available for vessel maintenance and

service improvement, and reduce the public sector subsidy of the MTA's operations. The Ferries Project operation and maintenance agreement was signed on October 27, 2020. The Ferries Project was also nominated for the *Project of the Year – Transportation*.

San Juan Bay Cruise Terminals Project

The San Juan Bay Cruise Terminals Project was structured as a 30-year concession agreement awarded in 2022 between the Puerto Rico Ports Authority and the San Juan Cruise Port LLC to repair, improve, operate, and maintain certain public use cruise terminals and related facilities. Additionally, the project focused on the design, build, and financing of Ports of San Juan passenger piers and on performing capital improvements



and optimizing its operations to strengthen Puerto Rico's position as a world-class tourist destination. This project closed on February 14, 2024. This project was recognized as the *Best Transportation Project/ Transportation Facility* at the 2024 P3 Awards, underscoring its transformative impact on Puerto Rico's tourism infrastructure.

Toll Roads Monetization Project

The Toll Road Monetization Project ("**Monetization Project**") was structured as 40-year concession agreement by and between the Puerto Rico Highways and Transportation Authority ("**PRHTA**") and the Puerto Rico Tollroads, LLC (the "**Concessionaire**"), a limited liability company organized and existing under the laws of the Government. Under the terms of the agreement, the Concessionaire will operate, manage, rehabilitate, toll, and expand the toll roads. The Monetization Project contemplates an upfront direct payment of \$2.85 billion to the bankrupt PRHTA at financial close, which will allow the public corporation to pay off its debt, and a private capital investment of over \$2.37 billion to modernize and improve the infrastructure, quality, and safety of the island's toll roads. The concession will bring over 1,000 direct and indirect jobs. The Monetization Project's agreement was signed on October 16, 2023. This project received two (2) awards: (i) the 2023 *North America Transport Deal of the Year* by IJ Global Award, and (ii) the 2023 *North America PPP deal of the Year* by Proximo.

Transition to Operation of PREPA's Assets by Private Operators

Through the establishment of two (2) PPP projects, the Government was able to transition to private operation of PREPA's assets, specifically PREPA's electric power T&D system and certain of its base-load generation plants and gas turbine peaking units.

The T&D Project

In December 2018, the P3 Authority commenced the procurement process for the T&D Project. On June 22, 2020, following an extensive, transparent, and competitive procurement process that spanned over 18 months, the P3 Authority announced that PREPA entered into a 15-year contract (“**T&D O&M Agreement**”) with LUMA Energy LLC and LUMA Servco, LLC (together, “**LUMA**” or, the “**T&D Operator**”), pursuant to which the T&D Operator would operate, maintain, and modernize Puerto Rico’s T&D system. LUMA Energy LLC is a Puerto Rico company formed by Canadian Utilities Limited, an ATCO Ltd. energy and utilities company, and Quanta Services, Inc. The T&D Project was the first PPP entered into with the goals of transforming the energy system, and under the Transformation Act. The T&D Operator began operating Puerto Rico’s T&D system on June 1, 2021. For this project, the P3 Authority was also a finalist in the P3 Awards 2021 for *Project of the Year – Utilities*.

The LGA Project

In August 2020, the P3 Authority launched the procurement process for the LGA Project, which included the operation, maintenance, and eventual decommissioning, where applicable, of certain base-load generation plants and gas

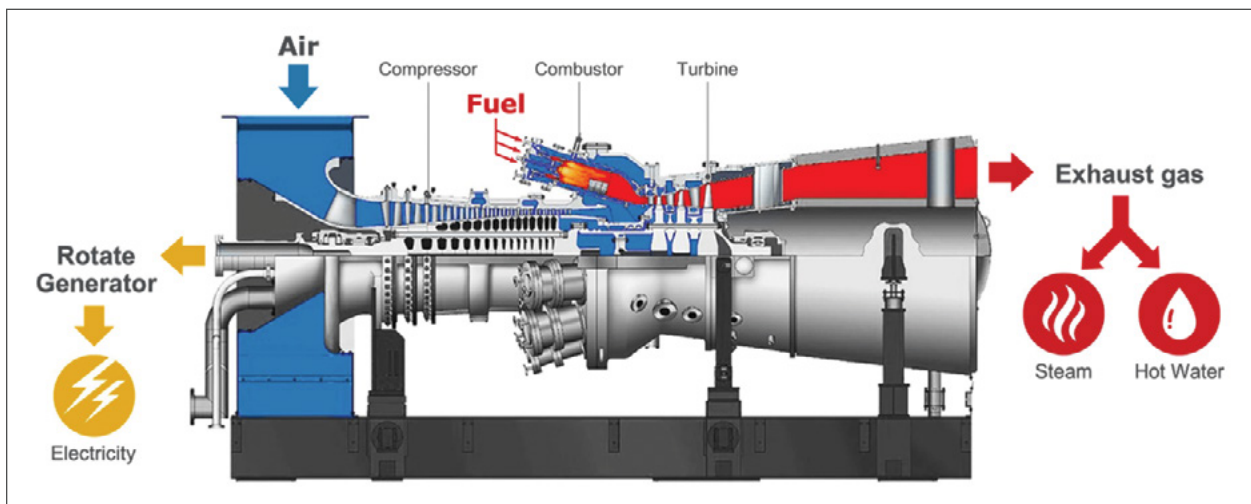
turbine peaking plants (the “**Legacy Generation Assets**”). This project was the second phase of the Government’s mission to transform Puerto Rico’s electric system into a modern, renewable, sustainable, reliable, efficient, cost-effective, and resilient system. After an extensive, transparent, and competitive procurement process that lasted more than 24 months, on January 24, 2023, the P3 Authority and PREPA entered into a 10-year operation and maintenance agreement (the “**LGA O&M Agreement**”) between PREPA and Genera PR LLC (“**Genera**” and, in such capacity, the “**LGA Operator**”), a Puerto Rico limited liability company and a wholly owned subsidiary of New Fortress Energy Inc. The LGA O&M Agreement was signed on January 24, 2023, and Genera began operating the Legacy Generation Assets on July 1, 2023.

New Generation Projects

The Legacy Generation Assets are nearing the end of their useful lives and thus the next phase in the transformation process consists of developing new generation capacity in line with the IRP and Puerto Rico’s energy public policy.

Renewable Projects

In February 2021, September 2022, and July 2023, PREB launched the Tranche I, II, and III procurement



Schematic of How Hydrogen Technology Works

processes for the development of renewable energy generation assets and energy storage resources (the “**Renewable Projects**”). The Tranche I procurement process resulted in PREPA entering into 17 long-term PPOAs with private partners. The Tranche II procurement process concluded, and three (3) long term PPOAs with private partners were executed, totaling 120 MW (two (2) of which are for solar PV and one (1) for a standalone Battery Energy Storage System). Tranche III and IV are currently underway.

CCGT Project

On March 1, 2023, the P3 Authority began the procurement process for the CCGT Project, which represents the next critical phase in PREPA’s transformation process. This new procurement for a LNG to H2 Generation Facility capable of using hydrogen as fuel will significantly contribute to the reliability and resiliency of Puerto Rico’s electric grid, as well as reduce costs and facilitate the economic recovery of the island. The CCGT Project will be the first ever power plant with hydrogen fuel capability to be built and operated in Puerto Rico. In addition to being the first of its kind, as a project capable of utilizing hydrogen fuel in Puerto Rico, the introduction of hydrogen in the fuel mix will help reduce the carbon emission intensity in a significant way as compared to non-hydrogen fuel. Green hydrogen is one of the cleanest fuel sources with minimal environmental impacts, as the byproducts are simply heat and water. Displacing existing highly polluting power assets in the non-attainment areas of San Juan / Palo Seco power plants can improve the environment in the area and benefit Puerto Rico’s air quality by adopting this type of newer, cleaner technology. The use of hydrogen as a fuel will have minimal impact on performance or maintenance of the power plant while continuing to maintain high thermal efficiency. While there are several power plants globally that are capable of utilizing a hydrogen and natural gas fuel blend, currently there are very few large scale commercially operating power plant that runs on 100% hydrogen fuel.

Hydrogen Gas Turbine Technology and Its Impact

The world currently stands at the precipice of a transformative era marked by massive shifts in the way we generate, store, and use energy. Successfully navigating these changes requires innovative energy solutions that can place us closer to achieving the future we envision. With the potential to create a cleaner, more sustainable energy landscape that benefits the environment, our economy, and our society, hydrogen gas turbine technology represents progress on this journey.

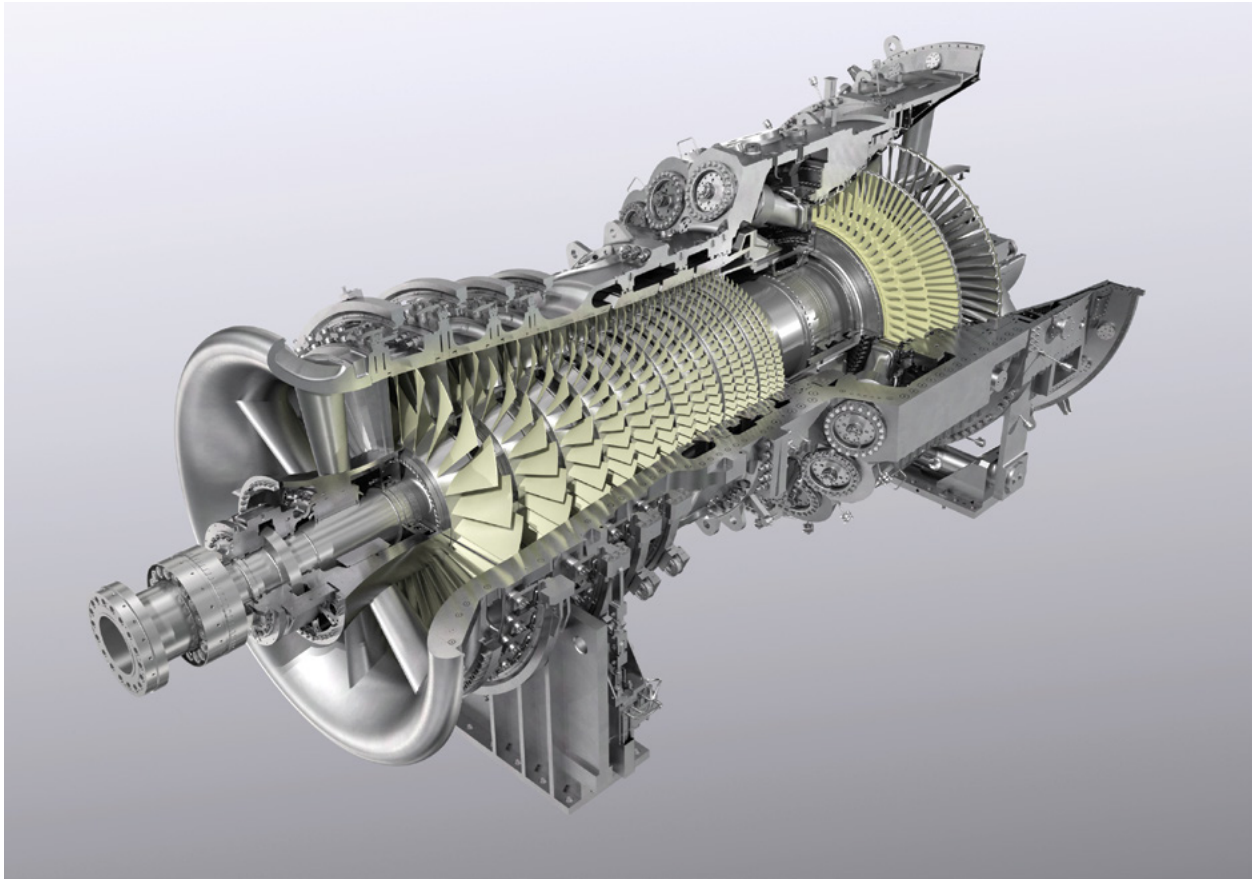
In addition to its CO2 emissions reduction benefits, hydrogen gas turbine technology provides several positives for the future of the energy sector and society. Retrofitted power plants utilizing hydrogen fuel can achieve a higher power output and improved efficiency compared to standard gas-fired systems.

By effectively reducing greenhouse gases, hydrogen gas turbine technology acts as a meaningful step forward in building carbon-free power generation. The widespread adoption of this technology could act as a catalyst for further change as we move towards a net-zero world.

3.1.4 Outlook and Challenges of Power Generation in Puerto Rico

Currently, the metropolitan areas in the northern parts of Puerto Rico have the highest load demand, while the majority of the electric power is generated in the island’s south. This imbalance leads to a high level of T&D line losses across the island. Recent natural disasters, specifically Hurricane Fiona, further aggravated this geographic supply-demand mismatch by impacting some of the transmission capability from south to north and affecting the generation in the south.

On October 31, 2024, the T&D Operator published the results of its third Resource Adequacy Study prepared pursuant to the T&D O&M Agreement. This report assesses the adequacy of current



electricity supply resources in Puerto Rico to reliably serve anticipated electricity demands during the fiscal year of July 1, 2024, to July 30, 2025 ("FY 2025"). Although there have been improvements to the system since the second report, the general findings in this report do not deviate from those presented in 2023. The latest Resource Adequacy Study concluded that:

- The power generation resources interconnected to Puerto Rico's electric grid are inadequate to provide electricity service at the degree of expected reliability for U.S. electric utilities.
- The frequency of generation-caused load shed is likely to persist in FY 2025, primarily due to the age and underinvestment of the existing PREPA owned generators in the electrical system. Both in the resource adequacy forecast and in the recent historical data, the average number of days resulting in generation-caused load shed is above three (3) days per month;
- Puerto Rico's loss of load expectation ("LOLE") for FY 2025 is 36.2 days per year, which is 362 times higher than the U.S. utility industry benchmark of one day in ten years (0.10 days per year). This means that, for fiscal year 2025, it is estimated that there will be 36.2 days per year (on average) on which electricity demand will not be met by the existing generation supply. This LOLE is significantly higher than other LOLE calculations in similar islands;
- The 340 MW of emergency temporary generation added by FEMA after Hurricane Fiona has improved the LOLE and reduced the risk of insufficient generation. After 2025 it is not certain how long these emergency generation units will continue to operate; and,
- To help reduce the risk of long-term load-shed, improvements in the overall generation plant availability, and the addition of dependable bulk supply resources would reduce the risks of resource shortfall.

In order to minimize the risk of future generation outages, the Resource Adequacy Study identified the following risk mitigation measures:

- a. improvement of PREPA legacy generation plant availability to ensure there is sufficient resource adequacy to meet forecasted energy demand;
- b. addition of incremental bulk permanent supply resources to help reduce the risks of shortfalls;
- c. increase of generation resources on a permanent basis;
- d. minimization of generation-related load shed events by coordinating plant outages, including moving them to an earlier or later date, in order to make up for the potential generation shortfalls due to forced outages; and,
- e. emphasis on demand side mitigation efforts, including a demand response program, increased customer outreach (related to energy efficiency), and voluntary conservation efforts to help reduce demand on the grid during peak hours.

However, there is a very high risk in assuming the existing legacy generation availability can be significantly improved. This is due to the age (in some cases in excess of 60 years old) and poor condition of the plants. This illustrates the importance of the CCGT Project to the improvement of Puerto Rico's energy system, as it will create more generation resources for the forecasted energy demand. The addition of the new LNG to H2 Generation Facility is expected to positively impact resource adequacy. It is predicted that this power plant will reduce LOLE by 74% (from 36.2 days to 9.4 days) and decrease the loss of load hours ("LOHL") by 79% (from 154.2 hours to 33.0 hours).

The Resource Adequacy Study, as filed with PREB, is available on PREB's website at: https://energia.pr.gov/wp-content/uploads/sites/7/2024/10/20241031-MI20220002-Resource_Adequacy-1.pdf.

3.1.5 Foundations of a Sustainable Energy Transformation

Modernizing the Energy Sector

Given Puerto Rico's geographic location and susceptibility to extreme weather events, there has been a progressive focus on transitioning Puerto Rico's electric system towards cleaner renewable energy sources that by their nature support resiliency and guard against the devastating effects of another hurricane. Consistent with the Energy Public Policy Act and other applicable law, the IRP and the Electric Grid Modernization Plan for Puerto Rico (the "GMP") contemplate transforming the energy system through the incorporation of more renewables, micro-grids, and distributed energy resources, which will ultimately drive economic opportunities and customer wellbeing.

The GMP was developed by the Central Office for Recovery and Reconstruction ("COR3") and the P3 Authority, in conjunction with PREPA, to provide a roadmap for the implementation of projects to transform the energy system through a detailed action plan tailored to Puerto Rico. The GMP adds granularity to the Government's vision to transform the electric system and sets the foundation for turning this vision into action with a view towards achieving a modernized, standardized, resilient, and distributed electric system in Puerto Rico, in accordance with the public policy set forth by the Transformation Act and the Energy Public Policy Act.

The programs and initiatives set forth in the GMP are guided by the following five (5) core pillars for permanent reconstruction set forth in the Transformation Act and the Energy Public Policy Act: *customer-centricity, resiliency, reliability, affordability, and sustainability*, each of which is described in more detail below.

1. **Customer-Centricity** – The GMP seeks to ensure that the existing generation assets required to serve the peak load of the PREPA customers remain reliably available during the transition period as Puerto Rico moves toward natural gas and renewable resources, and to provide PREPA customers with transparent metrics for quality of service.

2. **Resiliency** – The GMP is centered on the concept of achieving an electric system that is able to adequately withstand future extreme weather and man-made events. As stated in the GMP, this requires continuous improvement of PREPA's emergency preparedness capabilities, including measures to support effective preparation for, management of, and timely recovery from major weather events.

3. **Reliability** – The GMP seeks to transform the electric system such that it provides best-in-class and reliable electric service, which is essential for all residents' well-being and economic development. Best-in-class power service requires meeting the growing demands of electricity users. The GMP contemplates increasing the reliability of the generation assets by engaging a third-party operator to take responsibility for operating and maintaining the existing units until they are retired.

4. **Affordability** – The GMP seeks to: (i) transform the electric system to provide electric service at a cost that is reasonable to all residents and businesses by maximizing operational efficiency and financial stability in running the utility and (ii) minimize the cost of supply and reduce the dependence on imported fuels (and the associated volatility), in order to support affordable rates while remaining in line with the core pillars of resiliency and reliability.

5. **Sustainability** – The GMP is centered on the concept of achieving a safe electric system that is a leader in environmental stewardship. This requires not only a trained and engaged workforce, but also a transition from an electric system centered on fossil fuels to one in which renewable resources play a central role.

Securing Federal Funding

Another key component of the energy transformation involves the Government's efforts to secure federal disaster assistance funding to help rebuild Puerto Rico in the aftermath of natural disasters. These efforts have been essential not only to the recovery of Puerto Rico, but also to the ability to attract private sector investment. Market participants interested in contributing to PREPA's transformation have consistently stressed the importance of securing the federal government's

support for the transformation efforts, particularly federal recovery funding.

In order to effectively procure and deploy Puerto Rico's federal funding needs, the Government has established a robust, centralized organizational framework that promotes transparency, governance, and accountability. The COR3 serves as the nerve center of this effort. COR3 is based on similar agencies that have been successfully deployed in post-disaster situations by other U.S. jurisdictions, including New York, New Jersey, and Louisiana.

COR3 has been responsible for, among other things: (i) overseeing public and private sector efforts related to financial management of recovery funds, (ii) subrecipient monitoring, (iii) providing training and technical assistance, (iv) performing internal auditing, and (v) conducting the reimbursement review process. Through these efforts, the Government was able to secure emergency supplemental appropriations of over \$40 billion for the recovery and reconstruction of Puerto Rico. Of this amount, it is estimated that a large portion will be appropriated for the energy system, based on eligible work, though a relatively small portion will be appropriated for generation projects.

In February 2020, FEMA published the Public Assistance Alternative Procedures (Section 428) Guide for Permanent Work (FEMA-4339-DR-PR) (the "**428 Guide**"). The 428 Guide is applicable to large permanent work projects in Puerto Rico for critical service facilities and provides that cost estimates for funding eligible projects will be developed by FEMA. Certain cost estimates may be subject to validation by a FEMA-funded third-party independent panel (the "**Independent Panel**"). The USACE Cost Engineering Center of Expertise acts as the Independent Panel under the 428 Guide. Expert Panel review is available under certain circumstances, including, among others, at an applicant's request for projects with a cost estimate greater than \$5 million. Allowable costs for estimates include architectural, engineering, environmental review and design fees, construction, other restoration and reconstruction costs, hazard mitigation, and direct administrative costs.

To support its work, COR3 hired various third-party experts with extensive global experience in disaster recovery and reconstruction efforts, including experts with experience in: (i) project formulation and grant management, (ii) technology solutions, software development, and report and data management, (iii) strategy, compliance, and financial management, and (iv) energy-related matters.

3.1.6 Background for the Combined Cycle Generation Plant Project

On June 7, 2019, PREPA prepared and submitted to PREB an IRP that considered all reasonable resources – whether existing, new traditional or alternative sources – to satisfy the demand for electric power services over a 20-year planning horizon. As part of this plan, PREPA integrated the inclusion of a combined-cycle gas turbine (the "**Original CCGT Plant**") to be located at Palo Seco power plant ("**Palo Seco**") by 2025.

On August 24, 2020, PREB issued its final resolution and order accepting and rejecting in part PREPA's integrated resource plan. Specifically, in this order, PREB concluded that PREPA had not supported the inclusion of the Original CCGT Plant as part of a least-cost plan. However, out of an abundant of caution and to provide backup for any delays in the procurement process/development of renewable utility-scale generation resources, PREB did allow PREPA to spend up to \$5 million for preliminary economic siting, permitting, and planning analysis for a combined cycle generation plant at Palo Seco. PREB allowed PREPA to proceed with a scoping and feasibility study for a plant with approximately 300 MW. PREB instructed PREPA to submit quarterly progress reports describing the work performed, the staffing or consultant resources used to complete the preliminary work, and the status of the overall preliminary efforts of the Original CCGT Plant.

PREPA submitted monthly status reports and worked towards a draft of a feasibility study, but this study was delayed. On December 15, 2021, PREPA submitted motions to PREB proposing to relocate the Original CCGT Plant from Palo Seco to the San Juan area near the San Juan steam plant.

PREB's August 2022 Order expressed concern over the 14-month delay, the lack of site for the proposed Original CCGT plant, and the delays in the targeted timeline for the procurement of renewable resources. In this order, PREB ordered PREPA to notify the P3 Authority about PREB's

Unit	Available Capacity (MW)	Commercial Operation Date (Yr.)	Planned Retirement (Yr.)	Estimated Remaining Useful Life after 2019	Reason for Retirement
AES_1	227	2002	2027	8	PPA Expiration
AES_2	227	2002	2027	8	PPA Expiration
Aquirre 2 CCGT	260	1977	2025	6	Expected Retirement Due to Age
Aquirre STEAM 1	450	1975	2019	0	Planned Retirement Due to Age, Condition and Cost of MATS Compliance
Aquirre STEAM 2	450	1975	2019	0	Planned Retirement Due to Age, Condition and Cost of MATS Compliance
Costa Sur 5	410	1972	2020	1	Planned Retirement Due to Age, Condition and Cost of MATS Compliance
Costa Sur 6	410	1973	2020	1	Planned Retirement Due to Age, Condition and Cost of MATS Compliance
Palo Seco 3	216	1961	2025	6	Expected Retirement Due to Age and Cost of MATS Compliance
Palo Seco 4	216	1970	2025	6	Expected Retirement Due to Age and Cost of MATS Compliance
San Juan 7	100	1965	2023	4	Expected Retirement Due to Age and Cost of MATS Compliance
San Juan 8	100	1969	2021	2	Expected Retirement Due to Age and Cost of MATS Compliance
San Juan 6 CCGT	200	2008	2025	6	Expected Retirement Due to Age and Unit Efficiency
GT Peakers	378	Various	2021	2	Planned End of Life Due to Age and Condition

Workpaper Source: Generation Remaining Life & Retirement Reason.xlsx

determination regarding the establishment of the RFP process for the CCGT Project. PREB stated this CCGT Project should be dual burning for natural gas and hydrogen or have the ability to convert and burn hydrogen and located at any location in Puerto Rico. After receiving notice from PREPA, the P3 Authority began initiating the RFP process for the CCGT Project and launched the commencement of the competitive procurement process in alignment with PREB's August 3 resolution and order.

On February 21, 2023, the P3 Authority set up a committee to oversee the establishment of a procurement process for the CCGT Project. The CCGT Project contemplates PREPA entering into a long-term PPOA with a private partner to design, finance, construct, own, and operate the LNG to H2 Generation Facility and to sell the electricity to PREPA.

The LNG to H2 Generation Facility represents the next critical phase in PREPA's transformation process. As outlined in the current IRP⁴, PREPA estimates approximately 13 units will need to be retired in the next ten (10) years, which will lead to substantial capacity deficits if not addressed. These retirements will significantly reduce the available generation capacity on the island, removing more than 3,600 MW of capacity. This reduction poses a substantial risk to the reliability and stability of Puerto Rico's energy supply, particularly as these retirements coincide with growing energy demands. The table below outlines the specifications of the units and highlights several reasons attributed to such need for retirement, such as units reaching the end of their useful lives because of costs, compliance shortfalls, and deterioration.

According to the MAP, PREB has approved the retirement plans for the oil-fired steam resources at

⁴ Puerto Rico Integrated Resource Plan 2018-2019, Rev (2), 6/7/ 2029.

San Juan, including units 7, 8, 9 and 10, and at Palo Seco – units 3 and 4, as well as Aguirre steam units 1 and 2. Additionally, PREB has also approved the retirement plans for Aguirre combined cycle units 1 and 2. Alternatively, PREB has approved a plan to repair and operate Costa Sur units 5 and 6 in the short term.

Although not included in the chart above, PREB rejected the plan for retirement of the 18 existing gas turbine peakers at Daguao, Yabucoa, Jobos, Vega Baja, Palo Seco, Aguirre and Costa Sur with the proposed replacement of these with a new set of gas turbines. PREB ordered PREPA to establish a retirement schedule for the worst performing of the 18 units and found that it may be reasonable to consider some limited thermal peaker replacement but not for all.

Additionally, the IRP specifically excludes seven (7) units that cannot run in their current condition and advanced age as shown below.

	Generation Units	Capacity (MW)
Steam Turbine (MATS Affected)	Costa Sur 3 ST	85
	Costa Sur 4 ST	85
	Palo Seco 1 ST	85
	Palo Seco 2 ST	85
	San Juan 9 ST	100
	San Juan 10 ST	100
Gas Turbine	Cambalache 1 GT	83
Total		623

Source: PREPA, Siemens.

Note: San Juan 9 may be substituted for San Juan 7 or 8 without material impacts to model results.

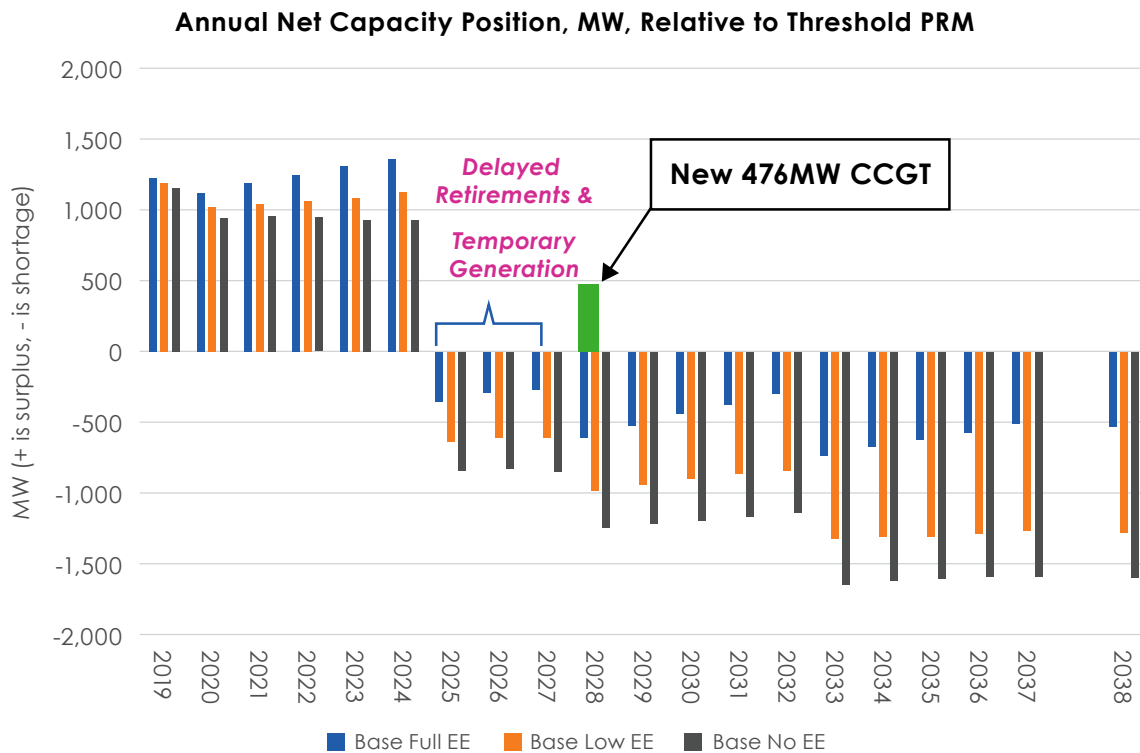
Given the above, PREPA is left in a situation with a high potential of significant generation resource shortfalls. Unfortunately, as a result of the delays in the Renewable Project, the above retirements have been delayed. It is clear that Puerto Rico's existing power generation infrastructure is aging, with many plants nearing the end of their operational lifespans. As these plants retire, the island faces a substantial risk of capacity shortages as illustrated by recent projections.



Due to the situation with the existing degraded generation, resource shortfalls were further studied by LUMA in the Resource Adequacy studies and which resulted in the need for temporary generation resources. While the temporary generation resources provide short-term solutions, these units are very expensive to operate and maintain.

PREPA has to maintain a generation reserve margin in order to operate the system reliably, which was defined in the Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority as a “Planning Reserve Margin” or “PRM”. It is usually equal to twice the largest units in the system divided by the historic load. Figure 3 below, taken from the IRP, illustrates that, without intervention, the island will experience significant capacity deficits. These deficits are driven by the combination of plant retirements, reduced availability of existing resources, and the limitations of renewable energy sources, which, while essential for long-term sustainability, are variable and cannot fully replace the retiring baseload generation without adequate backup. As such, the introduction of the LNG to H2 Generation Facility is essential to mitigate the impending capacity shortfall and ensure grid reliability.

FIGURE 3. PREPA ANNUAL NET POSITION, MW, EXISTING RESOURCE BASE WITH PROJECTED CLOSURES, RETIREMENTS, AND REDUCED AVAILABILITY



In light of the above, the procurement of this new LNG to H2 Generation Facility capable of using hydrogen as fuel will significantly contribute to the reliability and resiliency of Puerto Rico’s electric grid, as well as reduce costs and facilitate the

economic recovery of the island. The CCGT Project is an innovative and novel project – it will be the first ever power plant with hydrogen fuel capability financed, built and operated in Puerto Rico.

3.2 Project Objectives

The Government’s overarching mission is to transform Puerto Rico’s energy system into a modern, sustainable, reliable, efficient, costeffective, and resilient one. Consistent with the foregoing, this CCGT Project is intended to achieve the following objectives for Puerto Rico’s generation resources:

- provide additional dispatchable, flexible, efficient, and reliable electricity generation;
- create an electric system that is a leader in environmental stewardship;
- introduce private sector engineering, procurement, construction, and operational and maintenance expertise;
- reflect industry best practices and operational excellence, including compliance with environmental requirements; and
- facilitate Puerto Rico’s transition to PREPA’s Vision for the Future of Power in Puerto Rico described in the IRP.

The Government determined that these objectives would be best achieved through a procurement with a world class private operator that would be able to bring its experience, expertise and best practices from the U.S. mainland and other jurisdictions. The private operator would need to have the appropriate experience managing power generation operations, as well the technical, operational, and financial wherewithal to successfully own, construct, design, develop, and maintain a new combined cycle gas turbine plant.

More specifically, potential private operators would have to demonstrate: (i) technical and operational capabilities with combined cycle power plants with gas and steam turbine technology, (ii) financial capabilities to develop structured transactions and demonstrate ability to raise or obtain financing, and (iii) deep understanding of the power and electric utility industry, especially as it applies to operating and dispatching generation units as part of a large-scale electric utility.

The CCGT Project will provide generation capacity with a view towards improving resource adequacy on the island. Given the goals and plans to transform and modernize Puerto Rico's energy system, the CCGT Project supports the ongoing efforts of strengthening the reliability of power generation on the island.

Consistent with the principles set forth in Section 204(b)(2) of PROMESA, the CCGT Project is intended to "promote market competition" by harnessing private sector creativity and resources to help fully deliver on the economic, infrastructure, and societal goals identified by the Government. Furthermore, the CCGT Project is consistent and compliant with the PREPA Fiscal Plan, certified as of June 23, 2023 (the "**Certified PREPA Fiscal Plan**") by the FOMB.





Procurement Process

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4.1 Partnership Committee

Act 29 and the Regulation require that the P3 Authority establish a Partnership Committee for each PPP project. Accordingly, the P3 Authority established the Partnership Committee for the CCGT Project on February 21, 2023. Pursuant to Section 5(c) of the Transformation Act, the P3 Authority must designate a Partnership Committee (as required by Act 29) to evaluate and select Qualified Respondents and to establish and negotiate the terms of the PPOA. Section 3.2 of the Regulation requires that the Partnership Committee be composed of:

- the executive director of the AAFAF or his/her delegate;
- the officer of the partnering Government entity directly concerned with the PPP project or his/her delegate;
- one member of the board of directors of the partnering Government entity (or the Secretary, if it's an agency), or an official thereof selected by the P3 Authority Board based on him/her having specialized knowledge pertinent to the project under consideration by the relevant partnership committee; and
- two officials from any Government entity chosen by the P3 Authority Board for their knowledge and experience in the type of project under consideration by the relevant partnership committee.

As of the date of the Recommended Award, and pursuant to the requirements summarized in the paragraph above, the Partnership Committee comprised the following individuals:

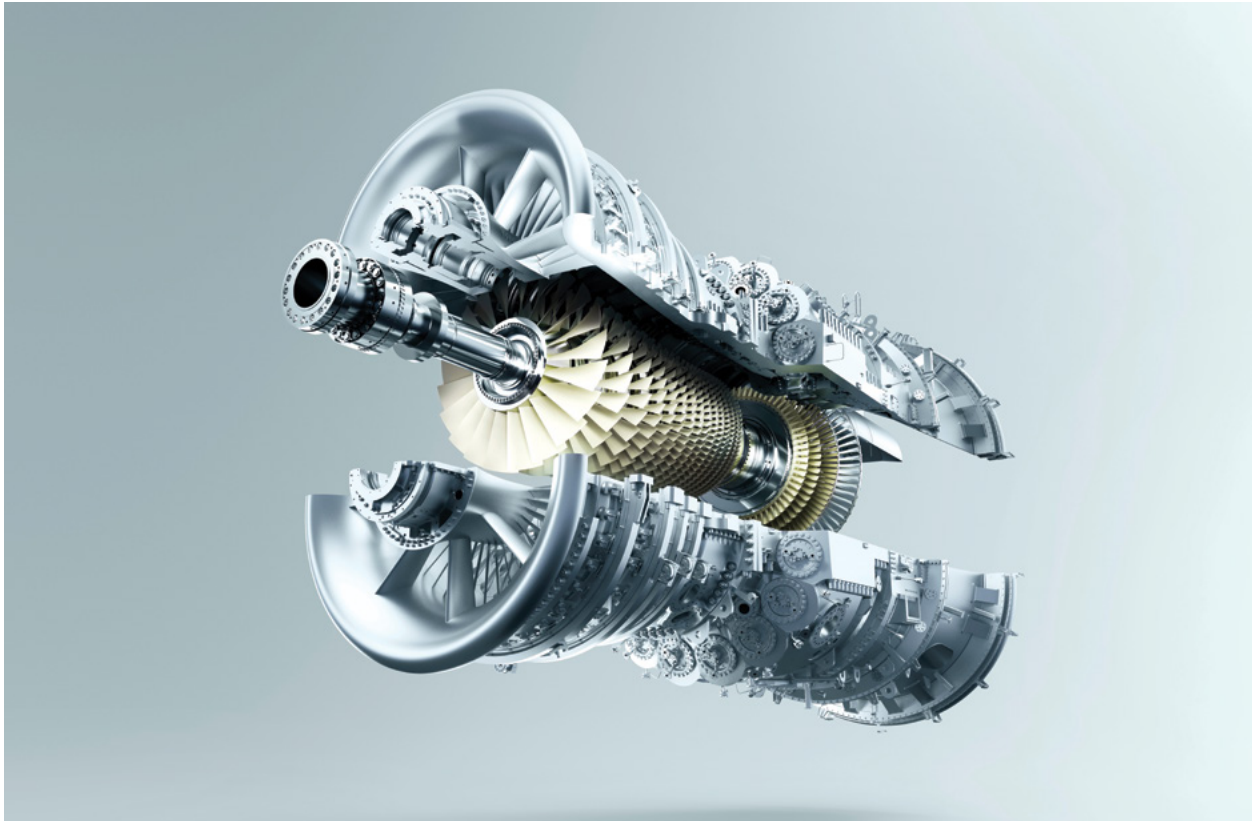
- **Omar Marrero Díaz, Esq.**, *Executive Director & Chairman of AAFAF and Secretary of State of the Government;*

- **Josué A. Colón Ortiz, PE**, *Executive Director of PREPA;*
- **Francisco Berríos Portela, PE**, *Chairman of Governing Board of PREPA;*
- **Memphis Cabán Rodríguez, PE**, *Member of Governing Board of PREPA;* and
- **Sylvia B. Ugarte Araujo, Esq.**, *PREB's Associate Commissioner.*

As a result of his appointment as Chairman of the Governing Board of PREPA, Francisco Berríos Portela became a member of the Partnership Committee on September 29, 2021, replacing Fernando Gil-Enseñat, who previously resigned from the Governing Board of PREPA. Similarly, on September 23, 2024, Sylvia B. Ugarte Araujo became a member of the Partnership Committee, replacing Edgardo Contreras Aponte who resigned from public office.

Pursuant to Section 8 of Act 29, the Partnership Committee is responsible for the overall management of the process for the award of the CCGT Project and determining the Recommended Award, including:

- engaging or contracting advisors, experts, or consultants on behalf of the P3 Authority;
- approving documents prepared and distributed in connection with the RFQ Process and the RFP process;
- evaluating and qualifying the SOQs submitted in response to the RFQ;
- inviting the Qualified Respondents to participate in the RFP process;



- engaging in, or supervising, the negotiation of the terms and conditions of the PPOA with the Qualified Respondents;
- evaluating the Proposals submitted and selecting the one that meets the requirements of the RFP and better serves the goals of the CCGT Project and the people of Puerto Rico;
- maintaining a book of minutes of the Partnership Committee's meetings;
- preparing the Report and submitting the PPOA for the Required Approvals; and
- overseeing proper compliance with the procedures established for the negotiation of the PPOA, the determination of the Recommended Award, and the execution of the final PPOA, including those requirements set forth in Act 29, the Transformation Act, and the Regulation.

4.2 Qualification Process

On March 1, 2023, the P3 Authority issued the RFQ pursuant to Section 5 of the Transformation Act and Section 3 of Act 29. Pursuant to Section 2.2 of the RFQ, the objective of the RFQ was to enable the Partnership Committee to identify the respondents so qualified to participate in the RFP process based on its SOQs, which were due on April 10, 2023 (the "**SOQ Submission Deadline**").

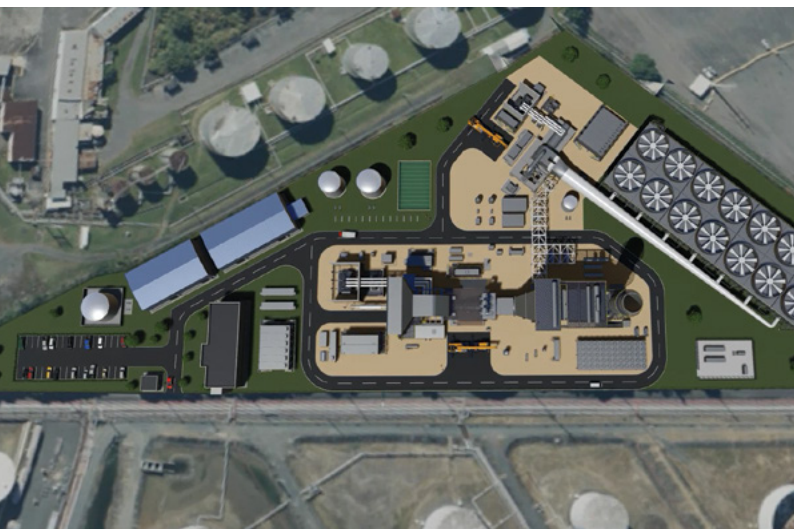
Section 2 of the RFQ provided that the RFQ Process sought SOQs from companies or consortia that demonstrated, among other things:

- capabilities and experience developing, constructing, installing, testing, operating, managing and maintaining combined-cycle multiple fuel power generation facilities;

- experience operating with various fuel types including natural gas, natural gas and hydrogen blends, and oil fuels;
- financial stability and capital resources;
- demonstrated technical expertise, with a track record of high-quality, safe, and reliable operations;
- experience in financing merchant or Independent Power Producer generation plants;
- experience and demonstrated ability to coordinate with a largely Spanish-speaking workforce; and
- experience complying with regulatory and permitting approvals in Puerto Rico or substantially similar jurisdictions.

As set forth in Section 3.2 of the RFQ, the RFQ contemplated PREPA entering into a long-term contract pursuant to which: (i) the private partner would identify a suitable site location to design, permit, finance, construct and install the LNG to H2 Generation Facility and (ii) would then sell, and PREPA would buy, the net electric output of the LNG to H2 Generation Facility. In addition, the private partner's rights and responsibilities were expected to include, among other things:

- identification of a suitable location and performance of any necessary site preparation for the LNG to H2 Generation Facility (including, but not limited to, site clearing, potential demolition, decommissioning (for locations with existing facilities) and other tasks related to readying a site for construction), as well as factoring requirements and interconnections for fuel, water, emissions, and T&D injection point;
- in coordination with the T&D Operator, fund and conduct a system stability study to define suitable power injection locations in the T&D system;
- design, construction, and installation of the LNG to H2 Generation Facility according to the specifications listed in the RFP;
- design, construction, and installation of all equipment and facilities necessary to interconnect the LNG to H2 Generation Facility to the T&D system, including all metering equipment, relay and switching equipment, and protective devices and safety equipment to be installed;
- installation of any necessary balance of plant ("BOP") equipment including fuel supply for oil, natural gas, and natural gas/hydrogen blended fuels according to the specifications listed in the RFP;
- provision, storage, and inventory maintenance of any necessary spare and consumable parts for the LNG to H2 Generation Facility, interconnection facilities, and BOP;
- procurement and management of water or other energy or power supply for the LNG to H2 Generation Facility, if applicable;
- procurement of fuel (including natural gas, hydrogen, and diesel), including storage capacity, if applicable or, alternatively, coordination with the LGA Operator as provider for the procurement of fuel;



- synchronizing the LNG to H2 Generation Facility to the electrical system (subject to an interconnection study) and provide automatic load following services;
- applying for, and obtaining all, construction and operation permits, or modifying current site permits if an existing site is to be repurposed, with PREPA's assistance if necessary, and performing site readiness, clearing, and demolition as needed;
- day-to-day operation of the LNG to H2 Generation Facility in accordance with an interconnection agreement and the T&D Operator's System Operation Principles (as amended, supplemented or otherwise modified from time to time, the "**T&D Operator's SOP**");
- performing routine and emergency maintenance, repair, and replacement of equipment, including any BOP equipment;
- outage management and restoration;
- coordination of emergency planning, restoration, and recovery;
- interfacing with regulators, including with respect to environmental permitting; and
- financing the CCGT Project.

Pursuant to Section 2.3 of the RFQ, respondents were able to submit any requests for clarifications ("**RFCs**") they had with respect to the contents of the RFQ (each such RFC, an "**RFQ-RFC**") to the P3 Authority prior to March 27, 2023. On April 3, 2023, the P3 Authority issued responses to the RFQ-RFCs

submitted by respondents pursuant to the process established in Section 5.4 of the Regulation. The RFQ and the P3 Authority's responses to such RFQ-RFCs are available on the P3 Authority's website www.p3.pr.gov.

On or before the SOQ Submission Deadline, the P3 Authority received eight (8) SOQs from the following respondents:

- CH4 Green Energy;
- Eco-Renovable;
- HIC;
- InterEnergy;
- Karpower;
- Linde Puerto Rico B.V.;⁵
- NuevaGen Power LLC;⁶ and
- **Tropigas**;⁷

Pursuant to Section 8(b) of Act 29 and Section 3.4 of the Regulation, the Partnership Committee evaluated each SOQ based on the requirements set forth in the RFQ. Specifically, the Partnership Committee considered the extent to which respondents satisfied the evaluation criteria established in Section 4 of the RFQ based on scorecards established by the Consultants.

On May 15, 2023, the Partnership Committee met to analyze the information contained in the SOQs and score the SOQs. On May 22, 2023, based on the information included in the SOQs, the following entities were selected to participate in the RFP process:^{8,9}

⁵ This Respondent submitted an SOQ that failed to satisfy the standards set forth in the RFQ by submitting documentation that was non responsive.

⁶ This Respondent did not satisfy the requirements under the SOQ. For more information, please see the report titled "Qualification Analysis and Shortlist Report" attached as Exhibit C hereto (*Qualification Analysis and Shortlist Report*).

⁷ In their SOQ, Tropigas indicated that Energiza, a special purpose company, would be created and would ultimately be the company to submit the Proposal.

⁸ For more information on the respondents and the RFQ Process please see the report titled "Qualifications Analysis and Shortlist Report" attached as Exhibit C hereto (*Qualification Analysis and Shortlist Report*).

⁹ The following description of the Qualified Respondents was derived from their respective SOQs. Experience data and statistics are accurate as of the SOQ Submission Deadline.

CH4 Green Energy – CH4 Green Energy is a limited liability company incorporated under the laws of Puerto Rico on July 12, 2021. CH4 Green Energy is part of a group of companies (including Lindsayca Inc (“**LND**”)) that specializes in engineering, procurement, construction, management, operation and maintenance, and development of turnkey projects in the areas of electric power, oil, gas, petrochemicals, mining, and infrastructure. CH4 Green Energy offers a full service for the management of photovoltaic plants in all sizes, support upgrading of photovoltaic complexes worldwide, and development of electricity generating plants. This includes compliance with safety standards, quality assurance, and yield optimization. LND is a global organization and pioneer in the execution of oil and gas processing plants, compressor stations, power generation, and distribution facilities, and has completed more than 130 projects throughout the Americas with 35 years of history, employing more than 1,200 qualified technicians worldwide.

Eco-Renovable – Eco-Renovable is the leader of the Eco-Ren North Star Consortium, a proposed consortium among Peerless Oil and Chemicals, LLC (“**Peerless**”) and Eco-Renovable. Eco-Renovable is a Puerto Rico limited liability company, which is wholly owned by V-Financial, LLC., a Delaware limited liability company. Peerless is a wholly owned subsidiary and Puerto Rico enterprise of Sunoco LP, a Delaware master limited partnership. The local staff and owners of Eco-Renovable have been involved in prior projects with PREPA. Members of the Eco-Renovable team have also served as lead bankers on a variety of bond and equity transactions, privatizations, and PPPs, including over \$20 billion of bond underwritings. The total equity of Peerless’ parents was approximately \$6.8 billion at a calendar year end 2022.

HIC – HIC is a holding company dedicated to the management of its own assets and entities in the electricity and fuels sector. In the Dominican Republic, HIC is shareholder and operator of Empresa Generadora de Electricidad, S.A. (“**EGE Haina**”), the largest power generation company in the Dominican Republic in terms of installed capacity. EGE Haina is the largest PPP in the Dominican Republic. Since 2011, a total of 2,890 MW in new capacity have been installed in the Dominican Republic. Of that aggregate capacity, EGE Haina developed and operates almost 30% (780 MW). EGE Haina also has a majority stake in SIBA Energy Corporation (“**SIBA Energy**”), a combined cycle generator designed for operations on hydrogen that was inaugurated in 2023 in the Dominican Republic. SIBA Energy owns the Siba Energy thermoelectric power plant located in the municipality of Boca Chica, Santo Domingo province, which is operated by EGE Haina and operates on natural gas and has the flexibility to switch to hydrogen or diesel. Moreover, HIC has expanded its presence to other territories by acquiring Termoyopal, a generation company located in Colombia. This plant is comprised of 5 generation units, with a total installed capacity of 200 MW running on wellhead natural gas. Termoyopal began its commercial operations using three (3) gas turbines that currently have the capacity to burn mixtures of hydrogen and natural gas.

InterEnergy – InterEnergy has over 30 years of investment and operational experience in power generation and distribution with over 800 employees, \$500 million of revenues and \$130 million of EBITDA in average. InterEnergy's portfolio of operating assets comprises a vertically integrated utility and 27 stand-alone power generation plants located in the Dominican Republic, Panama, Jamaica, and Chile. The portfolio totals almost 2GW of installed and available capacity. InterEnergy has a renewable projects portfolio under development of 1GW in Mexico, Panama, Dominican Republic, and Chile. InterEnergy has invested, during the last years, \$1,000 million in renewable projects and in the conversion of the thermal assets into gas ones to decarbonize their matrix generation.

Karpower – Karpower is an international power generation company, and member of Karadeniz Energy Group, founded in Istanbul, Turkey, that has had innovative energy investments for the past 25 years globally. Today, the company owns and operates 6,000 MW installed capacity worldwide, including 36 floating power plants ("**Powerships**"), liquefied natural gas ("**LNG**") assets, land-based plants, and renewable investments. Karpower is the only owner, operator, and builder of the world's first Powership fleet. Karpower has successfully completed 19 projects around the world. Karpower offers a one-stop-shop tailor-made solution to its customers through an integrated business model where the design, development, engineering, and construction of the entire assets are developed in-house. Karpower has more than 2,600 direct employees from 21 different nationalities and creates employment for additional 10,000 co-workers for the construction of the Powerships. Karpower has supplied and/or is currently supplying reliable, uninterrupted, and clean energy to countries like Brazil, Indonesia, Senegal, Ghana, New Caledonia, Lebanon, Ivory Coast, Gambia, Sierra Leone, Guinea Bissau, Guinea Conakry, Mozambique, and Iraq. Karpower is also a gas-to-power company, with an all-integrated LNG supply chain for locations where domestic natural gas is not available or not enough to satisfy the increasing demand. Karpower's mission is to facilitate and accelerate the migration to cleaner fuels and LNG for all its host countries.



Tropigas – Tropigas and its team members Cratos, Mitsubishi Power, and NAES, specified in its SOQ that a newly created special purpose company named Energiza would be the entity that would submit the Proposal for the CCGT Project. Tropigas is well established in the propane market in Puerto Rico. Established in 1959, the group is engaged in the importation, marketing, and distribution of liquefied petroleum gas and related products in Puerto Rico, sells around 33 million gallons per year from 25 bottling plants located around the island and also services various islands in the Greater Antilles. Tropigas group is the majority shareholder of Energiza and brings extensive regulatory knowledge and a history of successful business and service in Puerto Rico. Cratos, the other remaining shareholder of Energiza, is a Puerto Rico company with experience developing power projects in the Americas, with a targeted focus in Latin America. Cratos focuses on identifying, structuring, and developing financeable power generation projects. Mitsubishi Power, headquartered in Lake Mary, Florida, employs more than 2,500 power generation, energy storage, and digital solutions experts and professionals. Mitsubishi Power's power generation solutions include gas, steam, and aero-derivative turbines, powertrains and power islands, geothermal systems, PV solar project development, environmental controls, and services. NAES is the power generation industry's largest independent services provider, dedicated to optimizing the performance of energy facilities worldwide and responsible for managing more than 50,000 MW of generation. The NAES family of companies, comprising 4,000+ team members, provides an unparalleled wealth of experience in operations, maintenance, fabrication, grid management, regulatory compliance, and technical support to build, operate and maintain both traditional and renewable resources.

4.3 Request for Proposals

4.3.1 RFP and RFP Addenda

On August 22, 2023, the P3 Authority issued the RFP to Qualified Respondents pursuant to Section 5 of the Transformation Act and Section 3 of Act 29. The RFP process sought binding Proposals from entities that had been pre-qualified in the RFQ process. The objective of the RFP process was to enable the Partnership Committee to determine the Qualified Respondent best qualified to enter into the PPOA, based on the binding Proposals.

The P3 Authority issued eight (8) addenda to the RFP to, among other matters: (i) revise the timeline and key milestones of the RFP process and other terms set forth in the RFP, (ii) update the communication processes and procedures to be used to implement the RFP

process, including the evaluation criteria and weighting to be applied to the binding Proposals and the Proposal submission instructions, and (iii) distribute certain transaction documents provided to the Qualified Respondents prior to March 15, 2024, the date on which binding Proposals were ultimately due (the "**Proposal Submission Deadline**"). The addenda were issued on September 20, 2023, December 22, 2023, February 7, 2024, February 23, 2024, April 15, 2024, May 2, 2024, May 29, 2024, and June 27, 2024.

As indicated below, certain transaction documents were distributed by addenda to the RFP, and the P3 Authority also distributed documents to the Qualified Respondents using an online data room via the Ansarada® website

("Ansarada" or the "Data Room").¹⁰

During the period from September 2023 through December 22, 2023, the Qualified Respondents received the following three (3) drafts of the form of PPOA:

- an initial draft of the form of PPOA (the "**Initial Draft of Form of PPOA**"), distributed on September 20, 2023, as part the first addendum to the RFP;
- a revised draft of the form of PPOA (the "**Revised Draft of Form of PPOA**"), distributed on October 20, 2023; and
- the final draft of the form of PPOA (the "**Final Form of PPOA**"), distributed on December 22, 2023, as part of the second addendum to the RFP.

Pursuant to the process set forth in the RFP, prior to submission of the Proposals, certain of the Qualified Respondents: (i) provided written comments and mark-ups to the various drafts of the form of PPOA and (ii) met with the P3 Authority and the Consultants via teleconference in advance of providing written comments for the Initial Draft of the PPOA and the Revised Draft of the Form of PPOA in October 2023 and November 2023, respectively.

HIC formally withdrew from the RFP process on October 09, 2023.¹¹ Eco-Renovable notified the P3 Authority on January 31, 2024, of its decision

to withdraw as a Qualified Respondent and not to proceed in the RFP process.¹² InterEnergy did not submit a binding Proposal on or prior to the Proposal Submission Deadline.¹³

4.3.2 Due Diligence

Throughout the RFP process, the Qualified Respondents were provided the opportunity to review transaction documents regarding the CCGT Project.

Data Room

After signing confidentiality agreements, in August 2023, the Qualified Respondents were given access to the Data Room with information and key documents related to the CCGT Project. Specifically, 113 documents related to this transaction were uploaded to the Data Room, including the following:

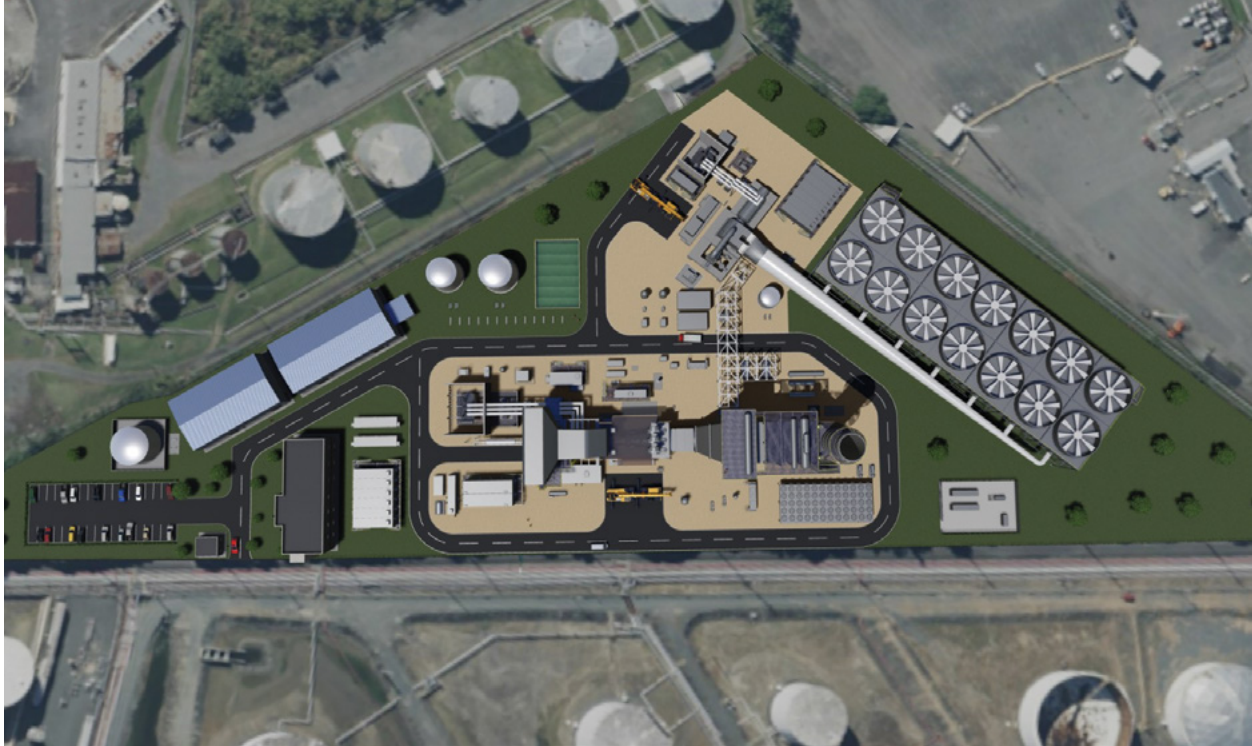
- the published RFP and its corresponding eight (8) addenda;
- the drafts of the form of PPOA (Initial Draft of Form of PPOA, Revised Draft of Form of PPOA, and the Final Form of PPOA);
- all RFCs received throughout the process together with the answers thereto, unless a Qualified Respondent requested and received confidential treatment; and

¹⁰ Ansarada® is a digital platform that uses the PROCURE software, which has provided significant value in the management of procurement for the CCGT Project. Specifically built to manage P3 procurement, the platform's foundation is virtual data room technology for secure, auditable collaboration between unlimited internal and external stakeholders. Using the systems reporting tools, the project administrators have a live view into the progress of key aspects of the procurement, the engagement of bidders with contract documents and outstanding action items that need to be addressed. Any of the activity within the room can be generated into a report for probity purposes, providing a clear audit trail quickly and easily to show transparency in the procurement process.

¹¹ Of the transaction documents distributed to Qualified Respondents, HIC received the Initial Draft of Form of PPOA issued as part of the first addendum to the RFP. HIC elected not to proceed in the RFP process after receiving the Initial Draft of Form of PPOA. Accordingly, HIC did not participate in meetings to discuss the transaction documents.

¹² Of the transaction documents distributed to Qualified Respondents, Eco-Renovable received the Initial Draft of Form of PPOA issued as part of the first addendum to the RFP, the Revised Draft of Form of PPOA, and the Final Form of PPOA issued as part of the second addendum to the RFP. Eco-Renovable did not submit a mark-up or issues list to the Initial Draft of Form of PPOA. After a follow-up communication from the P3 Authority, Eco-Renovable confirmed its interest in remaining in the process on October 12, 2023. Eco-Renovable submitted comments to the PPOA on November 3, 2023, and participated in a meeting to discuss the transaction documents on November 8, 2023.

¹³ Of the transaction documents distributed to Qualified Respondents, InterEnergy received the Initial Draft of Form of PPOA issued as part of the first addendum to the RFP, the Revised Draft of Form of PPOA, and the Final Form of PPOA issued as part of the second addendum to the RFP. Despite being kept fully informed throughout the procurement process by the P3 Authority, InterEnergy did not provide comments to either of the three (3) drafts and did not participate in any meetings to discuss the transaction documents.



- technical documentation corresponding to interconnection matters and the T&Ds Operator's SOP.

RFP Requests for Clarification

Qualified Respondents were able to submit RFCs with respect to the contents of the RFP, the information available in the Data Room, T&D Operator's SOP and interconnection process, and other matters related to the CCGT Project (each such RFC, an "**RFP-RFC**") to the P3 Authority prior to the Proposal Submission Deadline. The RFP required that all RFP-RFCs be submitted in writing via the email address GenerationRFP@p3.pr.gov. Verbal RFP-RFCs were not accepted.

The P3 Authority generally answered RFP-RFCs in writing via email to each Qualified Respondent. RFP-RFCs were made available to all Qualified Respondents together with the answers thereto, unless the Qualified Respondent requested that an RFP-RFC be given confidential treatment, and the P3 Authority agreed that such confidential treatment was appropriate.

4.3.3 Engagement with Qualified Respondents

Each of CH4 Green Energy, Eco-Renovable, Energiza, and Karpower participated in various videoconference calls with the P3 Authority and the Consultants leading towards the submission of their Proposals, between October 2023 and March 2024.

CH4 Green Energy participated in various videoconference calls regarding the following topics on the following dates:

- videoconference call regarding comments to the Initial Draft of Form of PPOA on October 12, 2023; and
- videoconference call regarding comments on the Revised Draft of Form of PPOA on November 8, 2023.

Eco-Renovable participated in a videoconference call to discuss comments on Revised Draft of Form of PPOA on November 8, 2023.

Energiza participated in various videoconference calls regarding the following topics on the following dates:

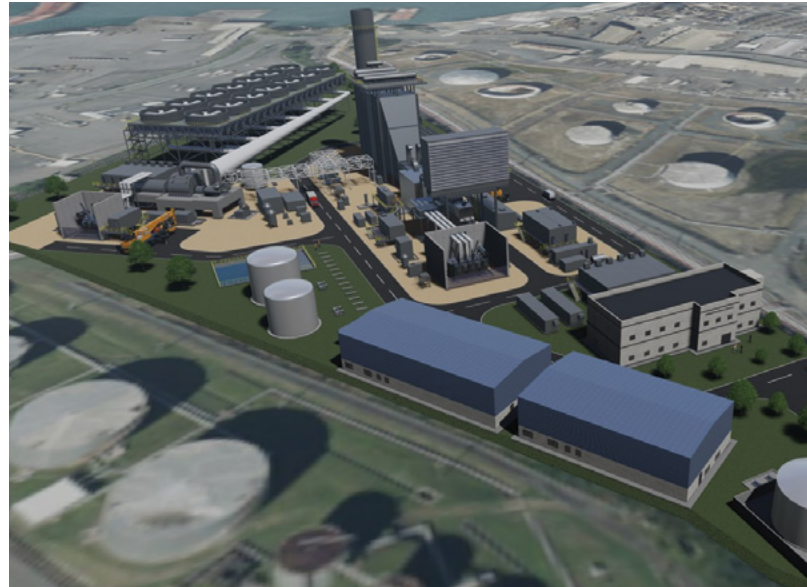
- videoconference call regarding comments to the Initial Draft of Form of PPOA on October 12, 2023; and
- videoconference call regarding comments on the Revised Draft of Form of PPOA on November 6, 2023.

Karpower participated in various videoconference calls regarding the following topics on the following dates:

- videoconference call regarding comments to the Initial Draft of Form of PPOA on October 12, 2023;
- videoconference call regarding comments on the Revised Draft of Form of PPOA on November 7, 2023; and
- videoconference call regarding LUMA's interconnection application as per Section 3.1 of the RFP on January 4, 2024.

On April 4 and 5, 2024, all Qualified Respondents that submitted Proposals (i.e., CH4 Green Energy, Energiza and Karpower) presented their Proposal to the Partnership Committee in person in Puerto Rico.

Following the in-person presentation to the Partnership Committee and based on the outcome of said presentation, the P3 Authority and the Consultants followed up with each of CH4 Green Energy, Energiza and Karpower with a series of inquiries and discussions aimed at resolving pending information requests, addressing questions and concerns from the Partnership Committee, and discussing the terms of the PPOA. This follow up was in the form of RFCs or discussions in videoconference calls or in-person meetings.



4.3.4 Discussions Regarding Form of PPOA

The RFP contemplated that multiple drafts of the Form of PPOA would be distributed to the Qualified Respondents, with each new draft reflecting the comments from the Qualified Respondents that the Partnership Committee had accepted. Specifically, the process set forth in the RFP required that each Qualified Respondent: (i) provide written comments to and mark-ups of the Initial Draft of the Form of PPOA and (ii) meet with the P3 Authority and the Consultants via videoconference to walk through and discuss the Qualified Respondent's comments to such draft of the Form of PPOA. Qualified Respondents were asked to submit their mark-ups together with a separate document summarizing their principal comments in order of priority to allow for an efficient review process.

On September 20, 2023, the Initial Draft of Form of PPOA was distributed to the Qualified Respondents. On October 12, 2023, the P3 Authority and the Consultants met separately with the three (3) Qualified Respondents who submitted a mark-up and an issues list to discuss their comments. These respondents were CH4 Green Energy, Energiza, and Karpower. Eco-Renovable did not submit comments to the Initial Draft of Form of PPOA.

On October 20, 2023, a memorandum was distributed to CH4 Green Energy, Eco-Renovable, Energiza, and Karpower summarizing certain proposed changes that were not incorporated or required further discussion, as well as explaining the Partnership Committee's rationale for certain changes made to the form of PPOA that was distributed that same day.

Qualified Respondents submitted comments to the Revised Draft of Form of PPOA on November 3, 2023. The P3 Authority and the Consultants met via videoconference with four (4) Qualified Respondents between November 6 to November 8, 2023 – Energiza on November 6, Karpower on November 7, and both CH4 Green Energy and Eco-Renovable on November 8.

On December 22, 2023, the Final Form of PPOA was distributed to the remaining four (4) Qualified Respondents, CH4 Green Energy, Eco-Renovable, Energiza, and Karpower. This revised draft reflected the comments from Qualified Respondents that the Partnership Committee accepted as well as comments from the Partnership Committee. In addition, each Qualified Respondent received a memorandum summarizing and providing explanations in respect of requested changes that were not accepted.

Although Eco-Renovable submitted comments to the Revised Draft of Form of PPOA and received the Final Form of PPOA, it withdrew from the RFP process on January 31, 2024. On March 15, 2024, CH4 Green Energy, Energiza LLC and Karpower submitted their binding Proposals, which included mark-ups of the Final Form of PPOA.

4.3.5 Submission of Binding Proposals

The remaining three (3) Qualified Respondents, CH4 Green Energy, Energiza, and Karpower, were required to submit their binding Proposals by the Proposal Submission Deadline.

As part of their Proposal, each Qualified Respondent was requested to submit a clean and marked

version to the Final Form of PPOA reflecting their Proposal, which agreement each Qualified Respondent would be prepared to execute if they were the Selected Proponent. Additionally, each Qualified Respondent was required to submit an issues list that would outline, in order of priority, the principal issues and comments made to the Final Form of PPOA. Qualified Respondents were also required to submit the Bid Security from an "Acceptable Bank" (based on the criteria set forth in the RFP) of equal to ten million dollars (\$10,000,000) by the Proposal Submission Deadline.

Submissions

CH4 Green Energy submitted certain items of its Proposal past the deadline specified in the RFP, specifically its mark up to the PPOA and the corresponding issues list. The P3 Authority confirmed with Ansarada that CH4 Green Energy had not attempted to submit the missing documentation via the Data Room by the Proposal Submission Deadline. The missing documentation was ultimately provided a day late, and only after the P3 Authority communicated this Proposal submission deficiency to the Qualified Respondent.

Energiza submitted its Proposal by the 5:00 pm deadline. However, due to unforeseen technical difficulties encountered while attempting to upload the PPOA markup to the Data Room, Energiza elected to utilize Dropbox as an alternative submission method. The P3 Authority received an email from Energiza eleven-minutes post the Proposal Submission Deadline, explaining the rationale for this deviation from the submission instructions outlined in the RFP, and previewed that it encountered technical issues utilizing the Data Room. For the sake of transparency, and consistent with the approach taken with CH4 Green Energy, the P3 Authority contacted Ansarada to investigate Energiza's claim. Ansarada subsequently confirmed that Energiza had indeed encountered an error while attempting to submit the documentation via its platform prior to the Proposal Submission Deadline.

Likewise, Karpower met the required RFP deadline of 5:00 pm, but also encountered technical issues with the platform. Karpower articulated its ability to bypass the errors and submitted all required documentation for its Proposal by said deadline.

The Partnership Committee considered these facts, and given (i) each Qualified Respondent's expressed interest in participating, (ii) the importance of furthering a robust competitive process, and (iii) the need to maintain the competitive spirit of having three (3) participants involved in the process, the Partnership Committee decided to give the Qualified Respondents that were delayed in submitting their Proposal the ability to continue in the process irrespective of that delay. Furthermore, the Partnership Committee determined that each Proposal should proceed to the evaluation process, subject to the Qualified Respondents' curing any pending items to the Partnership Committee satisfaction, or the Partnership Committee waiving these items.

Bid Security

As part of their Proposal, each Qualified Respondent was required to: (i) submit through Ansarada a copy of the Bid Security from an "Acceptable Bank" (based on the criteria set forth in the RFP) equal to ten million dollars (\$10,000,000) by the Proposal Submission Deadline, with (ii) the original Bid Security mailed to the P3 Authority and received by the following business day.

CH4 Green Energy and Karpower, failed to submit a Bid Security. Energiza, on the other hand, submitted documentation and presented a lower Bid Security of three million dollars (\$3,000,000) and an account balance letter showing proof of funds totaling eight million three hundred and forty-five thousand seven hundred and thirty-one dollars (\$8,345,731). However, these accounts listed were not pledged in favor of P3 Authority and/or PREPA¹⁴.

CH4 Green Energy failed to comply with the requirements of the RFP by submitting a letter of expression of interest from Banco San Juan Internacional, Inc. ("BSJI") in lieu of the required Bid Security. A letter of expression of interest is a non-binding document that indicates a party's potential interest in a project, and it does not fulfill the financial guarantee function of the Bid Security. CH4 Green Energy also indicated in its Proposal submission its intention to secure financing for the Project from BSJI. BSJI is a financial institution that did not meet the "Acceptable Bank" criteria as outlined in the RFP. On November 3, 2024, CH4 Green Energy requested that the Partnership Committee waive the aforementioned criteria. The Partnership Committee denied CH4 Green Energy's request to engage an institution that did not meet the rating requirements to be considered an "Acceptable Bank" and in the December 22, 2023 memorandum to CH4 Green Energy, the P3 Authority restated and recommended they find alternative sources of funding that did not include BSJI.

Karpower, similarly to CH4 Green Energy, did not submit a Bid Security and further stated its inability to comply with the Bid Security requirement but offered to instead provide a corporate guarantee.

As a result of Qualified Respondents' inability to satisfy the Bid Security requirement, the Partnership Committee undertook a review of this matter. Recognizing the necessity of a Bid Security to deter participants from withdrawing from the process after submitting a binding Proposal, the Partnership Committee also weighed the substantial time, effort and money the Qualified Respondents had already invested in the RFP process and in their respective Proposal preparation (which in itself would result as a deterrent to withdraw from the process). Given the universal challenges encountered by all Qualified Respondents to obtain a Bid Security of that size,

¹⁴ Energiza erroneously mailed the three million dollars Bid Security to PREPA instead of the P3 Authority. On March 18, 2024, Energiza notified the P3 Authority of the error indicating that the document would be delivered to the P3 Authority's offices on the following business day.

the Partnership Committee re-evaluated the market viability of such requirement for Puerto Rico based projects of this nature. In the interest of fostering broader participation and enhancing the project competitiveness, the Partnership Committee, with the advice of the Consultants, exercised its discretion to amend the RFP requirements and lower the Bid Security amount. The Partnership Committee's determination was supported by the fact that at least one Qualified Respondent was capable of submitting a Bid Security of this size, indicating a viable market for such an amount within Puerto Rico's market.

On April 15, 2024, the RFP was amended to:

(i) lower the Bid Security from ten million dollars (\$10,000,000) to three million dollars (\$3,000,000), and (ii) to establish April 30, 2024, as the new deadline of for submitting the reduced Bid Security.

Karpower failed to submit the Bid Security by the April 30, 2024 deadline.

On April 30, 2024, CH4 Green Energy submitted an amendment to an already existing letter of credit for another Government project, in which they increased the amount to cover the CCGT Project's Bid Security. The financial institution that provided CH4 Green Energy with this amended letter of credit was not the original institution proposed, however, this financial institution met the requirements of the Acceptable Bank criteria with an A- S&P rating. Notwithstanding, the proposed Bid Security submitted did not follow the requirements in the RFP for the following reasons: (i) it did not follow the form of letter of credit annexed in the RFP, although most, if not all, of the substantive requirements were included in their amendment to their letter of credit, and

(ii) although CH4 Green Energy submitted the amendment by the deadline, the amendment would not become effective until PREPA signed as beneficiary to the original letter of credit and returned such form to the financial institution. On May 9, 2024, the Partnership Committee, in furtherance of fostering a competitive process and subject to PREPA's consent and execution of the amended letter of credit, notified CH4 Green Energy that the proposed Bid Security satisfied, in substance, the requirements set forth in the RFP. The amendment to CH4 Green Energy's existing letter of credit became effective on May 17, 2024, which fell one (1) day after the RFP deadline.

Proposal Presentations

On April 4¹⁵ and 5, 2024, the three (3) Qualified Respondents had the opportunity to present their binding Proposals directly to the Partnership Committee in Puerto Rico, with the P3 Authority and certain Consultants present. CH4 Green Energy presented on April 4 and Energiza and Karpower presented on April 5. The teams that presented to the Partnership Committee included: (i) in the case of CH4 Green Energy, 11 individuals, including financial representatives from BSJI, but not including representatives of Lindsayca (as this team member was unable to attend the meetings¹⁶), (ii) in the case of Energiza, ten (10) individuals, including representatives of each of their team members, as well as their engineering, procurement, and construction contractor ("EPC"), TSK Electronica y Electricidad S.A., and their financial advisor, PEI Global Partners, and (iii) in the case of Karpower, 13 individuals, including their local engineers, F. Irizarry & Associates, PSC. During the presentations, each of which took place over the course of approximately three and a half hours, the Qualified Respondents had

¹⁵ On this day, the P3 Authority and the Consultants met with the Partnership Committee to provide an overview of the binding Proposals submitted by the Qualified Respondents in anticipation of the presentations by each Qualified Respondent of their respective Proposals to the Partnership Committee.

¹⁶ On April 2, 2024, and prior to the Proposal presentations, a Team Member of CH4 Green Energy deviated from the rules established in the RFP by improperly contacting a Consultant, seeking to reschedule CH4 Green Energy presentation date to allow the participation of additional Team Members. The P3 Authority wrote a letter to CH4 Green Energy on April 17, 2024 where, among other matters, reminded CH4 Green Energy of Section 5.6 of the RFP, which specifically states that Qualified Respondents are not allowed to engage or communicate directly with any of the P3 Authority's representatives.

the opportunity to not only present their Proposal to the Partnership Committee but also respond to specific questions and comments raised by the Partnership Committee regarding particular elements of their Proposals.

Post Proposal Submissions Request for Clarifications

Pursuant to Sections 3.5 and 4.6 of the RFP and following the in-person Proposals presentation by the Qualified Respondents, the Partnership Committee instructed the P3 Authority and the Consultants to follow up and send request for clarifications (“**P3 Authority’s RFCs**”) to each of CH4 Green Energy, Energiza and Karpower with respect to certain aspects of their Proposals. This follow up was either in the form of RFCs as well as videoconference calls and meetings. Qualified Respondents were advised that the P3 Authority’s RFCs did not constitute acceptance of their respective Proposals, or a waiver of requirements outlined in the RFP and that addressing any follow up questions did not guarantee continuation in the RFP process or being awarded the CCGT Project. The P3 Authority reserved the right to reject any Proposal that did not comply with the requirements set forth in the RFP, or that it was determined not to be technically or otherwise qualified.

On May 29, 2024, the P3 Authority and the Consultants met with the Partnership Committee to present and discuss the binding Proposals as clarified by the Qualified Respondents’ responses to the P3 Authority’s RFCs and discussions. The P3 Authority and the Consultants presented a preliminary evaluation of the Qualified Respondent’s Proposals (based on information and documents submitted on March 15, 2024). The advisory team’s evaluation of the Qualified Respondents March 15, 2024, submissions resulted in Energiza being the highest-ranked of the Qualified Respondents. However, the Partnership Committee expressed certain concerns and areas for improvement that would require further discussion with Energiza, particularly as it related

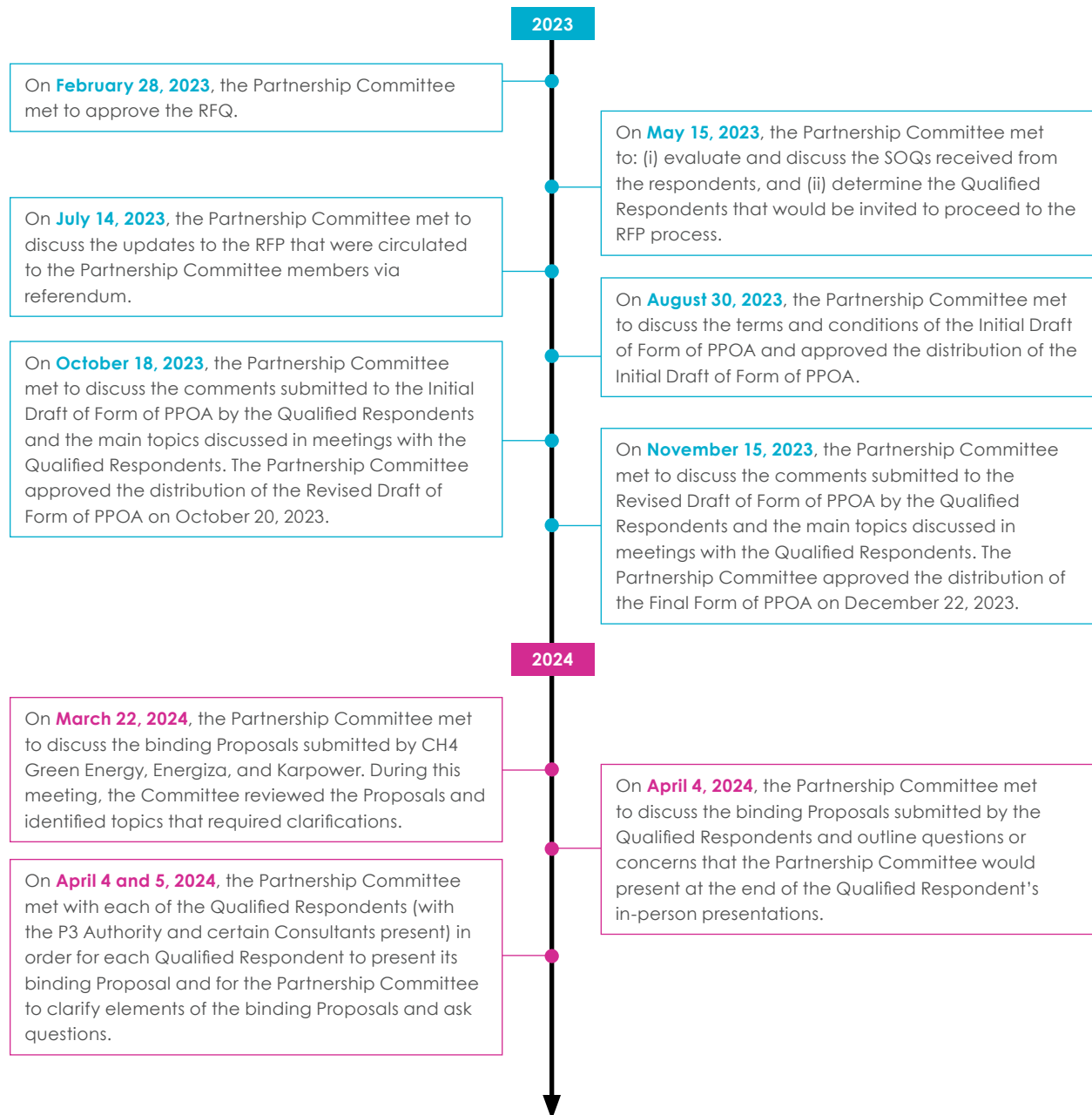
to their financial proposal. The Partnership Committee instructed the P3 Authority and the advisory team to engage Energiza in discussions regarding those matters and negotiate better terms for the benefit of the people of Puerto Rico. As detailed in Section 5.2 below, this decision was further reinforced by the fact that, while Energiza emerged as the top scorer among all Qualified Respondents, CH4 Green Energy and Karpower Proposals were found to be incomplete and materially non-compliant with the terms of the RFP. This noncompliance effectively precluded CH4 Green Energy and Karpower Proposals from serious consideration, leaving Energiza as the only qualified option for further negotiations and potential award.

On June 5 and 6 2024, the P3 Authority and the Consultants met with Energiza in-person. During these meetings, the parties reviewed in more detail Energiza’s markup of the PPOA and its financial proposal. In addition, the P3 Authority and the Consultants sought further clarity on certain questions raised by the Partnership Committee regarding Energiza’s Proposal.

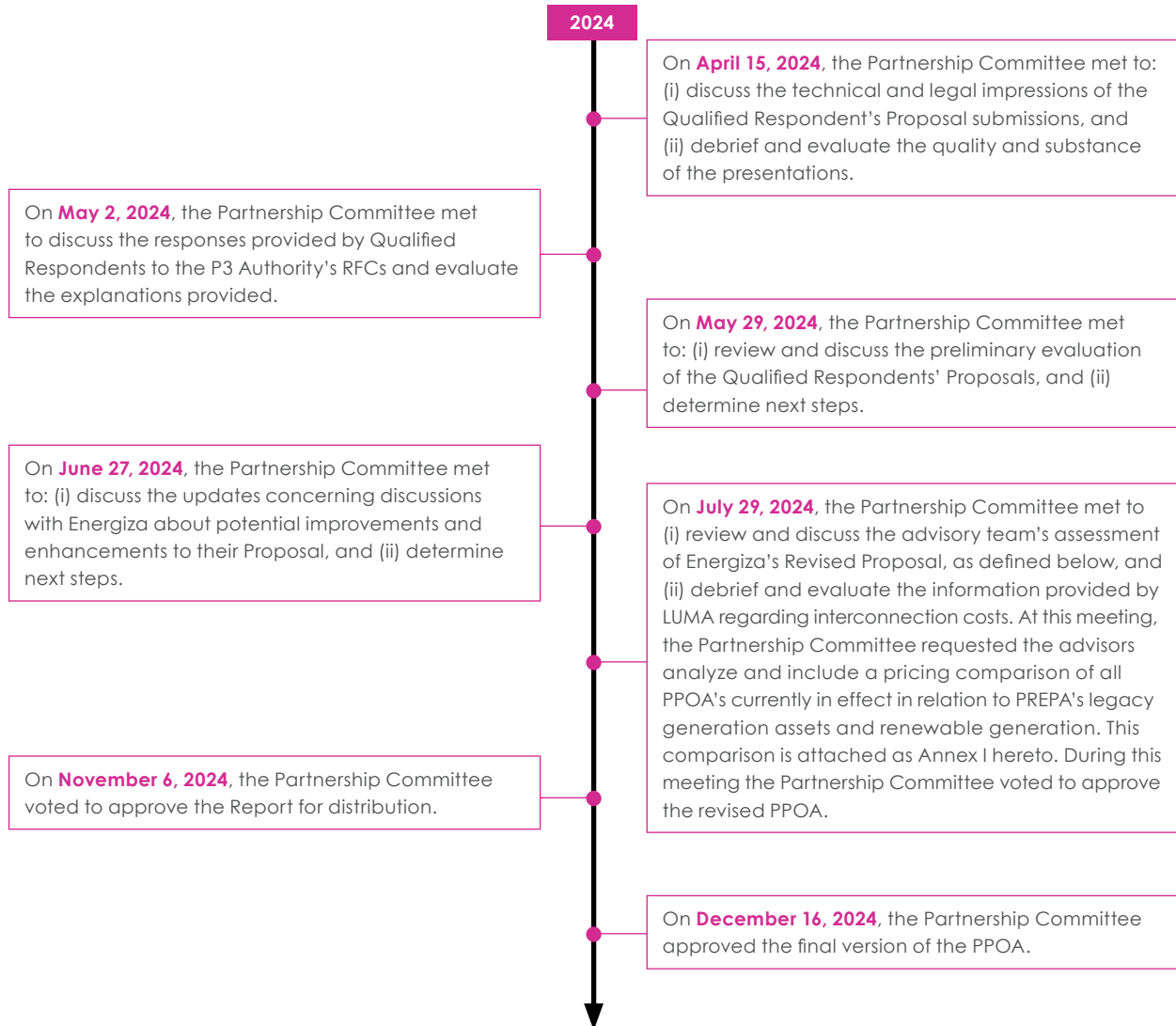
On June 27, 2024, the P3 Authority and the Consultants met with the Partnership Committee to: (i) provide updates to the pricing and legal enhancements discussed with Energiza during the meetings, and (ii) to continue to discuss the advisory team’s evaluation and assessment of the submitted Proposals. The advisory team reviewed and assessed the follow up information submitted by the three (3) Qualified Respondents through responses to the P3 Authority’s RFCs and considered the potential impact the new information had on the Qualified Respondents’ evaluations. This assessment revealed that, even if the Partnership Committee were to consider the information submitted by CH4 Green Energy and Karpower after the Proposal Submission Deadline through their responses to the P3 Authority’s RFCs, such additional information would not change the relative scoring of each Qualified Respondent. Energiza would have remained the highest-ranked bidder.

4.3.6 Meetings of the Partnership Committee

In accordance with the requirements of Act 29, the Transformation Act, and the Regulation, the Partnership Committee met on numerous occasions over the course of more than 21 months in connection with the CCGT Project, in most cases with the participation of the P3 Authority and the Consultants.



Continues on next page



Additionally, certain decisions were taken by unanimous written referendum, and Partnership Committee members met from time to time with the P3 Authority for periodic briefings as to the status of the process.

4.3.7 Key Milestones in RFP Process

Table 1 summarizes the key milestones of the RFP process.

TABLE 1: RFP PROCESS KEY MILESTONES

Milestones	Target Dates
RFP issued	08/22/2023
Distribution of Initial Draft of Form of PPOA	09/20/2023
Qualified Respondents provide initial comments on PPOA	10/06/2023
Distribution of Revised Draft of Form of PPOA	10/20/2023
Qualified Respondents provide comments on revised draft of form of PPOA	11/03/2023
Distribution of Final Form of PPOA	12/22/2023
Last day for Qualified Respondents to submit RFP-RFCs	01/05/2024
Deadline for Qualified Respondents to submit interconnection applications (see Section 3.1 of RFP)	01/17/2024
Proposal Submission Deadline	03/15/2024
Presentation of Proposals by each Qualified Respondent to the Partnership Committee	04/04/2024 and 04/05/2024
Partnership Committee primary evaluation of Proposals	07/03/2024
Preliminary notification of the preferred proponent	07/10/2024
Partnership Committee evaluation of and determination of Selected Proponent	07/22/2024 – 08/22/2024

An aerial photograph of a large industrial complex, possibly a refinery or chemical plant, with various structures, pipes, and storage tanks. The image is tinted with a greenish-yellow color. A large, white outline of the number '5' is superimposed on the lower-left portion of the image. The text 'Recommended Award' is centered in the middle of the image.

**Recommended
Award**

5

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5.1 Process for Selection

5.1.1 Evaluation Criteria

Act 29 and the Transformation Act require that the Partnership Committee take into account certain specific factors in evaluating responses to the RFP. The Partnership Committee reviewed and evaluated the binding Proposals based on the evaluation criteria set forth below, which was developed by the P3 Authority and the Partnership Committee (with the input of the Consultants) to meet the objectives of the CCGT Project, including those objectives set forth in the Transformation Act and Act 29.

Table 2 sets forth the evaluation criteria applied to the binding Proposals.

TABLE 2: EVALUATION CRITERIA FOR THE CCGT PROJECT

Evaluation Criteria	% Weight
Adherence to Applicable Regulations	Pass/Fail
Part 1: Technology and Plant Performance	25%
Part 2: Schedule and Implementation Timeline	15%
Part 3: Financial, Commercial, and Risk Components	45%
Part 4: Financial Capability	10%
Partnership Committee Rating of Bidder Proposal and Presentation	5%

The Technology and Plant Performance submission comprised 25% of the Qualified Respondents' total score. For this submission, the RFP required each Qualified Respondent to provide detailed plans and proposals with respect to:

- appropriate engineering/design details of the proposed interconnection to the existing Puerto Rico grid;
- methods and procedures to be utilized for the completion of each phase of the CCGT Project and all required studies, including an interconnection feasibility study, a fuel supply and transportation plan;
- commentary on how the proposed approach has achieved success in other specific, relevant projects for public or private sector organizations similar in size and complexity to PREPA;
- an outline of the equipment (manufacturer/model number/version, etc.) included in Qualified Respondent's Proposal, including turbines, generators, boilers / HRSG, accessory systems, switchgear, transformers, breakers, control systems, communication systems, automatic generator control, and any other required electrical equipment;
- generating unit specifications, including minimum load, maximum load, ramp rates, minimum start-up time (including normal start and fast start), minimum shut-down time, guaranteed heat rate and change in heat rate at various load points;
- an operations, repair and maintenance plan and schedule based on fired hours or starts, as appropriate, including outage durations, scope, time between outages; and
- a summary of the permitting and environmental impact of the Proposal, including, but not limited to, any limitations, total or annual amount of fuel or other resources consumed, and a schedule of all foreseen permits and approvals.
- a plan as to how the Qualified Respondent would achieve the goals, objectives, tasks, and deliverables outlined in the Scope of Work and Technical Specifications listed under Sections 2.2 and Section 2.3 of the RFP;



The Schedule and Implementation Timeline comprised 15% of the Qualified Respondents' total score. For this submission, the RFP required each Qualified Respondent to propose certain plans and arrangements, including:

- a schedule timeline with milestones for each deliverable, including construction start date and guaranteed commercial operation date ("**COD**");
- evidence of site control (executed lease, purchase, or option agreement);
- a detailed implementation plan, including but not limited to, project development, engineering plan and schedule, procurement plan and schedule, construction plan, site assessments, fuel arrangements; and
- a timeline indicating the expected percentage of hydrogen fuel-based generation, including the percentage hydrogen fuel content at COD, and for years 2030, 2035, and 2040.

The Financial, Commercial, and Risk Components submission comprised 45% of the Qualified Respondents' total score. For this submission, the RFP required each Qualified Respondent to propose certain prices and assumptions, including:

- a price proposal (identifying each pricing component) in accordance with the Price Proposal Form attached as Annex B to the RFP;
- proposed liquidated damages for delays in achieving COD, performance shortfalls for both heat rate and output, and a seller liability cap;
- fuel cost projections on an annual basis and any assumptions that form the basis of such projections;
- assumption made with respect to a reasonable estimate of costs for the connection of the LNG to H2 Generation Facility to the T&D system, and the basis for such estimate; and

- a ready to execute mark-up of the form of PPOA.

The Financial Capability submission comprised ten (10) percent of the Qualified Respondents' total score. For this submission, the RFP required each Qualified Respondent to demonstrate ability to finance the CCGT Project, including:

- a financing plan for raising the permanent equity and debt sufficient for the ownership, development, design, construction, installation, operation, and maintenance of the CCGT Project for the full term of the PPOA;
- evidence of provisionally committed equity, as evidenced by board resolutions, and/or preliminary credit approvals for debt financing.

The presentation component comprised 5% of the Qualified Respondents' total score and was based on each Qualified Respondent's presentation of its binding Proposal to the Partnership Committee, including the Qualified Respondent's responses to specific questions and comments raised by the Partnership Committee during the presentations.

The RFP indicated that the Partnership Committee would make a determination as to the most favorable binding Proposal for the CCGT Project based on pricing considerations as well as other non-price factors, pursuant to the criteria outlined in the RFP.

5.2 Key Considerations for Recommended Award

As detailed in Section 5.25.1.1 hereof (*Evaluation Criteria*), the binding Proposals were evaluated on the basis of four (4) elements:

- Technology and Plant Performance;
- Schedule and Implementation Timeline;
- Financial, Commercial, and Risk Components; and
- Financial Capability.

These four (4) elements were designed to enable the Partnership Committee to select the Qualified Respondent best suited to fulfill the CCGT Project's objectives. The Partnership Committee rated each of the Qualified Respondents Proposal on the basis of these elements, and also assessed the Qualified Respondents' presentation of their Proposals. Based on this evaluation, the Partnership Committee determined that Energiza provided the best and most robust Proposal for the CCGT Project as it demonstrated its ability and expertise in building, operating, and maintaining an LNG to H2 Generation Facility. Sections 5.2.1.1 (*Technology*

and Plant Performance) 5.2.22.2 (*Schedule and Implementation Timeline*) 5.2.3.2.3 (*Financial, Commercial, and Risk Components*) 5.2.45.2.4 (*Financial Capability*) 5.2.55.2.5 (*Partnership Committee Rating of Bidder Proposal and Presentation*) describe the key technical, operational and financial, and legal considerations, respectively, for the Recommended Award and provide the rationale for the Partnership Committee's recommendation that the CCGT Project be awarded to Energiza.

The RFP process resulted in final submissions from three (3) Qualified Respondents – CH4 Green Energy, Energiza and Karpower by the Proposal Submission Deadline. While Energiza's submission was substantially complete, the submissions by the other two Qualified Respondents were missing some key requirements. As has been discussed earlier, after discussion by the Partnership Committee, an extension of time was provided for certain of the required items to be submitted by the Respondents.

5.2.1 Technology and Plant Performance

Technology and Plant Performance, reflecting 25% of the overall weighted scores, were evaluated on the basis of: (i) the technical maturity of the equipment proposed, (ii) the combined cycle operational flexibility, (iii) overall plant heat rate (efficiency) at various load points, and (iv) the capability to burn multiple fuels (including hydrogen). Energiza's technology and plant performance proposal presented a tailored approach that demonstrated a clear understanding of the of the CCGT Project requirements.

Below is a brief description of the **Technology and Plant Performance proposals** submitted by each Qualified Respondent on March 15, 2024:

Approach to Delivering the CCGT Project

- From a technical perspective, all the respondents met the qualification requirements. However, each took different approaches in their Proposals regarding plant technology and in their plans to transition to hydrogen fuel. While manufacturers of power plant equipment have launched development programs to demonstrate that their equipment can burn hydrogen, hydrogen burning plants and system technologies are still immature.

Technology and Plant Performance Proposal Deviations from RFP

- CH4 Green Energy submitted a Proposal for 2 x 150 MW power plant blocks with a total capacity of 300 MWs using Siemens technology. CH4 Green Energy's proposed plant has a heat rate of 8,896 Btu/kWh and capability to run each 150 MW block in simple cycle mode. This 2 x 150MW power block approach and simple cycle / combined cycle configuration demonstrated that this plant has operational flexibility. CH4 Green Energy projected annual maintenance of 864 hours per year. The Proposal stated that while the gas turbines could utilize some amount of hydrogen fuel, no costs were included for

transitioning fully to a 100% hydrogen burning plant nor were any hydrogen fuel supply arrangements contemplated. The proposed implementation to hydrogen fuel utilization was projected to take place over the period from 2030 through 2056, with approximately 20% hydrogen implementation every five (5) years. CH4 Green Energy indicated that Siemens has a program to develop their turbines to transition to hydrogen fuel. However, CH4 Green Energy did not provide sufficient details or specifics for the implementation program for the Partnership Committee to be able to be assess the program or likelihood of transitioning to hydrogen fully. Their Proposal also did not include any arrangements for the plant or site to be built ready for this transition. The move to being hydrogen capable would require several changes to the site and equipment, the cost of which was not included in the Proposal by CH4 Green Energy and thus could lead to an increase in total costs when that were to occur. Given this lack of clarity regarding the exact timing and cost of implementation of hydrogen fuel in the plant, CH4 Green Energy's Proposal was not as compliant as needed.

- Karpower is primarily a company that focuses on ship-based power plants. For this RFP, Karpower proposed a Powership option that was described as being able to bring generation capacity to the island sooner. However, this option required disconnection in the event of major hurricanes and would be solely owned by Karpower, and the option to transfer to the Government would have to be approved by the company. For Karpower's proposed ship-based option there is no indication of utilizing hydrogen as a fuel. In response to comments to this effect from the Partnership Committee, the P3 Authority, and the Consultants, Karpower presented a land-based option for a 340 MW power plant using Siemens technology. Both options were submitted by the Proposal Submission Deadline, but the ship-based power plant was not complete enough to be considered. The land-based power plant would have a heat rate of 6,327

Btu/kWh and ability to run at different part-load operational levels. Karpower projected annual maintenance of 720 hours per year. Karpower's land-based Proposal stated that the turbines could utilize up to 75% of a hydrogen fuel-blend. Karpower proposed a schedule for implementation of up to 35% hydrogen by 2030, up to 75% by 2035 and up to 100% by 2040. The Karpower land-based equipment includes Siemens turbines and while Karpower said the land-based CCGT plant is capable of utilizing a hydrogen fuel blend, insufficient details regarding hydrogen co-firing and transition were provided. The Proposal, apart from the dates and percentages for the inclusion of hydrogen in the fuel blend, did not provide specific details regarding the implementation and the feasibility. In addition, Karpower did not include any engineering or implementation costs in their Proposal, which would mean an increase in total costs once that were to occur. Given this lack of clarity regarding the exact timing and cost of implementation of hydrogen fuel in the plant, Karpower's Proposal was not as compliant as needed.

Technology and Plant Performance Proposal Submitted by Energiza

- Energiza submitted a Proposal for a 478 MW combined cycle single train power plant using Mitsubishi technology. This configuration has an extremely good heat rate of 6,314 Btu/kWh. The plant also has the capability to operate flexibly at various part-load operational levels. Energiza projected annual maintenance of 1,080 hours per year. Although this plant does not have the capability to operate in simple cycle mode, it does have the ability to operate at a 40% turn down capacity. Energiza proposed a larger size plant than the RFP initially envisioned and explained to the Partnership Committee that this was an optimal size that allowed for an extremely efficient configuration. Energiza's Proposal includes equipment that is "hydrogen ready" and, as a result, a conversion to full hydrogen burning would have minimal impact. The Mitsubishi gas turbine is capable of utilizing

30% hydrogen blended fuel on day one of operations. Energiza's Proposal already includes site specific engineering and design to account for hydrogen burning capability from the first day of operations and a schedule to achieve 100% hydrogen fuel implementation, once hydrogen is available in Puerto Rico. Given the specifics of the Energiza Proposal on both the technical and fuel transition aspects, their Proposal was fully compliant.

Evaluation of Technology and Plant Performance Proposals

As a result of a review of each bidder's Proposal and each one's presentation to the Partnership Committee, it became clear that overall, Energiza's Technology and Plant Performance proposal was the most aligned to the project's purpose of having a clear path to hydrogen fuel transition and to increasing efficiency in turbines. Moreover, Energiza's Proposal demonstrated vast operation and maintenance experience and plant development expertise.

5.2.2 Schedule and Implementation Timeline

The RFP required each Qualified Respondent to provide a schedule timeline with milestones and a detailed implementation plan, which schedule and plan represented 15% of the overall weighted scores. This evaluation criteria was assessed on the basis of: (i) evidence of site control, (ii) detailed implementation plans that included permitting and development, (iii) site assessments, (iv) fuel supply arrangements, and (v) timelines indicating the expected percentage of hydrogen fuel-based generation over time.

Below is a brief description of the **Schedule and Implementation Timeline proposals** submitted by each Qualified Respondent on March 15, 2024:

Schedule and Implementation Timeline

Proposal Deviations from RFP

- CH4 Green Energy submitted a Proposal for two (2) potential sites with the targeted commercial operations date of April 2027. An earlier date of December 2026 was offered for simple cycle operation. CH4 Green Energy provided a list of permits that they anticipated that would be needed along with a schedule for securing them. However, CH4 Green Energy indicated that the permitting list and expected timing did not reflect conversations with relevant authorities and that the permitting process had not commenced by the Proposal Submission Deadline, which raised concerns as to their ability to reach commercial operations within the proposed timeline. Additionally, CH4 Green Energy did not provide in their Proposal a fuel term sheet, which was required under the RFP, making it difficult to evaluate the Qualified Respondent. Without a term sheet that included indicative terms, such as fuel quantity and pricing, as well as the supplier's name, there was uncertainty around CH4 Green Energy's ability to secure a fuel supply agreement and the impact on the pricing terms of its Proposal. Furthermore, CH4 Green Energy provided a letter of intent for the assignment to CH4 Green Energy of an existing option to lease the potential site. The letter of intent does not provide for a binding commitment to assign the existing option to lease, and the assignment of the option to lease would also ultimately be subject to the consent of the current owner of the site. Therefore, CH4 Green Energy did not yet fully control the site. Given the lack of site control, absence of a fuel term sheet as well as the absence of any permitting related discussions with relevant authorities, CH4 Green Energy's Proposal was not compliant.
- Karpower's Proposal included a site lease option agreement for the proposed site for the land-based power plant and had a targeted commercial operations date of June 2027. Karpower included a list of permits they

anticipated needing to secure in their Proposal with some target dates. However, as of the Proposal Submission Deadline, Karpower had not commenced discussions with any of the authorities, nor had they engaged with any environmental consultants. There was concern about such permitting delays risking the achievement of their commercial operations date. Lastly, while Karpower provided a fuel price, it did not provide a fuel term sheet, nor did it disclose any communications with a fuel supplier. This signaled uncertainty around the identity of the fuel supplier, as well as what the terms of the fuel supply would be, and how it would affect the Proposal overall. Despite the site lease option agreement provided, the absence of a fuel term sheet as well as the lack of any permitting related discussions with relevant authorities, made Karpower's Proposal not compliant.

Schedule and Implementation Timeline

Proposal Submitted by Energiza

- Energiza submitted a Proposal for a site that was supported by a site lease agreement and proposed a commercial operations date of June 2028. Energiza's detailed schedule of implementation included not only a comprehensive list of permits required, but also the current state of discussions that it had been having with regulatory agencies, such as the Environmental Protection Agency and the Department of Natural and Environmental Resources, with respect to securing approvals in the necessary timeframe for construction and operations of the power plant. Energiza specified the name of a local consultant that they had engaged to help with the permitting process. Energiza also provided a comprehensive agreed-upon fuel term sheet with a recognized fuel supplier, NFEnergia LLC ("NFE"). Thus, even though Energiza's date for commercial operations is in 2028, it appears to be an achievable date demonstrated by the detailed schedule and work already commenced on the environmental permitting front by Energiza. Energiza anticipates



placing long lead time purchase orders early in 2025. Given the site control demonstrated by the site lease agreement, combined with the fuel term sheet and progress on the permitting discussions, Energiza's Proposal was fully compliant.

Evaluation of Schedule and Implementation Timeline Proposals

The Partnership Committee determined that Energiza's binding Proposal incorporated a detailed timetable that took into account more realistic timing assumptions for permits and approvals, as well as long-lead time major equipment orders, interconnection requirements and time to complete construction of the facility, connect to the electric grid and commence operations by June 2028. Energiza also provided a site lease agreement and a fuel supply term sheet with NFE as part of their Proposal.

5.2.3 Financial, Commercial, and Risk Components

The RFP required each Qualified Respondent to provide a plan outlining the financial, commercial, and risk components of their Proposals. Specifically, each Qualified Respondent was required to

submit a price proposal (identifying each pricing component) in accordance with the Price Proposal Form attached as Annex B to the RFP. This financial proposal needed to also include proposed liquidated damages for delays in achieving COD, performance shortfalls for both heat rate and output, and a seller liability cap, as well as fuel cost projections. In addition, the Qualified Respondents also submitted markups to the Final Form of PPOA as part of their binding Proposals, which were also considered as part of the evaluation. The submission of a Financial, Commercial, and Risk Component reflected 45% of the overall weighted scores.

Below is a brief description of the **Financial, Commercial and Risk proposals** related submissions by each Qualified Respondent on March 15, 2024:

Financial, Commercial and Risk Proposal Deviations from RFP

- CH4 Green Energy submitted a Proposal that was non-compliant with certain requirements of the RFP making it practically impossible to calculate an all-in price for evaluation purposes. As noted above, because CH4 Green Energy

had not finalized discussions with a potential fuel provider, it did not provide a fuel price and therefore an all-in price for its Proposal could not be determined. CH4 Green Energy's Proposal included a capacity price but was unclear on the variable operation and maintenance costs and lacked a fuel price. Thus, the Partnership Committee was unable to evaluate their Proposal in the manner that was required. However, CH4 Green Energy did propose a seller liability cap, which was divided into pre-construction (\$15 million), during construction (\$22.5 million) and post construction (\$37.5 million, reducing over the term of the PPOA). Yet, as of the Proposal Submission Deadline of March 15, 2024, CH4 Green Energy had not proposed any performance liquidated damages for failure to achieve the guaranteed output or efficiency or delay liquidated damages if construction milestones were missed, all of three of which were required components of the RFP. As a result, CH4 Green Energy's Proposal was not compliant.

- Karpower, submitted a Proposal that was incomplete and non-compliant with certain requirements of this section of the RFP. By the Proposal Submission Deadline, Karpower's Proposal did not include a price for variable operation and maintenance cost, which made it impossible to calculate an all-in price to fully assess their financial proposal. Karpower's Proposal included low levels of liquidated damages (delay - \$20k / day, capped at \$5 million, and performance liquidated damages for capacity at \$120/kW and heat rate at \$80 / Btu) and a seller liability cap of only \$2 million. As a result, Karpower's Proposal was not compliant.

Financial, Commercial and Risk Proposal Submitted by Energiza

- Energiza's Proposal included all required pricing components that enabled a calculation of an all-in price, under certain assumptions such as capacity factor and natural gas price. By including this complete information, of a

capacity price (including a capital cost portion and a fixed operations and maintenance cost portion), a variable operation and maintenance cost and a fuel price based on an actual fuel term sheet, the Partnership Committee was able to fully evaluate Energiza's Proposal. In addition, they proposed delay liquidated damages (\$100k / day, capped at \$30 million) and performance liquidated damages (capacity - \$1,500/kW, heat rate - \$110k / Btu). Their proposed seller liability cap was the greater of 20% of largest annual capacity payment or \$20 million. Energiza's Proposal was compliant on all aspects of this scoring component.

Evaluation of Financial, Commercial and Risk Proposals

The Partnership Committee determined that Energiza's binding Proposal incorporated a detailed financial, commercial and risk plan that included all required components that enabled the calculation of an all-in price. As such, Energiza's Proposal was compliant on all aspects of this scoring component.

Final Form of PPOA

Below is a brief description of the markups to the **Final Form of PPOA** by each Qualified Respondent on March 15, 2024:

- CH4 Green Energy submitted a PPOA markup and an issues list that included 149 issues. Their comments included changes targeted at: (i) enhancing or securing Seller's compensation and modifying its payment and financing obligations, (ii) adding a commercially reasonable efforts standard to almost all obligations of Seller, (iii) shifting the allocation of risk from Seller to PREPA in various areas, and (iv) enhancing Seller's termination rights.
- Karpower submitted a PPOA markup and an issues list that included 77 issues. The list included changes targeted at: (i) enhancing or securing Seller's compensation, (ii) shifting the allocation

of risk and some related changes for force majeure circumstances, (iii) seeking enhanced protections in the event of a change in law, and (iv) reformulating some of the termination payment formulas.



- Energiza submitted a PPOA markup and an issues list that included 77 issues. Energiza's comments included changes targeted at: (i) clarifying some of the compensation definitions and factors, (ii) reformulating Seller's termination payment, and (iii) increasing the period of time for certain milestones.

Evaluation of Final Form of PPOA

Overall, the markups provided by CH4 Green Energy and Karpower's consisted primarily of high-level concepts that would require further elaboration and negotiations. To the contrary, Energiza's markup reflected comments that were specific and targeted at clarifying the existing language or making sure the PPOA would be bankable and acceptable to potential lenders. Energiza's markup also included helpful explanations to the reasons behind most of their proposed changes. This, together with the fact that Energiza shifted less

risk to PREPA, made the Partnership Committee conclude that it would be much easier to get to a final contract with Energiza than with the rest of the Qualified Respondents.

5.2.4 Financial Capability

The RFP required each Qualified Respondent to provide information that demonstrated their ability to finance the development, design, construction, installation, operation, and maintenance of the CCGT Project for the full term of the PPOA. The Financial Capability submission comprised ten (10) percent of the overall weighted scores.

Below is a brief description of the submissions by each Qualified Respondent on March 15, 2024, as it relates to their **Financing Capabilities and Plans proposals**:

Financing Capabilities and Plans Proposal Deviations from RFP

- CH4 Green Energy failed to submit a detailed plan for financing nor evidence of preliminary commitments for equity and/or debt financing for the facility and thus this component of their Proposal could not be scored. This rendered their Proposal non-compliant.
- Karpower stated in their Proposal that they would fund the entire facility with equity and provided a board resolution that provisionally committed to contribute the equity needed for the plant. However, Karpower failed to provide a detailed plan, which hindered a comprehensive understanding of the equity financing plan and prevented their Proposal from being fully compliant.

Financing Capabilities and Plans Proposal Submitted by Energiza

- Energiza submitted a financing plan that was crafted with their financial advisors, PEI Global Partners, and laid out the steps that would be undertaken to raise both the equity and debt

required for the construction of the facility. Energiza stated that their Proposal submission reflected preliminary feedback from potential financing sources, however, no preliminary commitments for equity and/or debt financing were submitted on March 15. Additionally, Energiza brought their financial advisors to the presentation to present and answer questions regarding their plans for debt and equity financing. Energiza's Proposal was compliant in demonstrating the financial capability of the project and was thus compliant.

Evaluation of Financial Capabilities and Plans Proposals

The Partnership Committee determined that Energiza's binding Proposal laid-out a specific plan for raising the capital needed for the CCGT Project, and the early engagement of a financial advisor provided some comfort that it reflected thoughtful and realistic options that considered the particularities and challenges of this project.

5.2.5 Partnership Committee Rating of Bidder Proposal and Presentation

With respect to the presentation component, CH4 Green Energy, Energiza, and Karpower met with the Partnership Committee, the P3 Authority, and the Consultants in April. They provided an overview of, and illustrated, through the use of videos and schematics, the contents of their binding Proposal. Additionally, CH4 Green Energy, Energiza, and Karpower responded to questions and comments raised by the Partnership Committee with respect to particular elements of their binding Proposal.

- CH4 Green Energy, with a team of 11 individuals, including financial representatives from BSJI, presented their Proposal to the Partnership Committee. Lindsayca, CH4 Green Energy's team member, was not able to participate on the presentation date.
- Karpower, with a team of 13 individuals, presented their Proposal to the Partnership Committee.

Karpower presented both its Powership solution and its land-based plant Proposal. In its presentation, Karpower provided information to show Powerships operating in other jurisdictions, and concluded its presentation strongly stating that the Powership was the optimal solution for Puerto Rico. However, Karpower did not provide sufficient technical details with respect to the required permitting and movement of the barges in certain hurricane/tropical storm conditions. Although they presented fast instillation timelines for the Powership solution, Karpower did not articulate how the permitting process could impact such timeline.

- Energiza, with a team of ten (10) individuals, presented their Proposal to the Partnership Committee. This team included representatives from their team members (Tropigas and Cratos), their EPC contractor, their operation and maintenance partner (NAES), and their financial advisor (PEI Global Partners). Mitsubishi's Chief Engineer, who was also in attendance, provided a detailed overview on the reliability of the proposed equipment and the current and future development in burning a hydrogen fuel blend. Additionally, NAES provided key insight into the relevant qualifications and strategy of hiring and training for key positions in Puerto Rico. Lastly, Energiza's financial advisor presented on the financing plan and approach to finance the CCGT Project.

Evaluation of Bidder Proposal and Presentation

The Partnership Committee determined that Energiza's presentation clearly articulated the challenges of the CCGT Project, provided well-thought-out solutions that were practical and tailored to the objectives and scope of the CCGT Project, and explained how those solutions and overall Proposal were aligned with the goals of the CCGT Project. Furthermore, Energiza demonstrated a deep understanding of how the political and regulatory landscape functioned and of the specific energy needs of the island of Puerto



Rico. The team members present emphasized their relevant experience and outlined specific mitigation strategies for managing the project's milestones, deliverables, and foreseen challenges. Energiza was prepared and showed knowledge and flexibility in handling the Partnership Committee's queries and concerns.

5.2.6 Overview of Binding Proposals

Following an in-depth evaluation of the four (4) elements that composed a bidding Proposal, the Partnership Committee determined that Energiza's Proposal was complete and more comprehensive than the Proposals submitted by CH4 Green Energy and Karpower. Specifically, Energiza's Proposal met all the requirements with a detailed plan and firm proposal that included a capacity price, variable operation and maintenance price, fuel pricing, estimated interconnection costs, liquidated damages (for schedule, output, heat

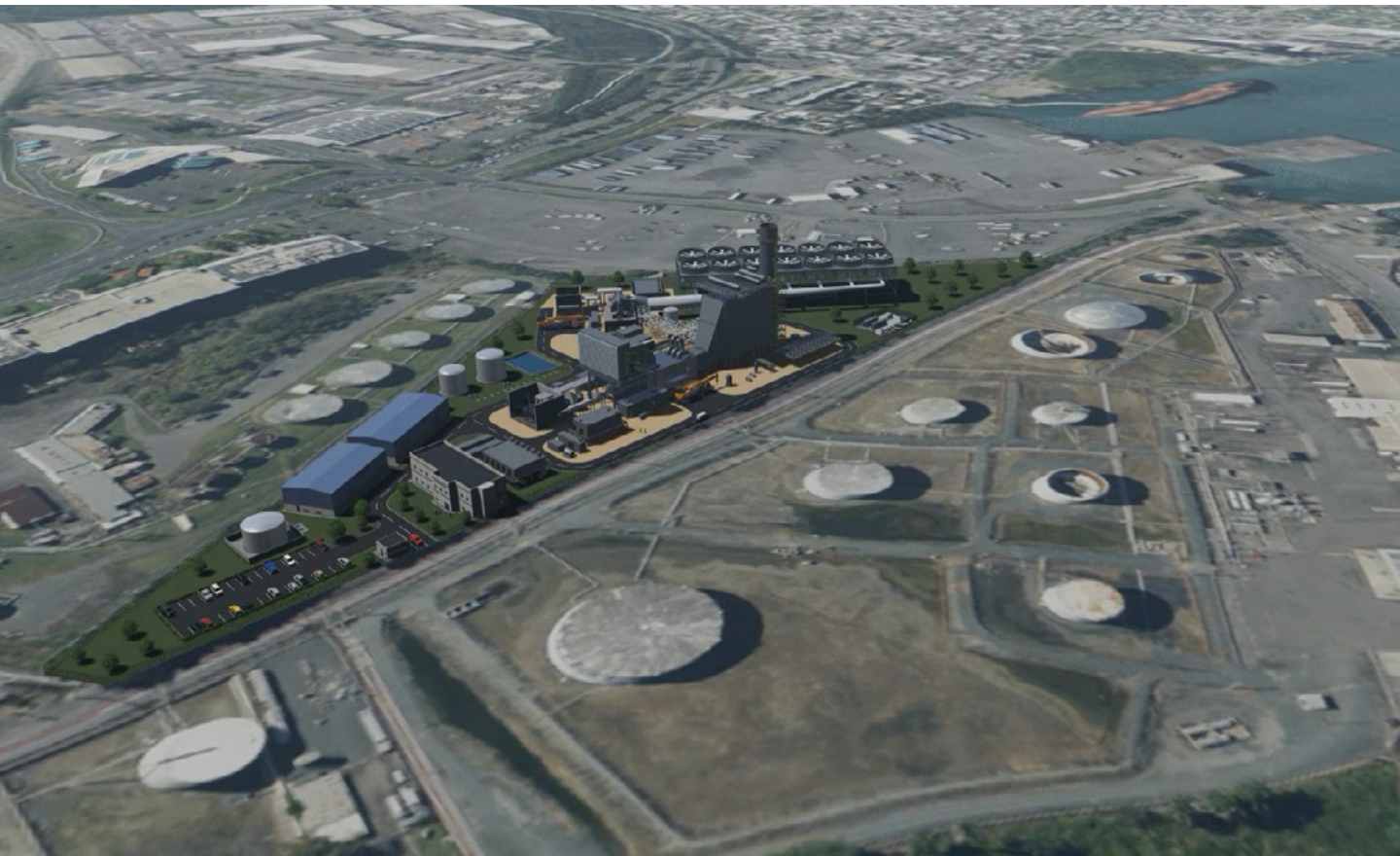
rate) security amounts, risk allocation, termination payments and liability caps. From a completeness perspective, there were other material differences between the Proposals, as compared to Energiza's proposal. The Partnership Committee worried about moving forward with any Proposal that did not define key components as this would lead to uncertainty as to pricing, timing, and viability of the CCGT Project.

Table 3 below presents an overview of the Proposals received and the Partnership Committee's assessment of the principal characteristics of the Proposals received from CH4 Green Energy, Energiza, and Karpower by the Proposal Submission Deadline. Items highlighted in green exceed the requirements of the RFP, items highlighted in blue met the requirements of the RFP or otherwise were satisfactory to the Partnership Committee, and items highlighted in orange are non-compliant with the requirements of the RFP.

TABLE 3: SUMMARY OF BIDDER PROPOSALS

Component	CH4 Green Energy	Energiza	Karpower
Part 1 – TECHNOLOGY & PLANT PERFORMANCE			
Capacity & Heat Rate	CH4 Green Energy submitted a Proposal for a 300 MW capacity power plant, using Siemens SGT800 turbines (4 gas turbines with 2 steam turbines). The proposed heat rate was 8,896 Btu/kWh, which was higher than expected for the technology proposed.	Energiza submitted a Proposal for a 478 MW combined cycle single train power plant using a Mitsubishi advanced J-technology system (1 gas turbine with 1 steam turbine). The proposed heat rate at 6,314 Btu/kWh is one of the best heat rates for this class of equipment.	Karpower presented two Proposals: (i) being a ship-based power plant and (ii) a land-based option for a 340 MW powerplant using Siemens technology. The former option was not complete enough to be considered and did not adequately address the Partnership Committee's concerns regarding natural disasters and ownership, as the ship was to be solely owned by Karpower with an option to transfer to the government having to be approved by the company.
Operational Flexibility	CH4 Green Energy was silent with respect to equipment that would be able to burn hydrogen at COD and hence, the future conversion could require extensive rework.	Energiza's Proposal includes equipment that is "hydrogen ready" at COD. The plant equipment is designed for future co-firing of hydrogen which will allow for a seamless conversion when hydrogen becomes available.	Karpower was silent with respect to equipment that would be able to burn hydrogen at COD and hence, the future conversion could require extensive rework.
Part 2 – SCHEDULE & IMPLEMENTATION TIMELINE			
Evidence of Site Control	CH4 Green Energy submitted a Proposal for two (2) potential sites with a COD of April 2027. CH4 Green Energy provided a letter of intent for the assignment of an existing option to lease the potential site, which was ultimately subject to the consent of the current owner.	Energiza submitted a Proposal for a site that was supported by a lease agreement and proposed a commercial operations date of June 2028.	Karpower submitted a Proposal for its land-based plant that was supported by a site lease option agreement and a commercial operations date of June 2027.
Fuel Supply Arrangements	CH4 Green Energy did not provide a fuel term sheet or evidence of ability to secure a fuel supply agreement. This led to an inability to evaluate the Proposal given such indicative terms such as fuel quantity and pricing were not submitted.	Energiza provided an agreed-upon term sheet with a recognized fuel supplier.	Karpower provided a fuel price in its Proposal but did not provide a fuel term sheet or any communications with a fuel supplier.
Commercial Operations Date	CH4 Green Energy submitted a list of anticipated permits along with a timeline for securing them. However, CH4 Green Energy indicated that the permitting list and the timeline did not account for discussions with the relevant authorities. As of the Proposal Submission Deadline, the permitting process had not commenced. Proposed COD of April 2027.	Energiza provided a detailed schedule of implementation that included (i) a comprehensive list of permits, (ii) the current state of such discussions with the regulatory agencies, (iii) timeframes for securing approvals needed, (iv) and a very detailed schedule for the Project and all critical milestones including the turbine deliveries from their partner, Mitsubishi. Proposed COD of June 2028.	Karpower provided a list of permits they anticipated needing to secure in their Proposal. However, as of the Proposal Submission Deadline, Karpower has not commenced discussions with any of the authorities. Proposed COD of June 2027.
Part 3 – FINANCIAL, COMMERCIAL & RISK			
Estimated All-In Cost (\$/MWh)	While CH4 Green Energy submitted a capacity price in its Proposal, and a table with estimated energy prices for 30 years, it did not provide a breakdown of the Variable O&M price or a fuel price. Therefore, it was not possible to calculate an all-in price for their Proposal.	Energiza provided details for all of the pricing components enabling an estimation of the all-in price.	Karpower only provided the capacity price and the fuel price formula for pricing; however, it did not provide a breakdown of the VOM cost component. Therefore, it was not possible to calculate the all-in price for their Proposal.

Component	CH4 Green Energy	Energiza	Karpower
Caps and Damages	CH4 Green Energy did not propose any levels of liquidated damages as required by the RFP. CH4 Green Energy did propose a competitive seller liability cap, which was divided into pre-construction (\$15 million), during construction (\$22.5 million) and post construction (\$37.5 million, reducing over the term of the agreement.	Energiza proposed delay liquidated damages (\$100k / day, capped at \$30 million) and performance liquidated damages (capacity - \$1,500/kW, heat rate - \$110k / Btu). Energiza proposed a seller liability cap that was the greater of 20% of largest annual capacity payment or \$20 million.	Karpower's Proposal included low levels of liquidated damages (delay - \$20k / day, capped at \$5 million, and performance liquidated damages for capacity at \$120/kW and heat rate at \$80 / Btu) and a seller liability cap of only \$2 million.
Part 4 – FINANCIAL CAPABILITY			
Financial Plan & Capability	CH4 Green Energy failed to submit a specific financing plan as required by the RFP. Financial information was only submitted for one of the CH4 Green Energy partner companies of one of the partners, which was not Team Member.	Energiza provided a specific financing plan prepared by its financial advisor, PEI Global Partners. Energiza's partners include the turbine Original Equipment Manufacturer – Mitsubishi, and, North American Energy Services ("NAES"), both of whom are recognized global companies in the power industry. NAES is an industry leader in providing O&M services and committed to hiring and training local technicians.	Karpower did not provide a specific financing plan with any details but mentioned that it would finance the entire project with equity. Karpower provided the parent company's unaudited financial statements ending September 30, 2023, and audited financial statements for the year ended December 31, 2022, as well as a board resolution that stated that the parent company was provisionally committing to 100% equity contribution to finance the Project. However, Karpower failed to provide a detailed plan, which hindered a comprehensive understanding of the equity financing plan.



5.2.7 Summary of Evaluation Worksheets

On July 8, 2024, each Partnership Committee member submitted their score of the binding Proposals, and these scores were averaged to determine a score for each binding Proposal. The Partnership Committee's scores resulted in Energiza's binding Proposal receiving the highest average score.

Table 4 below breaks down the aggregate score assigned to each Qualified Respondent for each criterion.

TABLE 4: BREAK DOWN OF QUALIFIED RESPONDENT SCORES

Component	CH4 Green Energy	Energiza	Karpower
QUALIFICATIONS / COMPLIANCE			
Adherence to Applicable Regulations	Pass	Pass	Pass
Part 1 – TECHNOLOGY & PLANT PERFORMANCE			
Capacity, Heat Rate, Configuration & Maintenance	19 / 25	21.63 / 25	22.84 / 25
Part 2 – SCHEDULE & IMPLEMENTATION TIMELINE			
Site Control, Fuel Term Sheet & Schedule/Commercial Operations Date	6.15 / 15	12.95 / 15	8.8 / 15
Part 3 – FINANCIAL, COMMERCIAL & RISK			
All-In Price, Liquidated Damages – Delay, Capacity, Heat Rate, & Seller Liability Cap	2.1 / 45	33.78 / 45	2.14 / 45
Part 4 – FINANCIAL CAPABILITY			
Financial Capability & Plan	0 / 10	5.5 / 10	0 / 10
Part 5 – PARTNERSHIP COMMITTEE PRESENTATION			
In-Person Presentation	1.9 / 5	4.5 / 5	3.9 / 5
TOTAL SCORE	29.15 / 100	78.36 / 100	37.68 / 100

Determination of Preferred Proponent

The Partnership Committee concluded that Energiza had satisfied all of the RFP's requirements and submitted the strongest overall Proposal that addressed the Government's objectives. In light of Energiza's Proposal being the most highly ranked, the Partnership Committee voted by referendum on July 8 to designate Energiza as the preferred proponent. On July 10, 2024, Energiza was notified in writing of its selection as preferred proponent, and CH4 Green Energy and Karpower were notified that another Qualified Respondent had been designated the preferred proponent. The Partnership Committee requested that Energiza formally

resubmit its Proposal to address the Partnership Committee's concerns and reflect the improvements that resulted from discussions between Energiza and the P3 Authority, particularly as they relate to pricing. On July 17, 2024, Energiza resubmitted its Proposal ("**Energiza's Revised Proposal**").

On July 29, 2024, the P3 Authority and the Consultants met with the Partnership Committee to present and discuss Energiza's Revised Proposal. Energiza's Revised Proposal addressed the Partnership Committee's concerns and adequately responded to requests for enhancements. The Revised Proposal was scored, solely to convey the improvements that were achieved as a result of negotiations, and

thus such scoring was not utilize for comparison purposes across the Qualified Respondents.

Each Partnership Committee member submitted their score of Energiza's Revised Proposal, and such scores were averaged to determine a final score for Energiza. The revised scoring is included for purposes of reflecting the enhancements obtained in Energiza's Revised Proposal for the benefit of the people of Puerto Rico and to show such enhancements since their selection as preferred proponent. However, the Revised Proposal's scoring was not considered for comparison purposes in evaluating the Proposals of the other two (2) Qualified Respondents.

The improved scoring reflects the enhancements that were adopted by Energiza to its initial Proposal following its designation as preferred proponent. The updated Proposal sought to decrease the all-in price by reducing various cost components such as the capacity price, the fuel adder, and the escalation factors. As seen above, Energiza's Revised Proposal improved in several respects, but more importantly resulted in better pricing and terms for the people of Puerto Rico.

TABLE 5: ENERGIZA'S REVISED PROPOSAL SCORE

Component	Original Proposal	Revised Proposal
QUALIFICATIONS / COMPLIANCE		
Adherence to Applicable Regulations	Pass	Pass
Part 1 – TECHNOLOGY & PLANT PERFORMANCE		
Capacity, Heat Rate, Configuration & Maintenance	21.63 / 25	21.78 / 25
Part 2 – SCHEDULE & IMPLEMENTATION TIMELINE		
Site Control, Fuel Term Sheet & Schedule/Commercial Operations Date	12.95 / 15	13.10 / 15
Part 3 – FINANCIAL, COMMERCIAL & RISK		
All-In Price, Liquidated Damages – Delay, Capacity, Heat Rate, & Seller Liability Cap	33.78 / 45	39.36 / 45
Part 4 – FINANCIAL CAPABILITY		
Financial Capability & Plan	5.5 / 10	5.80 / 10
Part 5 – PARTNERSHIP COMMITTEE PRESENTATION		
In-Person Presentation	4.5 / 5	4.5 / 5
TOTAL SCORE	78.36 / 100	84.54 / 100



Conclusion

6

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In 2018, the Government embarked on an unprecedented transformation of Puerto Rico's energy sector and PREPA (the sole electric utility for the island of Puerto Rico), by developing and implementing a comprehensive and visionary plan. The Government's long-term goals for the energy transformation are: (i) transitioning to clean, renewable energy as established by the Puerto Rico Energy Public Policy Act, (ii) building resilient cost-effective and forward-looking utilities that harness innovating thinking and best practices from around the world, and (iii) revitalizing Puerto Rico's economy, in each case for the benefit of the people of Puerto Rico.

To achieve these goals, the Government had to obtain buy-in from multiple stakeholders to: (i) modernize the legislative framework for Puerto Rico's electric sector, (ii) secure federal disaster assistance funding to help rebuild Puerto Rico in the aftermath of natural disasters without resorting to the capital markets, (iii) address PREPA's unprecedented fiscal and economic crisis through the Title III process of PROMESA, and (iv) engage a private operator for the operation and management of the T&D system and a private partner to operate and decommission PREPA's Legacy Generation Assets.

Through the enactment of the Transformation Act in June 2018, the Government laid down the legal framework for its stated goal of transforming Puerto Rico's energy system into a modern, sustainable, reliable, efficient, cost effective, and resilient one. Pursuant to the Transformation Act, a new energy policy was developed that requires 100% of PREPA's energy to come from renewable sources by 2050.

To date, the transformation process has resulted in the successful transfer of the operation of the T&D system and PREPA's Legacy Generation Assets to private operators. Because the Legacy Generation Assets are nearing the end of their useful lives, the next phase in the transformation process consists of developing new generation capacity in line with the IRP and Puerto Rico's energy policy.

On August 3, 2022, PREB determined that the P3 Authority had to commence an RFP process for the CCGT Project, a new natural gas and hydrogen burning combined-cycle generation facility at a suitable location in Puerto Rico. The CCGT Project will be the first ever power plant with hydrogen fuel capability built and operated on the island of Puerto Rico.

On March 1, 2023, the P3 Authority issued a RFQ and on April 10, 2023, the P3 Authority received eight (8) SOQs. One (1) month later, the Partnership Committee selected the six (6) Qualified Respondents to participate in the RFP process. Ten (10) months later, on March 15, 2024, the Partnership Committee received three (3) binding Proposals from CH4 Green Energy, Energiza, and Karpower to own, develop, finance, engineer, procure, construct, commission, and operate a new LNG to H2 Generation Facility at a suitable location in Puerto Rico.

Pursuant to the RFP, the binding Proposals received were comprised of four (4) main components:

- Technology and Plant Performance;
- Schedule and Implementation Timeline;
- Financial, Commercial, and Risk Components; and,
- Financial Capability.

On April 4 and 5, 2024, each Qualified Respondent presented its binding Proposal to the Partnership Committee, the P3 Authority, and the Consultants.

Energiza's binding Proposal not only complied with the requirements of Act 29, the Transformation Act, the Regulation, and the RFP, but also received the highest average score based on the evaluation criteria developed to meet the objectives of the CCGT Project.

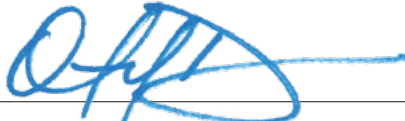
- Energiza's proposed technology has the most efficient heat rate in combined cycle operations mode of all the Proposals.

- Energiza's Proposal included a site lease option agreement, a detailed fuel supply term sheet and a comprehensive schedule that incorporates timing required to secure all needed permits and approvals.
- The pricing (capacity, fuel, variable operation and maintenance cost) and risk components of Energiza's Proposal were detailed and took into account all potential project related risks, both from a schedule and performance perspective.
- Energiza presented a financing plan that was supported by an experienced financial advisor that has already been engaged by Energiza.

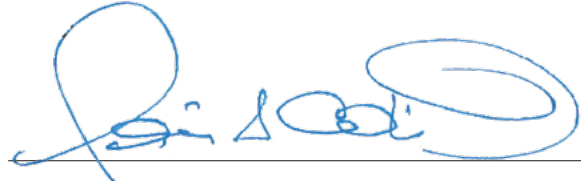
Following an extensive review of the binding Proposals, the Partnership Committee determined that Energiza's binding Proposal was superior in respect of each of its components and represents the best alternative to achieve the Government's stated goal of transforming the generation system into one that is customer-centric, resilient, reliable, affordable, and sustainable and paving the path for the integration of renewable generation sources. The procurement process was conducted in a fair and transparent manner, affording all Qualified Respondents equal opportunity to participate.

In conclusion, the process for the CCGT Project was conducted over the course of more than 21 months and involved: (i) robust participation by a number of highly qualified private sector participants, (ii) multiple opportunities for comment on and discussion of the proposed transaction structure and the PPOA with private sector participants, (iii) an extensive and in-depth assessment and analysis of the binding Proposals by the Consultants, (iv) the opportunity for Qualified Respondents to present and discuss their Proposals in person to the Partnership Committee, the P3 Authority, and their Consultants, (v) thorough review of the binding Proposals and the Consultant's assessment thereof by the P3 Authority and the Partnership Committee, and (vi) the scoring of the binding Proposals by the Partnership Committee based on clearly articulated evaluation criteria to achieve the Government's objectives for the CCGT Project. As such, the Partnership Committee unanimously recommends to the P3 Authority Board that Energiza be awarded the PPOA.

Approved and received by the Partnership Committee Members:



Omar Marrero Díaz
Executive Director and Chairman
Financial Advisory Authority and Fiscal Agency
of Puerto Rico



Josué A. Colón Ortiz
Executive Director
Puerto Rico Electric Power Authority

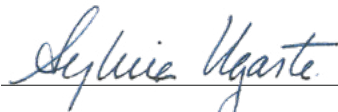


Francisco Berríos Portela
Chairman of Governing Board
Puerto Rico Electric Power Authority



Memphis Cabán Rodríguez
Member of Governing Board
Government officer chosen by the Board of the
Directors of the P3 Authority for their knowledge
and experience

Puerto Rico Electric Power Authority



Sylvia B. Ugarte Ardujo
Associate Commissioner
Government officer chosen by the Board of the
Directors of the P3 Authority for their knowledge
and experience
Puerto Rico Energy Bureau

Annex I: Pricing Comparison

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ENERGIZA'S PPOA TO OTHER PUERTO RICO GENERATION FACILITIES

ANNEX I

Comparison of Energiza PPOA Price to Average Prices of Puerto Rico Generation Facilities for FY 24	
Energiza PPOA Proposal ¹	All-In Price (\$/kWh)
Energiza PPOA Pricing in FY 24 Dollars	\$ 0.11
Legacy Generation Facilities²	
IPPs:	
Eco Electrica	\$ 0.12
AES	\$ 0.15
PREPA Baseload Units:	
Costa Sur 5, 6	\$ 0.23
Aguirre 1, 2	\$ 0.19
Palo Seco 3, 4	\$ 0.18
San Juan 7, 9	\$ 0.19
San Juan CC 5, 6	\$ 0.11
PREPA Peaking Plants:	
Aguirre CC	\$ 0.34
Cambalache	\$ 0.31
Yabucoa	\$ 0.40
Daguao	\$ 0.41
Jobos	\$ 0.43
Mayagüez	\$ 0.28
SJ and PS TMs	\$ 0.15
Renewable Generation Facilities³	
Tranche 1 Renewables	
Base Rate (\$/kWh)	
Go Green USA America Corp.	\$ 0.13
AES Clean Flexible Energy LLC	\$ 0.10
AES Clean Flexible Energy LLC	\$ 0.11
Pattern Barceloneta Solar LLC	\$ 0.15
Tetris Power, LLC	\$ 0.13
CS-URIEL Juncos PV, LLC	\$ 0.13
Putnam CIRO Two Salinas LLC	\$ 0.08
Putnam Guayama Solar Energy LLC	\$ 0.09
Solaner Puerto Rico One, LLC - San German	\$ 0.12
(INFINGEN) YFN Yabucoa Solar, LLC	\$ 0.14
Older Renewables	
Price (\$/kWh)	
Punta Lima Wind Farm, LLC	\$ 0.15
San Fermin Solar Farm, LLC	\$ 0.11
AES Ilumina	\$ 0.11
Pattern San Isabel	\$ 0.20
Humacao Solar Project, LLC	\$ 0.19
Horizon Energy, LLC	\$ 0.18
Oriana Energy, LLC	\$ 0.18
Coto Laurel Solar Farm, Inc	\$ 0.21
Landfill Gas Technologies of Fajardo LLC	\$ 0.10
Landfill Gas Technologies of Fajardo LLC (Toa Baja Landfill)	\$ 0.10
Windmar Renewable Energy, Inc	\$ 0.19

Notes:

1. Energiza's PPOA price is an all-in price that includes the capacity price, fixed O&M and variable O&M costs, and fuel costs.
2. The prices for PREPA's Legacy Generation Assets and IPPs have been provided by LUMA; they are production costs which likely do not include any fixed costs.
3. The prices for the Renewables PPOAs have been provided by PREPA.

Exhibit A: Defined Terms

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For purposes of this Report, the following defined terms will have the meanings used in the sections indicated below.

Term	Section	Term	Section
2019 IRP	3.1.1	IRP	3.1.1
428 Guide	3.1.5	IRP Final Resolution and Order	3.1.1
AAFAF	3.1.3	Karpower	1
Act 29	1	Legacy Generation Assets	3.1.3
Act 29 Regulation	1	Legislature	2
Act 57	1	LGA O&M Agreement	3.1.3
Aerostar	3.1.3	LGA Operator	3.1.3
Amended Plan	3.1.2	LGA Project	3.1.3
Ansarada	4.3.2	Lien Challenge Decision	3.1.3
Bid Security	1	LMM Airport Agreement	3.1.3
BOP	4.2	LMM Airport Project	3.1.3
CCGT Project	1	LND	4.2
Certified PREPA Fiscal Plan	3.2	LNG to H2 Generation Facility	1
CH4 Green Energy	1	LNG	4.2
Cleary	2	LOLE	3.1.4
COD	5.1.1	LUMA	3.1.3
Commonwealth Plan of Adjustment	3.1.2	MAP	3.1.1
Concessionaire	3.1.3	Metropistas	3.1.3
Consultants	2	Mitsubishi Power	1
COR3	3.1.5	MTA	1
Cratos	1	MW	1
Data Room	4.3.2	NAES	1
Eco-Renovable	1	NFE	3.1.3
EGE Haina	4.2	Nu Energy	3.1.1
Energiza	1	Original CCGT Plant	3.1.6
Energiza's Revised Proposal	4.3.5	P3 Authority	1
Energy Public Policy Act	3.1.1	P3 Authority Board	1
Energy System Modernization Scenario	3.1.1	Partnership Committee	1
EPC	4.3.5	Peerless	4.2
Ferries Project	3.1.3	PMA	3.1.1
Final Form of PPOA	4.3.1	Powerships	4.2
First Circuit Decision	3.1.2	PPOA	1
FOMB	2	PPP	1
FOMB Consent	2	PREB	1
FTI	2	PREB's August 2022 Order	1
Genera	3.1.3	PREPA	1
GMP	3.1.5	PREPA Transaction	3.1.1
Government	1	PRHTA	3.1.3
HIC	1	PROMESA	2
HMS	3.1.3	Proposal	1
Independent Panel	3.1.5	Proposal Submission Deadline	4.3.1
Initial Draft of Form of PPOA	4.3.1	PRPA	3.1.3
InterEnergy	1	PV	1

Term	Section
Qualified Respondents	1
Recommended Award	2
Regulation	2
Renewable Projects	3.1.3
Report	2
Required Approvals	2
Revised Draft of Form of PPOA	4.3.1
RFCs	4.2
RFP	1
RFP-RFC	4.3.2
RFQ	1
RFQ-RFC	4.2
San Juan Bay Cruise Terminals Project	3.1.3
SIBA Energy	4.2
SOQ	1
SOQ Submission Deadline	4.2
T&D	3.1.3
T&D O&M Agreement	3.1.3
T&D Operator's SOP	4.2
T&D Project	3.1.3
Title III	3.1.2
Title III Court	3.1.2
Toll Roads Agreement	3.1.3
Toll Roads Monetization Project	3.1.3
Toll Roads Project	3.1.3
Transformation Act	1
Tropigas	1

**Exhibit B:
Request for
Qualifications**

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PUERTO RICO
**PUBLIC-PRIVATE
PARTNERSHIPS**
AUTHORITY



REQUEST FOR QUALIFICATIONS

LNG to H2 Combined Cycle Generation Plant

RFQ 2023-01

Issued by the Puerto Rico Public-Private Partnerships Authority

Date Issued: March 1st, 2023

Responses Due Date: April 10, 2023 at 5:00 PM AST

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This RFQ (as defined herein) is prepared for informational purposes only and does not purport to be all-inclusive or to contain all the information that a Respondent (as defined herein) may desire in investigating the potential transaction. No express or implied warranty is given by the Puerto Rico Public-Private Partnerships Authority or any other agency or instrumentality of the Government of Puerto Rico as to the accuracy or completeness of the information contained herein or otherwise made available in connection with the Project (as defined herein).



1. Introduction and Background

1.1 Introduction

The Puerto Rico Public-Private Partnerships Authority (the “**Authority**”), in collaboration with the Puerto Rico Electric Power Authority (“**PREPA**”), hereby issues this Request for Qualifications (“**RFQ**”) to request Statements of Qualifications (“**SOQs**”) from companies and consortia interested in providing additional generation capacity through a new facility (the “**Generation Facility**”) to be located at a suitable location in Puerto Rico, pursuant to a long-term public-private partnership contract (the “**Project**”).

The Project’s objectives are in line with (i) PREPA’s Integrated Resource Plan, dated February 12, 2019 (the “**IRP**”), as modified and supplemented by the Final Resolution and Order, dated August 24, 2020 (the “**Final Resolution and Order**”), and as further modified and supplemented by the Final Resolution on Reconsiderations, dated December 2, 2020 (the “**Final Resolution on Reconsiderations**”), issued by the Puerto Rico Energy Bureau (“**PREB**”) with docket number CEPR-AP-2018-0001, (ii) PREB’s August 2022 Order (as defined below) ordering PREPA to commence the procurement process for the Generation Facility and (iii) LUMA Energy LLC’s (“**LUMA**”) Resource Adequacy Study (as defined below).

The Authority and PREPA wish to enter into a public-private partnership (“**PPP**”) with one Person (as defined in the Act 120 Regulation (as defined below)), including but not limited to, municipalities and municipal consortia of Puerto Rico, electric cooperatives or energy cooperatives, private sector companies or consortia (“**Private Partner**”) to provide generation capacity with a view towards improving resource adequacy on the island.

Any natural or legal person, joint venture, partnership or other entity, or consortium thereof, that submits a SOQ in response to this RFQ (each, a “**Respondent**”) is encouraged to review the following documents, which are available for download on the Authority’s website at <http://www.p3.pr.gov>, for further background on the Project and the legal framework within which it will be executed:

- a. PREPA Organic Act, Act No. 83-1941, as amended;
- b. Public-Private Partnership Authority Act, Act No. 29-2009, as amended (the “**PPP Act**”);
- c. Puerto Rico Energy Transformation and RELIEF Act, Act No. 57-2014, as amended (“**Act 57**”), including integration of the IRP;
- d. PREPA Revitalization Act, Act No. 4-2016, as amended;
- e. Puerto Rico Oversight, Management, and Economic Stability Act, Pub. L. 114-187, as amended (“**PROMESA**”);
- f. Puerto Rico Electric System Transformation Act, Act No. 120-2018, as amended (“**Act 120**”);
- g. Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Partnership Contracts and Sale Contracts for the Transformation of the Electric System under Act No. 120-2018, as amended (the “**Act 120 Regulation**”);
- h. Puerto Rico Energy Public Policy Act, Act No. 17-2019, as amended (“**Energy Public Policy Act**”);
- i. Puerto Rico Energy Bureau Resolution and Order, dated August 3, 2022 with docket number NEPR-MI-2021-0003 (the “**August 2022 Order**”); and



- j. LUMA Generation Resource Adequacy Analysis, dated June 30, 2022, as submitted to PREB on August 30, 2022 (the “Resource Adequacy Study”).

In addition, the PREPA Fiscal Plan, certified as of June 28, 2022 by the Financial Oversight and Management Board for Puerto Rico (“FOMB”), and the 2022 Fiscal Plan for Puerto Rico, certified on January 27, 2022 by the FOMB (the “Government Fiscal Plan”), are available at <https://oversightboard.pr.gov/fiscal-plans-2/>.

1.2 Background on Puerto Rico

1.2.1 Overview

Puerto Rico is a self-governing territory of the United States and is located approximately 1,030 miles southeast of Miami, Florida, in the Caribbean. Puerto Rico has an area of approximately 3,500 square miles and a population estimated at 3.26 million by the United States Census Bureau as of July 1, 2021.

Historically, Puerto Rico has had one of the largest and most dynamic economies in the Caribbean region. As a territory of the U.S. since 1898, Puerto Rico offers a stable legal and regulatory framework where major U.S. and foreign multi-national corporations have operated. Puerto Rico has a well-educated and bilingual workforce and has been a global center for manufacturing (including in the pharmaceutical, biotechnology, medical devices, agriculture, aerospace and electronics industries), which has been complemented by strong consumer, retail and service sectors.

The federal law of the United States generally applies in Puerto Rico and Puerto Rico is subject to the jurisdiction of U.S. regulatory authorities, including the U.S. Environmental Protection Agency (“EPA”) Region 2. Because it is a U.S. territory, the U.S. Federal Deposit Insurance Corporation (“FDIC”) insures banks operating in Puerto Rico, which are subject to the same federal controls applied to banks operating in the U.S. mainland. The U.S. Securities and Exchange Commission (“SEC”) regulates all publicly traded securities and commodities.

Puerto Rico - Key Facts

Population	3.26 million (2021)
Land Area	8,959 sq. km (approx. 3,500 sq. mi)
Currency	U.S. Dollar
Languages	English, Spanish
GDP Per Capita	\$31,420 (2020)

* Data according to U.S. Census Bureau and the Economic Development Bank for Puerto Rico.

1.2.2 Financial Condition and Title III Process

The Government of Puerto Rico (the “Government”) and most of its public corporations have been facing a profound fiscal crisis.

The Government’s balance sheet deterioration, coupled with continued structural budget imbalances between revenues and expenditures, and a lack of continuity and execution capacity in fiscal and economic plans resulted in the loss of access to the capital markets since 2015. This limited the Government’s ability to make necessary infrastructure investments and to meet scheduled debt service payments.

Recognizing the delicate fiscal condition of Puerto Rico, the U.S. Congress enacted PROMESA, which was signed into law on June 30, 2016. PROMESA provides a series of mechanisms to achieve fiscal and budgetary balance and restore access to the capital markets to spur the revitalization of infrastructure in Puerto Rico. PROMESA also established the FOMB, which is tasked with working with the people of Puerto Rico and the Government to create the necessary foundation for economic growth.


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On May 3, 2017 and July 3, 2017, the FOMB filed petitions for relief under Title III of PROMESA in the U.S. District Court for the District of Puerto Rico (the “**Title III Court**”) for the Government and PREPA, respectively. Upon the commencement of PREPA’s Title III case, an automatic stay on litigation related to the financial indebtedness and other obligations of PREPA immediately went into effect.

On March 15, 2022, upon the effectiveness of the plan of adjustment for the Government (the “**Commonwealth Plan of Adjustment**”), Puerto Rico’s central government emerged from its Title III proceedings. The Commonwealth Plan of Adjustment reduced Puerto Rico’s total funded debt obligations by 78% and discharged legacy Puerto Rico general obligation bonds, ERS bonds, and PBA bonds, as well as all of the related Puerto Rico, ERS, and PBA obligations and guarantees. However, PREPA continues to engage in the in-court debt restructuring process under PROMESA.

The PPP Contract (as defined herein) will need to comply with certain federal and local requirements and regulations, including PROMESA, which will be set forth in more detail in the RFP (as defined herein). The PPP Contract will also require the consent of the FOMB pursuant to the FOMB’s contract review policy effective as of November 6, 2017 (as modified July 3, 2018), in addition to the approval of others as described in Section 2.1 of this RFQ.

The FOMB and its advisors are working closely with the Authority and PREPA throughout this process and are expected to be active participants at all stages.

1.2.3 Hurricanes, Earthquakes and Recovery Efforts

In September 2017, Hurricanes Irma and Maria delivered devastating blows to Puerto Rico, resulting in the largest and most complex disaster response and recovery effort in recent U.S. history. Irma skirted the northern coast of Puerto Rico on September 6 and 7, 2017, as a Category 5 storm, causing significant flooding, regional power and water outages and other damage to Puerto Rico’s infrastructure. On September 20, 2017, less than two weeks after Irma and before Irma’s response operations had concluded, Maria made a direct strike over Puerto Rico as a Category 4 storm, causing widespread and unprecedented devastation and destruction. Maria resulted in loss of life and massive infrastructure and property damage, and severely affected Puerto Rico’s population, economy, critical infrastructure, social service network, healthcare system and Government.

On September 5 and 17, 2017, the Government requested separate federal declarations of emergency and disaster for Puerto Rico in light of the effects of Hurricanes Irma and Maria. These requests were subsequently approved by the President of the United States (the “President”), paving the way for federal disaster assistance funding. On October 26, 2017, the President signed the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law No. 115-72), which provided \$36.5 billion in FY2018 emergency supplemental appropriations to the Federal Emergency Management Agency (“**FEMA**”), the Department of Agriculture and the Department of the Interior, a portion of which has been appropriated for Puerto Rico’s energy system in connection with Irma and Maria disaster recovery efforts.

Since December 28, 2019, a number of earthquakes of varying magnitudes have struck Puerto Rico, including a magnitude 6.4 earthquake on January 7, 2020, and most recently, a magnitude 5.4 earthquake on May 2, 2020. The earthquakes have led to the loss of human life and injuries and have caused substantial damage to private property and Puerto Rico’s infrastructure. In particular, the January 7, 2020 earthquakes resulted in significant damage to the Costa Sur power plant, which was located close to the epicenter of those earthquakes and is an instrumental part of the electric power generation infrastructure in Puerto Rico.

On September 18, 2022, Hurricane Fiona struck Puerto Rico as a Category 1 storm and generated some of the largest levels of rainfall ever recorded in the island, with some areas receiving over 30 inches of rainfall. Fiona’s torrential rainfall produced flash floods, which further damaged the grid almost five years after Irma and Maria and over two years after the earthquakes, which significantly impacted several of the Puerto Rico power plants.

As Puerto Rico looks to the future, it sees the recovery effort as an opportunity not just to rebuild what was damaged, but also to transform Puerto Rico’s energy system by implementing solutions that:



- a. are cost-effective and forward-looking;
- b. are resilient and built in accordance with relevant industry codes, specifications and standards;
- c. harness innovative thinking and industry best practices; and
- d. contribute to greater economic development, revitalization and growth of Puerto Rico (in alignment with broader Government efforts to achieve fiscal and economic stability).

Puerto Rico is moving forward in its economic and disaster recovery by investing in infrastructure, its people and the environment. Federal funds from FEMA and other government entities are helping achieve this vision. In order to fully deliver on all of the economic, infrastructure and societal goals identified by the Government, private sector creativity and resources need to be harnessed.

1.3 Background on PREPA and the Transformation of Puerto Rico's Electric System

1.3.1 PREPA Overview

PREPA is a public corporation and instrumentality of the Government, created pursuant to the PREPA Enabling Act, Act No. 83-1941, as amended. Its purpose is to provide electric power in a reliable manner, contribute to the general welfare and sustainable development of Puerto Rico, and maximize the benefits while minimizing the social, environmental, and economic impacts of electric energy generation and distribution. As the sole electric utility in Puerto Rico, PREPA (through the T&D Operator (as defined below)) provides electricity to approximately 1.5 million customers, making it one of the largest U.S. public utilities by customers served.

1.3.2 Transformation of Puerto Rico's Electric System

Since 2018, the Government has worked to transform and modernize Puerto Rico's electric system by transitioning to the private operation of PREPA's assets. PREPA has suffered years of underinvestment and substandard management, resulting in significant operational and financial challenges that were exacerbated by Hurricanes Irma and Maria in September 2017, Hurricane Fiona in 2022, and by the earthquakes in December 2019, January 2020 and May 2020.

On June 20, 2018, Act 120 was signed into law with the stated goal of transforming Puerto Rico's energy system into a modern, sustainable, reliable, efficient, cost-effective and resilient system. Act 120 provides the legal framework through which the Authority determines the PREPA services and facilities that are subject to PPPs and the PREPA generation assets that may be sold, transferred, or be made subject to PPP as "**PREPA Transactions**" (as defined in Act 120). In addition, Act 120 designated the Authority as the only government entity authorized to determine and to be responsible for the functions, services or facilities for which PPPs can be established, subject to the priorities, objectives and principles established in the energy public policy and regulatory framework developed by the Government pursuant to Act 120.

PREPA's transformation process began in earnest with the Authority's issuance of a Request for Qualifications for the management and operation of Puerto Rico's electric power transmission and distribution ("**T&D**") system pursuant to a long-term contract (the "**T&D Transformation**"). On June 22, 2020, after a robust and competitive procurement process lasting more than 18 months, the Authority announced that PREPA entered into a 15-year PPP Contract with LUMA (in such capacity, the "**T&D Operator**"), pursuant to which the T&D Operator would operate, maintain, and modernize Puerto Rico's T&D system (such PPP Contract, the "**T&D O&M Agreement**"). The T&D Operator commenced operating Puerto Rico's T&D system on June 1, 2021.

The following phase of PREPA's transformation process ensued engaging private-sector operational expertise for the operation, maintenance and eventual decommissioning of certain of PREPA's base-load generation plants and



gas turbine peaking units (the “**LGA Project**” and such plants, the “**Legacy Generation Assets**”). After a transparent and competitive RFP Process that lasted more than 24 months, on January 24, 2023, the Authority and PREPA entered into a 10-year PPP Contract with Genera PR LLC (“**Genera**” and, in such capacity, the “**LGA Operator**”), pursuant to which the LGA Operator would manage the fuel supply and operate, maintain and decommission the LGA Assets.

Additional information on the T&D Transformation and LGA Project processes can be found on the Authority’s website: <https://www.p3.pr.gov/projects/>.

1.4 The Integrated Resource Plan

Under Act 57, PREPA is required to prepare an integrated resource plan that consists of a detailed planning process considering all reasonable resources to satisfy the demand for electrical services over a 20-year planning horizon. PREPA’s IRP provides a roadmap to realize PREPA’s modernization goals. In addition, the IRP considers the resiliency, reliability, and stability of the power system, and must be fully compliant with current and future environmental regulations.

On February 12, 2019, PREPA submitted a proposed integrated resource plan that it developed with support from Siemens Power Technology, Inc. using a rigorous analytical process. The plan provides analysis and recommendations for PREPA’s energy supply resources for the twenty (20)-year period from 2019 to 2038. The analyses set out in the integrated resource plan considered a large number of scenarios and incorporated input from PREPA and relevant stakeholders.

On March 14, 2019, PREB found that the integrated resource plan submitted by PREPA was not fully in compliance with Regulation 9021, Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority, or prior PREB orders and ordered PREPA to re-file a revised plan. The revised integrated resource plan was submitted on June 7, 2019 and underwent the review process required by Regulation 9021, with Phase 2 commenced by PREB on July 3, 2019. The replies to final briefs were submitted by PREPA and other relevant parties on April 20, 2020.

On August 24, 2020, PREB issued the Final Resolution and Order pursuant to which it approved in part the integrated resource plan and ordered the adoption and implementation of a modified action plan. The Final Resolution and Order can be accessed at PREB’s website at: <https://energia.pr.gov/wp-content/uploads/sites/7/2020/08/AP20180001-IRP-Final-Resolution-and-Order.pdf>.

The Final Resolution and Order was subject to several motions for reconsideration, which resulted in certain clarifications and a few modifications, issued in the Final Resolution on Reconsiderations, which can be accessed at PREB’s website at: <https://energia.pr.gov/wp-content/uploads/sites/7/2020/12/AP20180001-Final-Resolution-on-Reconsiderations.pdf>. The complete IRP docket is available to the public on PREB’s website at: <https://energia.pr.gov/en/dockets/?docket=CEPR-ap-2018-0001>.

PREB published its August 2022 Order pursuant to which it ordered the commencement of a competitive procurement process for the establishment of a PPP for the Generation Facility meeting the requirements described in Section 3 of this RFQ.

2. RFQ Overview and PPP Process

2.1 The PPP Program

The PPP Act provides that the public policy of the Government is to favor and promote the establishment of PPPs for the development of certain Priority Projects (as defined in the PPP Act) to, among other things:



- a. further the development and maintenance of infrastructure facilities;
- b. share with the private sector the risks involved in the development, operation and/or maintenance of such projects;
- c. improve the services rendered by and the functions of the Government; and
- d. encourage job creation and promote Puerto Rico's socioeconomic development and competitiveness.

The PPP Act provides that the public policy with respect to PPPs is to maintain such controls as are necessary to protect the public interest, yet balance this need for controls with the profit-making purpose of any private operation. The contractual relationship must thus be mutually beneficial, while ensuring the efficient, effective and affordable provision of public goods and services to all citizens.

The Authority was created pursuant to the PPP Act as a public corporation of the Government affiliated with the Puerto Rico Fiscal Agency and Financial Advisory Authority (known by its Spanish acronym "AAFAF"). The Authority is designated as the sole government entity authorized and responsible for implementing the Government's public policy on PPPs and for determining the functions, services or facilities for which PPPs are to be established.

For each proposed PPP project, the Authority must establish a committee (the "**Partnership Committee**"), as provided in the PPP Act, responsible for, among other things: (i) qualifying, evaluating and selecting the proposed PPP; (ii) establishing the terms and conditions of the agreement (a) awarded to the Private Partner as a result of the process described in this RFQ (the "**RFQ Process**") and the competitive procurement process that follows such RFQ Process (the "**RFP Process**") and (b) executed by the Private Partner, the Authority and PREPA to establish a PPP (the "**PPP Contract**"); and (iii) reporting on the procedures followed, and the reasons for selecting a particular Proposal (the "**Committee Report**").

Respondents should note that the Partnership Committee has been vested with the authority to negotiate the terms of the PPP Contract. PREPA has been vested with the authority to execute the PPP Contract negotiated by the Partnership Committee with a Private Partner, subject to the approvals set forth below, including approvals by (i) PREB (created by Act 57-2014, as amended, to regulate, monitor and enforce the energy public policy of the Government), (ii) the board of directors of each of the Authority and PREPA, (iii) the FOMB and (iv) the Governor (as defined below).

Approval by PREB

If PREB determines that the PPP Contract complies with the energy public policy, the regulatory framework and applicable law, PREB shall issue a certificate certifying such compliance (the "**Energy Compliance Certificate**"). If PREB does not issue the Energy Compliance Certificate or a negative decision with respect thereto within thirty (30) days, it will be deemed to have approved the PPP Contract. Once the Energy Compliance Certificate has been issued or deemed issued, any amendment to the PPP Contract will require the issuance of a new Energy Compliance Certificate.

Approval by Board of Directors of the Authority and Board of Directors of PREPA

After the completion of both (i) the negotiation of the PPP Contract and (ii) the issuance of the Energy Compliance Certificate, the Board of Directors of the Authority and the Board of Directors of PREPA will approve or reject the Committee Report and the PPP Contract by means of a resolution.

Approval by the FOMB

Once the PPP Contract has been approved by PREB, the Board of Directors of the Authority and the Board of Directors of PREPA, the Committee Report and the PPP Contract will be submitted to the FOMB. The PPP Contract will require the consent of the FOMB pursuant to the FOMB's contract review policy established under



Section 204(b) of PROMESA, which requires FOMB approval of all local Puerto Rico contracts entered into by the Government or any covered instrumentality with an expected value of \$10 million or more in the aggregate.

Approval by the Governor

Following the FOMB's consent, the Committee Report and the PPP Contract must be delivered to and approved by the Governor of Puerto Rico or his delegate (collectively, the "Governor"). The Governor must approve or deny the PPP Contract in writing within thirty (30) days of receiving the Committee Report and the Partnership Contract. If the Governor does not approve the PPP Contract within thirty (30) days, the Partnership Contract will be treated as if it had been denied by the Governor.

The mere fact that a required approval is obtained does not confer the right to any Respondent to claim indemnity, refund or any payment whatsoever on account of expectations arisen in any stage of the process, or for expenses incurred during RFQ Process or the RFP Process.

2.2 Function of this RFQ

The Authority is issuing this RFQ pursuant to Section 5 of Act 120 and Section 4 of the PPP Act. This RFQ may be amended at any time through the publication of addenda posted on the Authority's website: <https://www.p3/pr.gov>. Interested parties will be responsible for periodically checking the Authority's website for announcements and publication of relevant information concerning this process, including any addenda.

Prospective Respondents should carefully review Act 120, the PPP Act and the Act 120 Regulation (each of which is available for download on the Authority's website: <https://www.p3.pr.gov>) and should ensure that, in addition to the terms and conditions of this RFQ, they comply with all applicable provisions set forth therein.

The intent of this RFQ is to provide each interested prospective Respondent with sufficient information to enable it to prepare and submit a SOQ for consideration and evaluation by the Authority and its advisors. This RFQ contains instructions to Respondents, a Form of Respondent Certification and a Form of Document Acknowledgement & Contact Information, which forms must be completed in their entirety and submitted to the Authority for the Respondent to be considered for qualification. The completed Form of Respondent Certification and Form of Document Acknowledgement & Contact Information, together with all required attachments, will constitute the Respondent's SOQ. The Form of Respondent Certification is attached in **Appendix A**. The Form of Document Acknowledgement & Contact Information is attached in **Appendix B**.

This RFQ is being issued to identify those Respondents that meet the minimum requirements necessary to carry out the Project in compliance with Act 120 and the PPP Act, in particular those Respondents that demonstrate:

- a. capabilities and experience developing, constructing, installing, testing, operating, managing and maintaining combined-cycle multiple fuel power generation facilities of approximately 300 megawatts ("MW");
- b. experience operating with various fuel types including natural gas, natural gas and hydrogen blends and oil fuels;
- c. financial stability and capital resources;
- d. demonstrated technical expertise, with a track record of high-quality, safe and reliable operations;
- e. experience in financing merchant or IPP generation plants;
- f. experience and demonstrated ability to coordinate with a largely Spanish-speaking workforce; and
- g. experience complying with regulatory and permitting approvals in Puerto Rico or substantially similar jurisdictions.



The objective of this RFQ is to enable the Partnership Committee to identify Respondents that, based on their SOQ submitted pursuant to this RFQ, are deemed qualified by the Partnership Committee to participate in the RFP Process (the “**Qualified Respondents**”).

In evaluating Respondents, the Partnership Committee may disqualify a Respondent for any of the reasons stated in Sections 7.1 (Disqualifying Events) and 7.2 (Other Grounds for Disqualification) of the Act 120 Regulation, or if the Respondent:

- a. is ineligible to submit a proposal on one (1) or more grounds specified in Act 120, the PPP Act or the Act 120 Regulation;
- b. fails to satisfy the standards established by the Partnership Committee with respect to the Respondent’s required financial condition, or technical or professional ability and experience (as set forth in Section 5 of this RFQ);
- c. fails to comply with the requirements of Sections 9(a) (Applicable Requirements and Conditions for those who wish to be considered as Proponents) and/or 9(d) (Consortia) of the PPP Act, as applicable; or
- d. is the T&D Operator or the LGA Operator.

Pursuant to Section 4.3 (Qualification of Proponents (RFQ)) of the Act 120 Regulation, the Partnership Committee reserves the right to limit, in its absolute discretion, the number of Respondents it considers to be qualified in order to arrive at a shortlist of Qualified Respondents that allows for an orderly procurement.

The Authority reserves the right to terminate the procurement process in whole or in part at any time, for any reason or for no reason, prior to the execution by PREPA of a PPP Contract, without incurring any cost, obligations or liabilities whatsoever. Respondents will not be entitled to an indemnity (including but not limited to reimbursement for costs and expenses) from the Authority or PREPA if the Authority decides, in its sole and absolute discretion, to terminate the procurement process related to the Project.

2.3 Process and Schedule

Persons receiving this RFQ that intend to submit a SOQ should so indicate by providing their contact information to the Authority via e-mail at newgenerationrfq@p3.pr.gov.

The procurement process for the Project is expected to take place in the following stages:

Stage 1 — RFQ Process (Qualification Stage)

The RFQ Process is intended to identify the Qualified Respondents that are eligible to participate in the process and receive Request for Proposals (“RFP”) issued by the Authority to obtain proposals for the Project.

During this stage Respondents submit their SOQ pursuant to this RFQ.

The RFQ Process is standalone and independent and will be completed once the Qualified Respondents are identified by the Authority and all Respondents have received final notification from the Authority as to the results of the RFQ Process. The Authority may choose to make the list of Qualified Respondents public.



Stage 2 — RFP Process (Binding Bid Stage)

The RFP Process is the competitive procurement process that follows the RFQ Process. The RFP Process is intended for Qualified Respondents only and is expected to result in the selection of a Private Partner.

Qualified Respondents that elect to participate in the RFP Process and sign a confidentiality and process agreement (a form of which will be provided to each Qualified Respondent) will:

- a. receive the RFP for the Project;
- b. receive access to an electronic data room;
- c. be eligible to conduct visits of prospective sites, including PREPA facilities (as needed),
- d. be eligible to participate in management presentations and/or meetings with PREPA subject matter experts;
- e. be eligible to conduct diligence Q&A process with PREPA and/or LUMA subject matter experts, as applicable; and
- f. receive a draft of the PPP Contract, which will include a detailed description of the Project.

A more detailed description of the RFP Process, together with a more detailed timetable, will be provided in the RFP.

Stage 3 — Implementation of the PPP Contract

Once the Private Partner and PREPA have executed the PPP Contract, the Project will proceed in accordance with the terms and conditions of the PPP Contract.

Below is a summary schedule of the major activities associated with the RFQ Process. The dates and activities are subject to change and may be revised through the issuance of addenda to this RFQ.

March 1st, 2023	Date of issuance and first publication of public notice of RFQ by the Authority.
March 27, 2023	Deadline for submission of Requests for Clarification (“RFCs”) with respect to this RFQ by prospective Respondents.
April 3, 2023	Deadline for the Authority to release responses to RFCs.
April 10, 2023	Deadline for submission of SOQs (no later than 5:00 pm AST).
April 17, 2023	Deadline for the Authority to issue RFCs, if any, to Respondents regarding the submitted SOQs.
April 24, 2023	Deadline for Respondents to respond to the RFCs issued by the Authority.
May 17, 2023	Estimated date for notification to Qualified Respondents.

All SOQs must be submitted by no later than April 10 2023 at 5:00 pm AST (the “Submission Deadline”) in the manner set forth in Section 5 of this RFQ.

The determination of whether a SOQ is submitted before the Submission Deadline will be based on the date and time stamp that each Respondent must ensure it receives from the Authority. It is the sole responsibility of each



Respondent to ensure that both electronic and physical copies of its SOQ are submitted no later than the Submission Deadline.

By submitting a SOQ, the Respondent specifically authorizes the Authority, PREPA, the Partnership Committee and their respective officers, employees, advisors, counsel, accountants and other consultants and representatives to make any inquiry or investigation to verify the statements, documents and information submitted in connection with such SOQ, and to seek clarification from the Respondent's directors, officers, employees, advisors, counsel, accountants and other consultants and representatives related thereto.

2.4 Consortia and Team Members

To the extent that any Respondent has formed or proposes to form a consortium to participate in the RFP for this Project, such Respondent must include in its SOQ the identity, role, capabilities and proposed percentage ownership of each Team Member in the consortium, as well as the benefits for having such Team Member perform its role as part of the consortium instead of any other capacity (e.g., subcontractor). “**Team Member**” shall include, without limitation, each of the following with respect to a Respondent:

- a. consortium member, whether or not that member has an ownership interest; and
- b. individual person, partnership, company or legal entity that is formally or informally reviewing the Project, as well as any such entity expected to execute, or provide a performance guarantee in respect of, the PPP Contract. This will include, without limitation, the ultimate owner(s) (the natural person(s), if any, who, directly or indirectly owns 25 percent (25%) or more of the equity interests of the Respondent, and if no natural person fits that description, the legal entity that directly or indirectly owns 25 percent (25%) or more of the equity interests of the Respondent) or holding company of any such investor or, in the case of a managed fund or pension plan, the manager of the fund or pension plan.

The Respondent should indicate whether it intends to form a special purpose vehicle or other legal entity for the Project. Each Team Member and its role must be identified in a Respondent's SOQ and cannot be changed without the prior written consent of the Partnership Committee.

Except as specifically provided to the contrary in this RFQ, no Team Member may join or participate, directly or indirectly, as a Team Member with more than one (1) Respondent for this Project. Each person or legal entity that participates as a Team Member is responsible for ensuring that no other person or legal entity that is Related (as defined herein) to it joins or participates, directly or indirectly, as a Team Member in any other Respondent. Unless otherwise provided herein, any violation of this provision by a Respondent will disqualify such Respondent and each of its Team Members.

A person or company is “**Related**” to another person or legal entity if:

- a. one may exercise Control (as defined below) over the other; or
- b. each is under the direct or indirect Control of the same ultimate person or legal entity.

For purposes of this RFQ, a person or legal entity exercises “**Control**” of another if (i) it is the owner of any legal, beneficial or equitable interest in 25 percent (25%) or more of the voting securities in a corporation, partnership, joint venture, other person or entity or (ii) it has the capacity to (a) control the composition of the majority of the board of directors of any such person or entity, (b) control the decisions made by or on behalf of any such person or entity or (c) otherwise direct or cause the direction of the management, actions or policies of any such person or entity (whether formally or informally); the terms “**Controlling**” and “**Controlled**” have corresponding meanings.

Each of the Team Members will individually ensure compliance with all licensing and other requirements under applicable laws with respect to the services to be provided by such Team Member.



Subject to the requirements and entitlements of the Authority set forth below, submission of a SOQ will not limit a Respondent's ability to add, substitute or remove Team Members during the procurement process.

The Authority intends to issue the RFP only to Qualified Respondents. If for any reason, after the Submission Deadline and prior to the issuance of the RFP, a Respondent wishes or is required to: (i) change any Team Members listed in the Respondent's SOQ (either by adding new members, removing listed members or substituting new members for listed members), (ii) materially change the ownership or Control of a Respondent or a Team Member or (iii) change the legal relationship between the Respondent and/or its Team Members, such as the creation of a new joint venture, partnership or legal entity that will take the place of the Respondent, then, in each case, the Respondent must submit a written application to the Partnership Committee seeking its consent to the proposed change, which consent may be withheld, delayed or conditioned in the sole and absolute discretion of the Partnership Committee. The Partnership Committee may request and require additional information from the Respondent to facilitate its decision of whether to consent to the proposed change.

Without limiting the foregoing, the Partnership Committee may refuse to consent to a change to a Respondent or its Team Members and/or may disqualify the Respondent from further participation in the procurement process if, in the Partnership Committee's sole and absolute discretion, (i) the change would result in (a) a less desirable Respondent or less desirable Team Members than that originally proposed in the Respondent's SOQ or (b) the Respondent or its Team Members being materially different from the Respondent that submitted the SOQ, (ii) evaluating the application for a change would delay the qualification process or (iii) the Partnership Committee deems the change detrimental to the process, the Project, PREPA or the Authority.

2.5 Restricted Parties

The following entities will be deemed "**Restricted Parties**" and neither they nor their respective directors, officers, partners, employees and persons or legal entities Related to them are eligible to participate as Team Members or to otherwise assist any Respondent or Team Member, directly or indirectly, or participate in any way as a director, officer, employee, advisor, counsel, accountant or other consultant or otherwise in connection with any Respondent. Each Respondent will ensure that each Team Member does not use, consult, include or seek advice from any Restricted Party.

The following Restricted Parties have been identified:

- a. Ankura Consulting Group, LLC
- b. ATCO Ltd.
- c. Canadian Utilities Limited
- d. Citigroup Global Markets Inc.
- e. CPM P.R. LLC
- f. Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
- g. Cleary Gottlieb Steen & Hamilton LLP
- h. DLA Piper LLP
- i. Filsinger Energy Partners
- j. FTI Consulting
- k. Genera PR LLC



- l. Greenberg Traurig LLP
- m. LUMA Energy LLC
- n. Innovative Emergency Management, Inc.
- o. ICF International, Inc.
- p. King & Spalding LLP
- q. Rothschild Inc.
- r. Navigant Consulting, Inc.
- s. Nossaman LLP
- t. Norton Rose Fulbright US LLP
- u. McKinsey & Company, Inc.
- v. O'Melveny & Myers LLP
- w. O'Neill & Borges LLC
- x. Pietrantonio Mendez & Alvarez LLC
- y. Proskauer Rose LLP
- z. Quanta Services Inc.
- aa. Vinson & Elkins LLP
- bb. Rooney Rippie & Ratnaswamy LLP

Each Respondent shall certify that, to their knowledge and after reasonable investigation, they are not a current contractor, subcontractor or service provider of LUMA or Genera.

At all times during the procurement process, Respondents must comply, and must ensure that all persons engaged to provide any type of assistance in connection with the Project are in compliance, with the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts (the "Ethics Guidelines"), which are available for download on the Authority's website: <https://www.p3.pr.gov/>.

Respondents should be aware that the list of Restricted Parties is not exhaustive and that a person that is not included as a Restricted Party may still be prohibited from participating in the Project pursuant to the provisions of the Ethics Guidelines.

Finally, except as to any Restricted Party, the fact that a person provides or has provided services to the Authority, PREPA or AAFAF in matters not related to the Project may not automatically prohibit such person from participating in the Project. To the extent any question exists as to whether such a person is a Restricted Party, the Respondent should consult with the Authority.

2.6 Clarifications and Communications Protocol


 PUERTO RICO
PUBLIC-PRIVATE
PARTNERSHIPS
AUTHORITY


If a Respondent has any questions or wishes to clarify the contents of this RFQ, they may submit an RFC to the Authority for explanation or interpretation of any matter **no later than 5:00 p.m. AST on March 27, 2023** (the “RFC Deadline”). If the Authority provides any clarification as a result of an RFC, it will provide such clarification by means of a written explanation published on the Authority’s website **no later than April 3, 2023**.

Respondents should note the following regarding any RFC:

- a. any questions, communications, or RFCs from a Respondent must be made in writing to the email address of the Authority at newgenerationrfq@p3.pr.gov no later than the RFC Deadline;
- b. the Authority will not respond to Respondents’ questions or RFCs that are not submitted in accordance with this Section 2.6; verbal questions will not be accepted;
- c. the Authority’s procurement representatives designated as points of contacts for this RFQ may be reached at the following email address: newgenerationrfq@p3.pr.gov;
- d. the Authority does not guarantee that all questions received will be answered; and
- e. any Respondent that has questions as to the meaning of any part of this RFQ or the Project, or who believes that the RFQ contains any error, inconsistency or omission, must submit its concern, in writing, to the Authority in accordance with this Section 2.6.

Respondents will be responsible for monitoring the Authority’s website for additional information, updates, amendments and addenda concerning the RFQ that may be uploaded on an ongoing basis, without notice to the Respondents.

The Authority may, in its sole and absolute discretion, publish all submitted questions or RFCs, along with the Authority’s answers thereto, without expressly identifying the originator. Questions should NOT contain proprietary information, as they may be made publicly available together with the answers to such questions. Any response provided by the Authority other than by way of an addendum issued in accordance with this RFQ will not be binding on the Authority or PREPA, nor will it change, modify, amend or waive the requirements of this RFQ in any way. Respondents may not rely on any response or information provided otherwise.

Respondents may also make inquiries regarding matters they consider to be commercially sensitive or confidential. Respondents must designate such inquiries as “commercially confidential”. If the Authority determines, in its sole and absolute discretion, that an inquiry designated as commercially confidential is of general application or would provide a significant clarification to this RFQ or any process or other matter outlined hereunder, the Authority may issue a clarification to all Respondents via addenda posted to the Authority’s website to address such matter. If the Authority agrees with the Respondent’s designation of an inquiry as commercially confidential, the Authority will provide a response only to the Respondent that submitted the commercially confidential inquiry.

Additional information regarding RFCs and other communications is set forth in Section 5 of this RFQ.

2.7 No Collusion or Lobbying

The Authority and PREPA are committed to a fair, open and transparent selection process.

No Collusion

Respondents and Team Members will not discuss or communicate, directly or indirectly, with any other Respondent(s) or any director, officer, employee, consultant, advisor, counsel, accountant, other consultant or representative or Team Member of any other Respondent regarding the preparation, content or representation of



their SOQs. SOQs will be submitted without any connection (*i.e.*, arising through an equity interest (other than an equity interest that does not represent a Controlling interest in an entity, as determined by the Authority from time to time) in or of a Respondent or Team Member), knowledge, comparison of information or arrangement, with any other prospective Respondent or any director, officer, employee, advisor, counsel, accountant or other consultant or representative or Team Member of any other prospective Respondent.

By submitting a SOQ, a Respondent, on its own behalf and as authorized agent of each firm, corporation or individual Team Member of the Respondent, represents and confirms to the Authority, with the knowledge and intention that the Authority may rely on such representation and confirmation, that its SOQ has been prepared without collusion with other Respondents, fraud or unfair advantages. The Authority reserves the right to disqualify any Respondent that does not comply with this provision.

No Lobbying

Respondents, their Team Members and their respective directors, officers, employees, advisors, counsel, accountants and other consultants and representatives will not, except as expressly contemplated by this RFQ or as expressly directed or permitted by the Authority, attempt to communicate directly or indirectly with any representative of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB or the federal government (other than via an RFC or other official communication following the communications protocol indicated in Section 2.7 of this RFQ) in relation to the Project or the RFQ Process, at any stage of this RFQ Process, including during the evaluation process.

Respondents are advised that indirect communications may include communications with the news media. Respondents are further advised that prohibited communications includes (without limitation) commenting on or criticizing aspects of the RFQ, the RFP, the competitive selection process or the Project, whether or not in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents and their Team Members. **The Authority reserves the right to automatically disqualify a Respondent that does not comply with this provision.**

Respondents, their Team Members and their respective directors, officers, employees, advisors, counsel, accountants and other consultants and representatives must certify that they have complied with the requirements of Section 4.13 of the Act 120 Regulation by completing the Form of Respondent Certification included as Appendix A to this RFQ.

2.8 Definitions

For the purposes of this RFQ, the following defined terms shall have the meanings used in the sections indicated below.

Term	Section	Term	Section
AAFAF	2.1	OSHA	4
Act 57	1.1	PDF	5.2
Act 120	1.1	PPP	1.1
Act 120 Regulation	1.1	PPP Act	1.1
August 2022 Order	1.1	Partnership Committee	2.1
Authority	1.1	PPP Contract	2.1
BOP	3.2.1	PREB	1.1
Claim	5.12	PREPA	1.1
Committee Report	2.1	President	1.2.3
Commonwealth Plan of Adjustment	1.2.2	Private Partner	1.1
Conflict of Interest	5.7	Project	1.1
Control	2.4	PROMESA	1.1
Covered Party	4	Qualified Respondents	2.2
Energy Compliance Certificate	2.1	Related	2.4

Energy Public Policy Act	1.1	Resource Adequacy Study	1.1
EPA	1.2.1	Respondent	1.1
Ethics Guidelines	2.5	Respondent Representative	5.2
Evaluation Criteria	4	Restricted Parties	2.5
FDIC	1.2.1	RFCs	2.3
FEMA	1.2.3	RFC Deadline	2.6
Final Resolution and Order	1.1	RFP	2.3
FOMB	1.1	RFP Process	2.1
Genera	1.3.2	RFQ	1.1
Generation Facility	1.1	RFQ Process	2.1
Government	1.2.2	SEC	1.2.1
Government Fiscal Plan	1.1	SOQs	1.1
IRP	1.1	Submission Deadline	2.3
Key Individuals	4	T&D	1.3.2
Legacy Generation Assets	1.3.2	T&D O&M Agreement	1.3.2
LGA Operator	1.3.2	T&D Operator	1.3.2
LGA Project	1.3.2	T&D Operator's SOP	3.2.1
LOLE	3.1.2	T&D Transformation	1.3.2
LUMA	1.1	Title III Court	1.2.2
MW	2.2	Team Member	2.4



3. Project Description

3.1 Current Status of Generation in Puerto Rico

3.1.1 Overview

Currently, the metropolitan areas in northern Puerto Rico have the highest load demand, but the majority of the electric power is generated in the island's south. This imbalance leads to a high level of T&D line losses in the island. Recent natural disasters further aggravated this geographic supply-demand mismatch by destroying much of the transmission capability from south to north.

3.1.2 Resource Adequacy Shortfalls

On August 30, 2022, the T&D Operator filed the results of its Resource Adequacy Study prepared pursuant to the T&D O&M Agreement. The Resource Adequacy Study concluded that:

- a. Puerto Rico has inadequate supply resources to ensure reasonable system reliability and meet expected demand, thereby raising the risk of load shedding outages beyond industry standards.
- b. The probability that Puerto Rico's existing generators would be unable to meet system load demand over the course of a year is nearly 100%.
- c. Puerto Rico's loss of load expectation ("**LOLE**") for fiscal 2023 is 8.81 days per year, which is 88 times higher than the utility industry benchmark of 1 day in 10 years (0.10 days per year). This means that, for 2023, it is expected that there will be 8.81 days per year (on average) on which electricity demand will not be met by the existing generation supply. This LOLE is significantly higher than other LOLE calculations in similar islands.
- d. The risk of load shedding outages is partially the result of inadequate reliable generation capacity due to PREPA's unreliable, outdated and improperly maintained generation plants which account for 77% of Puerto Rico's thermal generation.

In order to minimize the risk of continuous generation outages, the Resource Adequacy Study identified the following targets:

- a. attainment of 65% minimum generation plant availability (as of 2022, PREPA's generation plant availability is 52%); and
- b. reduction of generation-planned outage durations through improved outage planning and execution (as of 2022, PREPA's generation-planned last 20% longer on average than the original planned duration). The industry average is less than 5%.

The Resource Adequacy Study, as filed with PREB, is available on PREB's website at: <https://energia.pr.gov/wp-content/uploads/sites/7/2022/09/Motion-to-Submit-Lumas-Resource-Adequacy-Study-NEPR-MI-2022-0002.pdf>.

3.2 Project Structure

The Project contemplates PREPA entering into a long-term PPP Contract with a Private Partner. The Private Partner will identify a suitable site location, design, permit, finance, construct and install the Generation Facility. The Private Partner will then sell, and PREPA will buy, the net electric output of the Generation Facility, pursuant



to the PPP Contract. Throughout the term of the PPP Contract, the Private Partner will provide operation services and maintenance for the Generation Facility.

3.2.1 Description

A single Private Partner will hold all rights and responsibilities related to the siting, designing, permitting, financing, construction, installation, management, operation and maintenance of the Generation Facility.

Under the contemplated structure for the Project, the Private Partner's compensation will consist of a net electrical output payment and a dependable capacity payment. The pricing for the design, construction, installation and operation of the Generation Facility will be based on achieving certain availability and capacity thresholds for the term of the agreement. If, over a twelve-month period, the specified availability and capacity are not met, the dependable capacity payment will be reduced. In addition, the Project will include financial penalties for shortfalls in availability and capacity, as well as financial penalties for violation of environmental regulations, among others. Details relating to pricing, compensation, financial incentives and penalties will be further described in the RFP.

In addition to the provision of power to the T&D Operator on behalf of PREPA, and in accordance with the terms of the PPP Contract, the Private Partner's rights and responsibilities are expected to include, among other things:

- a. identification of a suitable location and performance of any necessary site preparation for the Generation Facility (including, but not limited to, site clearing, potential demolition, decommissioning (for locations with existing facilities) and other tasks related to readying a site for construction), as well as factoring requirements and interconnections for fuel, water, emissions and T&D injection point;
- b. in coordination with the T&D Operator, fund and conduct a system stability study to define suitable power injection locations in the T&D system;
- c. design, construction and installation of the Generation Facility according to the specifications listed in Section 3.2.2 below;
- d. design, construction and installation of all equipment and facilities necessary to interconnect the Generation Facility to the T&D system, including all metering equipment, relay and switching equipment, and protective devices and safety equipment to be installed;
- e. installation of any necessary balance of plant ("**BOP**") equipment including fuel supply for oil, natural gas and natural gas/hydrogen blended fuels according to the specifications listed in Section 3.2.2 below;
- f. provision, storage and inventory maintenance of any necessary spare and consumable parts for the Generation Facility, Interconnection Facilities and BOP equipment;
- g. procurement and management of water or other energy or power supply for the Generation Facility, if applicable;
- h. procurement of fuel (including natural gas, hydrogen and diesel), including storage capacity, if applicable or, alternatively, coordination with the LGA Operator as provider for the procurement of fuel;
- i. synchronizing the Generation Facility to the electrical system (subject to an interconnection study), provide automatic load following services;



- j. applying for and obtaining all construction and operation permits, or modifying current site permits if an existing site is to be repurposed, with PREPA's assistance if necessary, and performing site readiness, clearing, demolition as needed;
- k. day-to-day operation of the Generation Facility in accordance with an interconnection agreement and the T&D Operator's System Operation Principles (as amended, supplemented or otherwise modified from time to time, the "T&D Operator's SOP").
- l. performing routine and emergency maintenance, repair, and replacement of equipment, including any BOP equipment;
- m. outage management and restoration;
- n. coordination of emergency planning, restoration and recovery; and
- o. interfacing with regulators, including with respect to environmental permitting.

The Private Partner will be responsible for financing the Project and will be encouraged to utilize innovative financing solutions that meet the requirements of the RFP.

3.2.2 Generation Facility

Qualified Respondents will be asked to submit one (1) all-inclusive, turnkey proposal to design, construct and operate a Generation Facility, at any suitable location in Puerto Rico, satisfying the following requirements:

- a. combined cycle gas turbine/steam turbine technology;
- b. multiple fuel capability, including (i) natural gas, (ii) oil fuel and (iii) hydrogen-blended fuel or have the capability and provisions for future conversion to burn such hydrogen fuel mixture, provided that (a) such fuel source can be shown to be compatible, available, and acceptable under all applicable compliance laws and regulations, and (b) by 2050, such hydrogen burned shall be green hydrogen, as defined by applicable industry standards;
- c. a generation capacity of approximately 300 MW;
- d. an interconnection to the approved transmission system interconnection point;
- e. modern environmental control and monitoring equipment,
- f. control logics meeting all local, state, and federal environmental compliance requirements, as applicable;
- g. black-start capability;
- h. capacity to operate at an annual equivalent availability factor of at least 95 percent; and
- i. ability to communicate remote with system operator's Energy Control Center.

In addition, the Generation Facility must be capable of operating in accordance with the T&D Operator's SOP's and comply with EPA and Puerto Rico Environmental Quality Board requirements that include, but are not limited to, the Clean Air Act, Clean Water Act, the regulations promulgated thereunder, New Source Performance Standards, Hazardous Air Pollutant Standards, Spill Prevention Control & Countermeasure requirements, Facility Response Plans, waste disposal regulations, construction and operating permits, and future permits and modifications required according with state and federal plans.



Dispatch of the Generation Facility will be at the T&D Operator's sole discretion and according to the T&D Operator's SOP.

The Generation Facility must be fully operational within thirty (30) months following the issuance of the notice to proceed.

3.2.3 Balance of Plant

The Private Partner will provide any necessary BOP equipment, including, but not limited to all necessary generator step-up transformers and equipment to connect the units to the transmission system.

4. Respondent Qualification Requirements and Evaluation Criteria

In order to provide an objective and transparent evaluation method, the Partnership Committee will evaluate SOQs by applying the criteria outlined in the table below (“**Evaluation Criteria**”). Application of the Evaluation Criteria will assist the Partnership Committee in identifying the Qualified Respondents.

Evaluation Criteria

Part 1 Compliance with Requirements of the PPP Act and Act 120 (Pass/Fail)

Each SOQ submitted pursuant to this RFQ will be reviewed to determine whether it satisfies the requirements under the PPP Act, the Act 120 Regulation and Act 120 in the following areas:

- 1.1 Respondents that are corporations, partnerships or any other legal entity, whether based in the U.S., including Puerto Rico, or elsewhere in the world, must be properly registered, or capable of being properly registered, to do business in Puerto Rico at the time of the execution of the PPP Contract, and shall comply with all applicable Puerto Rico and U.S. laws and/or requirements.
- 1.2 Each Respondent and each Team Member shall certify that:
 - (i) neither it nor any of its directors, officers, controlling shareholders or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego or the passive economic agent of the Respondent or Team Member, as applicable, (each, a “**Covered Party**”), has been convicted, entered a guilty plea, been indicted or had probable cause found for their arrest in any criminal proceeding in Puerto Rico, the rest of the U.S. or any foreign jurisdiction for:
 - (a) any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico;
 - (b) any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code; or
 - (c) any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government, or under the U.S. Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in Puerto Rico, the rest of the U.S. or any other jurisdiction;
 - (ii) it is in compliance and shall continue to comply at all times with all federal, state, local and foreign laws applicable to the Respondent or Team Member(s) that prohibit corruption or regulate crimes against public functions or public funds, including the U.S. Foreign Corrupt Practices Act;
 - (iii) it completed the SOQ without prior understanding, agreement, connection, discussion or collusion in relation to this RFQ with any other person, firm or corporation submitting or participating in the submission of a separate SOQ or any officer, employee or agent of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB, LUMA, Genera or any public agency of Puerto Rico; and
 - (iv) except as provided in Section 2.7 of this RFQ, it shall not attempt to communicate in relation to this RFQ, directly or indirectly, with any representative of the Authority, PREPA, the Partnership Committee,



AAFAF, PREB, the Government, the FOMB or any public agency of Puerto Rico, including any Restricted Parties or any director, officer, employee, agent, advisor, staff member, counsel, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of:

- (a) commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ;
- (b) influencing, or attempting to influence, the outcome of the RFQ Process or of the competitive selection process, including the review and evaluation of SOQs or the selection of the Qualified Respondents;
- (c) promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members;
- (d) commenting on or criticizing aspects of this RFQ, the competitive selection process or the Project, including in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents or their respective Team Members; or
- (e) criticizing the SOQs of other Respondents.

Requirements 1.1 and 1.2 shall be satisfied by completing the Form of Respondent Certification included as Appendix A to this RFQ.

1.3 Each Respondent and each Team Member must:

- (i) acknowledge that the Respondent and Team Members were able to access the Authority's website and download documents pertaining to this RFQ and the Project;
- (ii) provide the contact information for the Respondent and each Team Member;
- (iii) acknowledge and accept responsibility for periodically checking the Authority's website for any and all official communications regarding the Project; and
- (iv) accept the transmission of additional notifications via electronic communications.

Requirement 1.3 shall be satisfied by completing the Form of Document Acknowledgement & Contact Information included as Appendix B to this RFQ.

Evaluation Criteria

Part 2 Background & Team Information (15 pages maximum) (15%)

Respondent and Team Member(s) are encouraged to provide enough supporting information and details to enable the evaluators to perform a thorough evaluation of their strengths, roles and responsibilities.

2.1 A description of the Respondent and all Team Members that identifies:

- a. anticipated roles, functions and overview of business operations;
- b. jurisdiction, form of entity organization, ownership structure and capitalization;
- c. currently and formerly owned or controlled electric utility operating companies;
- d. anticipated legal relationships (e.g., joint ventures, partnerships) and percentage ownership interest;
- e. up to five (5) individuals who will play an important role in the Project on behalf of Respondent and Team Member(s), and who have at least ten (10) years of experience (the "Key Individuals") and their



roles (experience of the individuals should include experience in all phases of project development including development, permitting, design, construction, commissioning, operating and maintaining generation units of the type proposed);

- f. instances of working with Spanish-speaking workforces;
- g. instances, if relevant, in which Respondent and Team Member(s) have previously worked together; and
- h. evidence and tenor of power plant installation, construction and operations, as well as management experience in electric power generation (including experience with operating agreements).
- i. instances of fuel management, operational design, purchasing, transporting, testing and storage experience.

The anticipated roles and legal relationships listed above should include, among other relevant descriptions, whether the Respondent is the entity expected to submit the response to the RFP and execute the PPP Contract as the Private Partner. The description should include the entity expected to guarantee the Private Partner’s performance under the PPP Contract in the case where Respondent is not the Private Partner.

- 2.2 A list of technical, financial, legal, accounting or other advisors that Respondent or any Team Member has engaged or intends to engage in connection with the Project.
- 2.3 Resumes (indicating overall experience and any specific experience relevant to the nature and scope of the Project) for the Key Individuals, including Spanish-speaking skills (if any). It is expected that the anticipated management team will be comprised of individuals with at least ten (10) years of relevant electric generation managerial experience for all executive-level positions.

(One page per resume maximum and resumes will not count towards the overall page count for Part 2)

Evaluation Criteria

Part 3 Resources and Financing (10 pages maximum) (30%)

The evaluation of financial capabilities will examine each SOQ in accordance with the criteria set out below:

- 3.1 **Financial Strength:** Respondent must demonstrate adequate financial wherewithal to fulfill the terms of the PPP Contract. Each Respondent or, if a consortium, at least one (1) Team Member, must provide:
 - a. evidence of experience developing structured transactions for power generation projects and financing projects;
 - b. evidence of the financial capability to obtain development and operational security in the form of an unconditional and irrevocable direct pay letter(s) of credit or any proposed form of guarantee;
 - c. credit ratings (if any); and
 - d. copies of audited financial statements, Form 10-Ks, 20-Fs or similar types of annual reports for the past two (2) years, together with any other relevant financial information.

(Financials and supporting information not included in page count)

- 3.2 **Ability to Raise Financing:** Respondent must provide specific evidence demonstrating their ability to raise or obtain financing. Specific factors that will be assessed include:
 - a. capability of raising significant quantities of debt and equity in the current capital markets;



- b. the number and size of past relevant transactions; and
- c. specific experiences on past relevant transactions.

At a minimum, each Respondent or at least one Team Member must provide evidence of at least three (3) debt or equity raises of at least \$200 million in aggregate proceeds.

Evaluation Criteria

Part 4 Technical & Operational Capabilities (50 pages maximum) (55%)

The evaluation of technical capabilities will examine each SOQ in accordance with the criteria set out below:

- 4.1 Respondent must demonstrate its technical and operational capabilities to fulfill the terms of the PPP Contract. Detailed evidence on the following criteria will be required for Respondent or at least one (1) Team Member:
- a. evidence of experience carrying out at least two (2) related scope generation projects, including the siting, design, construction, installation, operation and maintenance of combined cycle power plants with gas and steam turbine technology capable of burning multiple fuels, including a hydrogen blend with natural gas, within the past fifteen (15) years, along with appropriate references;
 - b. power plant construction project details, including plant technology type, number of units, fuel types, hydrogen fuel experience including percentage-blend amounts, plant rating (*i.e.*, output and heat rate), and installation cycle time;
 - c. names of the locations where the Respondent or subcontractors have performed similar work and the telephone number, email address and name of the reference that is familiar with the works performed by the Respondent;
 - d. certification of no significant or sustained environmental regulation violations or Occupational Safety and Health Administration ("OSHA") fines/violations; and
 - e. a demonstrable history of compliance with energy related policies, practices, and regulations from a state, commission, or other regulatory body.

Respondent and Team Member(s) should aim to provide sufficient evidence to demonstrate an intimate understanding of the power and electric utility industry, especially as it applies to operating and dispatching generation units as part of a large-scale electric utility. Operations, maintenance, improvements, safety and environmental responsibility should each be a key focus.

- 4.2 Respondent and Team Member(s) will be expected to have current or past experience in power generation and electric utility operations, management and maintenance. As such, Respondent or at least one Team Member must demonstrate that its current or previous electric utility experience fulfills the following criteria on a sustained basis:
- a. developing, constructing, installing, operating and maintaining generation units of the type proposed, with a combined capacity of approximately 300 MW;
 - b. providing power or any comparable services to PREPA or public/government agencies within the last ten (10) years;
 - c. experience and capability operating plants burning hydrogen-blended fuels, including details of the amount (percentage) and types of fuels blended; and



- d. ability to safely operate similar generation facilities with annual equivalent availability factors above average as reported in the North American Reliability Corporation Generating Availability Data System database.
- 4.3 Respondent and Team Member(s) must demonstrate (a) their ability to address and resolve safety issues and (b) their knowledge of safety strategies and methodologies. Respondent and Team Member(s) must submit copies of the OSHA 300 forms for the past three (3) years, only as related to electric utility operations. If not applicable, Respondent and Team Member(s) must present a document explaining the reasons for not submitting the form.
- These may be included in an appendix.*
- 4.4 Respondent and Team Members must provide a short assessment of the current state of generation technology, hydrogen/natural gas blending and percentage concentration of fuel blends (both current and potential), as well as the state of the supply chain.

5. SOQ Requirements & Procedure

5.1 SOQ Requirements

Overview of Requirements

Both an electronic copy and a physical copy of the original SOQ must be delivered no later than the Submission Deadline. Prospective Respondents that anticipate responding to this RFQ should so indicate as soon as possible by sending to the e-mail address listed below the necessary contact information. The SOQ must comply with the outline provided under "Required Information for SOQ" below and all other conditions identified in this RFQ. Additional information not specifically related to the Project or this RFQ should not be included in the SOQ. All questions or requests for information regarding this RFQ should be directed to the Partnership Committee via e-mail, as provided in Section 2.7 of this RFQ.

Please do not contact, directly or indirectly, any officials or related parties of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government or the FOMB. Such contact may serve as grounds for disqualification.

Address intent to respond to this RFQ to:

LNG to H2 Combined Cycle Generation Plant Partnership Committee

Request for Qualifications

LNG to H2 Combined Cycle Generation Plant

[E-mail: newgenerationrfq@p3.pr.gov](mailto:newgenerationrfq@p3.pr.gov)

No Liability for Costs

The Authority, PREPA, other agencies and instrumentalities of the Government and their respective advisors are not responsible for costs or damages incurred by Respondents, Team Members, subcontractors or other interested parties in connection with the solicitation or procurement process, including but not limited to costs associated with preparing responses, qualifications and proposals, and of participating in any conferences, oral presentations or negotiations, whether in connection with this RFQ Process, the RFP Process or otherwise. A Qualified Respondent will not be entitled to indemnity (including, but not limited to, reimbursement for costs and expenses) from the

Authority, PREPA or any other agency or instrumentality of the Government if the Authority or PREPA decide, in their discretion, to terminate the procurement process for this Project.

Modification and Termination Rights

The Authority and PREPA reserve the right to modify or terminate the RFQ Process and the RFP Process for this Project at any stage if the Authority or PREPA determines such action to be in the public interest. The receipt of responses or proposals or other documents at any stage of either this RFQ or the RFP Process will in no way obligate the Authority or PREPA to enter into any contract of any kind with any party.

5.2 Required Information for SOQ

Compliance with this RFQ

The SOQ must be prepared in English and follow the format outlined below. Respondents may opt to submit responses in Word, Portable Document Format (“PDF”) or PowerPoint templates. The Partnership Committee will review all SOQs and score them based on the evaluation criteria set forth below. Responses must comply with the following format:

- a. Cover Page (to include identification of all management Team Members)
- b. Cover Letter (two (2) pages maximum)
- c. Table of Contents
- d. Executive Summary (two (2) pages maximum)

The specific requirements as set out in Section 4 of this RFQ:

➤ **Part 1: Compliance with the Requirements of the PPP Act and Act 120 (No page limit) (Pass/Fail)**

- a. An executed Respondent Certification from the Respondent **and each Team Member**. This Certification must strictly follow the form attached to this RFQ as Appendix A.
- b. An executed Document Acknowledgement and Contact Information letter from the Respondent (executed by the contact person (“Respondent Representative”) for all future communication between the Authority and the Respondent). This letter must strictly follow the form attached to this RFQ as Appendix B.

Proposals that do not meet the first two “pass/fail” criteria will not be further evaluated.

➤ **Part 2: Background & Team Information (15 pages maximum) (15%)**

Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4 of this RFQ, under the heading “Background & Team Information”.

➤ **Part 3: Financial Capabilities (10 pages maximum) (30%)**

Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4 of this RFQ, under the heading “Financial Capabilities”.



➤ **Part 4: Technical & Operational Capabilities (50 pages maximum) (55%)**

Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4 of this RFQ, with respect to “Technical Capabilities”.

Respondents should submit copies of the documents required by Section 4 of this RFQ with respect to safety performance. If not applicable, a Respondent should present a document explaining the reasons for not submitting such documents. Respondents must demonstrate (a) their ability to address and resolve safety issues, and (b) their knowledge of safety strategies and methodologies.

Non-binding Indicative Solution Description (5 – 10 pages maximum):

Respondents should submit a non-binding indicative solution description summarizing the technology (tested and proven or innovative) proposed to comply with the requirements of Section 3.2 (*Project Structure*) of this RFQ. The description should include, but need not be limited to, the performance characteristics and flexibility of the technology and fuel type proposed in addition to natural gas, inclusive of expected hydrogen blend content levels (%) with details of anticipated provisions and timeframe that may allow for increased hydrogen blend percentage levels in the future.

5.3 Reporting of Material Adverse Change

Prior to the issuance of the RFP documents, the Authority and PREPA may, in their discretion, request that a Respondent confirm that there have been no material changes to the information submitted with respect to the Respondent and/or any Team Member in the relevant SOQ. If there have been any material changes to the submitted information, the Respondent must provide details of such changes in accordance with any requirements the Authority or PREPA may impose at that time. The Partnership Committee will evaluate the information submitted by the Respondent in accordance with the evaluation criteria set out in Section 4 of this RFQ, and may revise the results of the Respondent’s evaluation.

5.4 SOQ Submission Instructions

The Respondent must submit one (1) originally executed SOQ, with signatures in blue ink and marked as “Original”, and four (4) copies along with one (1) PDF copy in a flash drive. The one (1) electronic copy in PDF must also be sent to the Authority’s email at: newgenerationrfq@p3.pr.gov. **Both an electronic copy and physical copy of the original SOQ must be delivered no later than the Submission Deadline.** Respondents should not submit promotional materials as part of their SOQs and are strongly encouraged not to submit information that is not required by this RFQ. Respondents are strongly encouraged to be succinct in their SOQs. Respondents must limit their SOQs, or each component of their SOQs, to the maximum number of pages indicated in Section 5.2 of this RFQ.

The Partnership Committee will not review pages submitted in excess of the maximum number of pages indicated for such item. Respondents should be aware that failure to follow these Submission Instructions may negatively impact evaluation of the respective SOQ.

The SOQ must be labeled as follows:

Puerto Rico Public-Private Partnerships Authority

LNG to H2 Combined Cycle Generation Plant PPP SOQ

Submitted by (*Respondent’s name and Address*)

The SOQ must be addressed to:


 PUERTO RICO
PUBLIC-PRIVATE PARTNERSHIPS
 AUTHORITY


LNG to H2 Combined Cycle Generation Plant PPP

Puerto Rico Public-Private Partnerships Authority

Attn: Fermín Fontanés, Esq. — Executive Director

Puerto Rico Fiscal Agency and Financial Advisory Authority Building

(former GDB Building), 4th Floor Roberto Sánchez Vilella Government Center, De Diego Avenue

San Juan, PR 00940-2001

5.5 Confidentiality of SOQ

All SOQs will become the property of the Authority and may become public in accordance with applicable law, except for documents or information submitted by Respondents that are trade secrets, proprietary information or privileged or confidential information of the Respondents. Respondents are advised to review the confidentiality and publication provisions contained in Sections 9(i) and 9(j) of the PPP Act and Section 11.2 of the Act 120 Regulation. In order to ensure that documents identified by Respondents as “confidential” or “proprietary” will not be subject to disclosure under the PPP Act, Respondents must label such documents as “confidential” or “proprietary”, provide a written explanation of why such labeled documents are “confidential” or “proprietary”, including why the disclosure of the information would be commercially harmful, specifically refer to any legal protection currently enjoyed by such information and why the disclosure of such information would not be necessary for the protection of the public interest, and request that the documents so labeled be treated as confidential by the Partnership Committee according to the process described in the following paragraph.

Notwithstanding the foregoing, all Respondents should submit a redacted copy of their SOQ that excludes all confidential or proprietary information not to be public as outlined in this Section 5.5. In addition, un-redacted copies of the SOQ should identify such information. Any information not identified as confidential or proprietary information in the un-redacted SOQ will not be deemed confidential. If a Respondent neither submits a redacted copy nor labels the information as confidential or proprietary, the Authority will assume that the original copy of the proposal can be made public.

If a Respondent has special concerns about confidential or proprietary information that it desires to make available to the Partnership Committee prior to its SOQ, such Respondent may wish to:

- a. make a written request to the Partnership Committee for a meeting to specify and justify proposed confidential or proprietary documents;
- b. make an oral presentation to the Partnership Committee staff and legal counsel; and
- c. receive written notification from the Partnership Committee accepting or rejecting confidentiality requests.

Failure to take such precautions prior to submitting a SOQ may subject confidential or proprietary information to disclosure under Sections 9(i) and 9(j) of the PPP Act and/or Section 11.2 of the Act 120 Regulation.

The Partnership Committee will evaluate all confidentiality requests according to the criteria indicated in the PPP Act and the Act 120 Regulation. The Partnership Committee will determine whether or not the requested materials are exempt from disclosure. Upon such determination, the Authority will endeavor to maintain the confidentiality of any information that a Respondent indicates to be proprietary or a trade secret, or that must otherwise be protected from publication according to law, except as required by law or by a court order. In the event that the Partnership Committee elects to disclose the requested materials, it will provide the Respondent notice of its intent to disclose, in which case the Respondent may request the immediate return of such materials prior to disclosure by the Partnership Committee and they will thereafter form no part of the Respondent’s submission. In no event will the

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Government, the Authority, the Partnership Committee or PREPA be liable to a Respondent for the disclosure required by law or a court order of all or a portion of a SOQ filed with the Authority.

Upon execution of the PPP Contract, the Partnership Committee is required to make public its report regarding the procurement process. Such report will contain information related to the qualification, procurement, selection and negotiation process, and the information contained in the SOQ, except information that qualifies as trade secrets, confidential, proprietary or privileged information of the Respondent or its Team Members clearly identified as such by the Respondent, or information that must

otherwise be protected from publication according to law, as may have been determined by the Partnership Committee, unless otherwise required by law or by a court order.

5.6 Use of Confidential Information

Each Respondent must declare, and agree to be under an obligation to declare, that it does not have knowledge of or the ability to avail itself of confidential information of the Government, PREPA or the Authority relevant to the Project, except to the extent it has been expressly authorized by the Government, PREPA or the Authority. ***This requirement shall be satisfied by completing the Form of Respondent Certification included as Appendix A to this RFQ.***

Any such confidential information:

- a. will remain the sole property of the Government, the Authority or PREPA, as applicable, and the Respondent and its Team Members will treat it as confidential;
- b. may not be used by the Respondent or its Team Members for any other purpose other than preparation of its SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government, the Authority or PREPA, as applicable;
- c. may not be disclosed by the Respondent or any Team Member to any person who is not involved in the Respondent's preparation of its SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government, the Authority or PREPA, as applicable, without prior written authorization from the party in respect of whom the confidential information relates;
- d. if requested by the Government, the Authority or PREPA, will be returned or destroyed, as appropriate, no later than ten (10) calendar days after such request; and
- e. may not be used in any way that is detrimental to the Government, the Authority or PREPA.

Each Respondent and its Team Members will be responsible for any breach of the provisions of this Section 5.6 by any person to whom any of them discloses the confidential information. Each Respondent and its Team Members acknowledge and agree that a breach of the provisions of this Section 5.6 would cause the Authority, PREPA, the Government and/or their related entities to suffer loss which could not be adequately compensated by damages, and that the Authority, PREPA, the Government and/or any related entity may, in addition to any other remedy or relief, enforce any of the provisions of this Section 5.6 upon submission of the Respondent's SOQ to a court of competent jurisdiction for injunctive relief without proof of actual damage to the Authority, PREPA, the Government or any related entity.

The provisions in this Section 5.6 will survive any cancellation of this RFQ or the RFP and the conclusion of the RFQ Process and the RFP Process.

5.7 Conflicts of Interest and Ineligible Persons



Each Respondent Representative submitting a SOQ on behalf of such Respondent and the Team Members of such Respondent must declare and continue to be under an obligation to declare all Conflicts of Interest or any situation that may be reasonably perceived as a Conflict of Interest that exists now or may exist in the future. A "Conflict of Interest" includes any situation or circumstance where in relation to the Project, the Respondent submitting a SOQ or any Team Member of such Respondent has other commitments, relationships or financial interests that:

- (a) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of the Authority's or PREPA's independent judgment; or
- (b) could or could be seen to compromise, impair or be incompatible with the effective performance of its obligations under the PPP Contract.

In connection with its SOQ, each Respondent and each Team Member will:

- (a) avoid any Conflict of Interest in relation to the Project;
- (b) disclose to the Authority and to PREPA without delay any actual or potential Conflict of Interest that arises during the RFQ Process or at any point in the procurement process; and
- (c) comply with any requirements prescribed by the Authority and PREPA to resolve any Conflict of Interest.

Each Respondent is responsible for ensuring that all persons engaged to provide any type of assistance in connection with the Project are in compliance with the provisions of the Ethics Guidelines and, to the extent any question exists as to compliance with the Ethics Guidelines, the Respondent should consult with the Authority.

In addition to all contractual or other rights or rights available at law or in equity or legislation, the Authority and PREPA may immediately exclude a Respondent or any of its Team Members from further consideration or remove the Respondent or any Team Member from the RFQ Process if:

- (a) the Respondent knew, or reasonably should have known, and fails to disclose an actual or potential Conflict of Interest;
- (b) the Respondent submitting a SOQ or a Team Member of such Respondent fails to comply with any requirements prescribed by the Authority or PREPA to resolve a Conflict of Interest; or
- (c) the Respondent's Conflict of Interest issue cannot be resolved.

Pursuant to Section 7.1 of the Act 120 Regulation, any person, by virtue of its participation in this RFQ Process, authorizes the Authority to apply to the relevant competent governmental authority to obtain further information regarding a prospective Respondent and in particular, details of convictions of the offenses listed in Section 9(c)(ii) of the PPP Act if the Partnership Committee considers it necessary for its selection or evaluation process.

5.8 RFQ Miscellaneous Instructions

Addenda to RFQ

The Authority reserves the right to amend this RFQ at any time. All amendments to this RFQ will be described in written addenda. Copies of each addendum will be available at the Authority's website. Respondents are encouraged to review the Authority's website regularly. All addenda will become part of



this RFQ. In the event of any conflict in the wording or any issue of interpretation, addenda, when issued, will take priority over the original wording in this RFQ and any wording in prior addenda. Each Respondent will, in its SOQ, acknowledge receipt of each addendum. Each Respondent is solely responsible to ensure that it and its Team Members have received all communications issued by the Authority and PREPA. A failure to obtain any such communication is at the sole and absolute risk of the Respondent and its Team Members, and the Authority and PREPA accept no responsibility for the failure of any Respondent or Team Member to receive or obtain all RFQ information (including addenda). Each response to this RFQ is deemed to be made on the basis of the complete RFQ, as amended by any addenda, issued prior to the Submission Deadline.

Withdrawal of SOQs

A Respondent may withdraw a SOQ by delivering to the Authority a written request for withdrawal prior to the Submission Deadline at the address for delivery of SOQs set forth in Section 5.4 of this RFQ. Any such withdrawal does not prejudice the right of a Respondent to submit another SOQ prior to the Submission Deadline.

5.9 The Authority's Requests for Clarification After SOQ Submissions

As noted in Sections 5.11(k) and 5.11(p) of this RFQ, the Authority reserves the right to require direct confirmation of information furnished by a Respondent, additional information from a Respondent concerning its response, or additional evidence of qualifications to perform the work described in this RFQ. After completing initial evaluations of the submitted SOQs, the Authority may issue RFCs to the Respondents that request such confirmation, additional information or evidence.

Should the Authority issue RFCs in response to the submitted SOQs, RFCs will be issued to each Respondent. Responses to these Authority-issued RFCs will supplement the submitted SOQs. Respondents should be aware that failure to submit a response to an Authority-issued RFC may negatively impact evaluation of the respective SOQ and may be perceived as evidence of noncompliance with the requirements of this RFQ.

5.10 Disclaimer

The information provided in this RFQ, or any other written or oral information provided by the Authority, PREPA, the Partnership Committee, the Government or their respective officers, employees, advisors, counsel or consultants in connection with the Project or the selection process is provided for the convenience of the Respondents only.

Respondents and their Team Members will make their own conclusions as to such information. Oral explanations or instructions from officials, employees, advisors, counsel or consultants of the Authority, PREPA, the Partnership Committee or any Puerto Rico public agency will not be considered binding on the Authority, PREPA, the Partnership Committee or the Government. The Authority, PREPA, the Partnership Committee, the Government and their respective officers, employees, advisors, counsel and consultants make no representation or warranty as to any information provided in connection with this RFQ Process or the RFP Process. The accuracy and completeness of such information is not warranted by any of them and none of them will have any liability in connection with such information or the selection process, all of which liability is expressly waived by each Respondent and each Team Member of such Respondent. This RFQ is not an offer to enter into any contract of any kind whatsoever.

5.11 Reservation of Rights

In furtherance of the Authority's mission, the Partnership Committee reserves the right to reject any and all SOQs, to waive technical defects, irregularities or any informality in SOQs, and to accept or reject any SOQs in its sole and absolute discretion. The Partnership Committee also reserves the right to postpone the date on which SOQs are required to be submitted, or to take any other action it may deem in the best interests of the Authority and PREPA.



In addition, the Authority and PREPA reserve all rights (which rights will be exercisable by the Authority and PREPA in their sole and absolute discretion) available to them under applicable laws and regulations, including, without limitation, with or without cause and with or without notice, the right to:

- a. modify the procurement process to address applicable law and/or the best interests of the Authority, PREPA and the Government;
- b. develop the Project in any manner that they deem necessary and change the limits, scope and details of the Project;
- c. if the Authority and PREPA are unable to negotiate a PPP Contract to their satisfaction with a Private Partner, terminate the process or pursue other alternatives relating to the Project, or exercise such other rights as they deem appropriate;
- d. cancel the procurement process, as applicable, in whole or in part, at any time prior to the execution by PREPA of the PPP Contract, without incurring any cost, obligation or liability whatsoever;
- e. issue a new request for qualification after withdrawal of this RFQ;
- f. reject or disqualify any and all SOQs and responses received at any time for any reason without any obligation, compensation or reimbursement to any existing or prospective Respondent or Team Member;
- g. modify all dates, deadlines, process, schedule and other requirements set out, described or projected in this RFQ;
- h. terminate evaluations of responses received at any time;
- i. exclude any Respondent from submitting any response to this RFQ, or exclude from evaluation such Respondent's response, based on the failure to comply with any requirements;
- j. issue addenda, supplements and modifications to this RFQ;
- k. require direct confirmation of information furnished by a Respondent, additional information from a Respondent concerning its response or additional evidence of qualifications to perform the work described in this RFQ;
- l. consider, in the evaluation of any SOQ, any prior experience or performance by a Respondent, Team Member or Key Individual with related scope generation projects, whether included in the SOQ or otherwise known to the Authority or PREPA;
- m. seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ;
- n. add or delete Respondent responsibilities from the information contained in this RFQ or any subsequent process instruments;
- o. negotiate with any party without being bound by any provision in its response;
- p. waive any deficiency, defect, irregularity, non-conformity or non-compliance in any response to this RFQ or permit clarifications or supplements to any response to this RFQ, and accept such response even if such deficiency, defect, irregularity, non-conformity or non-compliance would otherwise render the response null and void or inadmissible;



- q. add or eliminate facility expansion to or from the Project;
- r. incorporate this RFQ or any Respondent's response to this RFQ or portion thereto as part of the RFP Process or any formal agreement with a Private Partner; and
- s. exercise any other right reserved or afforded to the Authority and PREPA under the PPP Act, the Act 120 Regulation, this RFQ or applicable law.

This RFQ does not commit either the Authority or PREPA to enter into a contract or proceed with the Project as described herein. The Authority, PREPA and the Government assume no obligations, responsibilities or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFQ, or in considering or making any submission. All of such costs will be borne solely by each Respondent.

5.12 Limitation of Damages

Each Respondent, by submitting a SOQ, agrees that in no event will the Authority, PREPA, the Partnership Committee, the Government or any of their respective directors, officers, employees, advisors, counsel or representatives be liable, under any circumstances, for any claim, demand, liability, damage, loss, suit, action or cause of action, whether arising in contract, tort or otherwise, and all costs and expenses relating thereto (each, a "Claim"), or to reimburse or compensate the Respondent, any Team Member or their respective directors, officers, employees, advisors, counsel, accountants and other consultants and representatives, in any manner whatsoever, including, without limitation, any costs of preparation of the SOQ or the response to the RFP, loss of anticipated profits, loss of opportunity or for any other matter. Without in any way limiting the above, each Respondent and Team Member of such Respondent specifically agrees that it will have absolutely no Claim against the Authority, PREPA, the Partnership Committee or the Government or any of their respective directors, officers, employees, advisors, counsel or representatives if any such party for any reason whatsoever:

- a. does not select a list of Qualified Respondents;
- b. suspends, cancels or in any way modifies the Project or the solicitation process (including modification of the scope of the Project or modification of this RFQ or both);
- c. accepts any compliant or non-compliant response or selects a list of one (1) or more Qualified Respondent(s);
- d. under the terms of this RFQ permits or does not permit a Restricted Party to advise, assist or participate as part of a Respondent or its Team Members; or,
- e. breaches or fundamentally breaches a contract or legal duty of the Authority, PREPA, the Partnership Committee or the Government, whether express or implied, and each Respondent and each Team Member waives any and all Claims whatsoever, including Claims for loss of profits or loss of opportunity, if the Respondent is not selected as a Qualified Respondent for any other reason whatsoever.

5.13 Judicial Review

Judicial review of the selection and award process for qualifications must be pursued in accordance with Section 20 (Judicial Review Procedures) of the PPP Act. Only those Respondents who comply with the applicable requirements set forth in Section 20 of the PPP Act may request judicial review of a final determination that a Respondent is not qualified. Mechanisms for requesting reconsideration before the Authority or PREPA will not be available.

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Section 20 of the PPP Act establishes the period within which to seek judicial review, for the Puerto Rico Court of Appeals to address the writ of review, and to seek a writ of certiorari before the Puerto Rico Supreme Court. Section 20 of the PPP Act also prescribes the notification requirements and the consequences of seeking such judicial remedies, including that if either the Puerto Rico Court of Appeals or the Puerto Rico Supreme Court grants a writ of review or writ of certiorari, as applicable, the procedures for the qualification of Respondents, or for the evaluation or selection of proposals or negotiation of the PPP Contract by the Partnership Committee will not be stayed.

The qualification determinations of the Partnership Committee and the approval of the PPP Contract by the Governor, as provided under Section 9(g)(ii)-(v) of the PPP Act will only be overturned upon a finding of manifest error, fraud or arbitrariness. The non-prevailing party will defray the expenses incurred by the other parties involved in judicial review proceedings under Section 20 of the PPP Act. The Respondent that seeks judicial review may not, under any circumstance, as part of its remedies, claim the right to be redressed for indirect, special or foreseeable damages, including lost profits.

The above is only a succinct summary of Section 20 of the PPP Act and Respondents should review and understand such judicial review provisions.


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APPENDIX A: FORM OF RESPONDENT AND TEAM MEMBERS CERTIFICATION

[Letterhead of each Respondent or Team Member, as applicable]

Mr. Fermín Fontanés, Esq. — Executive Director
 Puerto Rico Public-Private Partnerships Authority
 Roberto Sánchez Vilella Government Center
 De Diego Avenue, Parada 22
 San Juan, PR 00940-2001 USA

Re: LNG to H2 Combined Cycle Generation Plant PPP - Request for Qualifications

Ladies and Gentlemen:

We have carefully reviewed the Request for Qualifications dated March 1st, 2023 (“RFQ”) issued by the Puerto Rico Public-Private Partnerships Authority and all other documents accompanying or made a part of the RFQ. Capitalized terms used in this certificate have the meanings given to them in the RFQ.

We acknowledge and agree to comply with all terms and conditions of the RFQ, the attached Statement of Qualifications (“SOQ”) and all enclosures thereto. Without limitation, we specifically acknowledge the disclaimer contained in Section 5.10 of the RFQ and the limitation of damages contained in Section 5.12 of the RFQ.

We certify that the information contained in the attached SOQ is true and correct. We further certify that the individual who has signed and delivered this certification is duly authorized to submit the attached SOQ on behalf of the Respondent or Team Member, as applicable, as its acts and deed and that the Respondent or Team Member, as applicable, is ready, willing and able to participate in the RFP Process and perform if awarded the PPP Contract.

We further certify that we are *[describe the type of entity or entities (corporation, partnership, LLC, etc.)]* organized in *[indicate the jurisdiction of organization]* and the entity contemplated by Respondent and Team Members to be the one that shall execute the PPP Contract shall have no impediment to doing, and shall be authorized to do, business in Puerto Rico and to enter into a contractual relationship with government entities in Puerto Rico, as well as to comply with any other applicable Puerto Rico or U.S. laws and/or requirements.

We further certify that our directors, officers, controlling shareholders or subsidiaries, parent company and, in the case of a partnership, our partners, and any person or entity that may be considered an alter ego or the passive economic agent of the Respondent or Team Member, as applicable (each, a “Covered Party”), have not been convicted, have not entered a guilty plea and have not been indicted, and probable cause has not been found for their arrest, in any criminal proceeding in Puerto Rico, the rest of the U.S. or any foreign jurisdiction, for (i) any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, (ii) any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code or (iii) any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government, or under the U.S. Foreign Corrupt Practices Act; no Covered Party is under investigation in any legislative, judicial or administrative proceedings, in Puerto Rico, the rest of the U.S. or any other jurisdiction. The Respondent and Team Members are in compliance with all federal, state, local and foreign laws applicable to the Respondent or

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Team Member(s) that prohibit corruption or regulate crimes against public functions or public funds, including the U.S. Foreign Corrupt Practices Act.

We further certify to their knowledge, after reasonable investigation we are not a current contractor, subcontractor, advisor or service provider of LUMA or Genera.

We further certify that we shall continue to comply at all times with laws which prohibit corruption or regulate crimes against public functions or funds, as may apply to the Respondent or any Team Member, as applicable, whether federal, state or Government statutes, including the Foreign Corrupt Practices Act.

We further certify that no officer or employee of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB or any public agency of Puerto Rico who participates in the selection process described in, or negotiations in connection with, the RFQ (nor any member of their families) has an economic interest in or is connected with the *[Respondent or Team Member, as applicable]*, and no officer or employees of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB or any public agency of Puerto Rico (nor any member of their families) has directly or indirectly participated with the *[Respondent or Team Member, as applicable]* in the preparation of its SOQ.

We further certify that we are in compliance with the provisions of Act No. 2 of 2018, also known as the Anti-Corruption Act 2018.

We further certify that we have reviewed the provisions of the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, available on the Authority's website: <http://www.p3.pr.gov>, and that we are in compliance therewith.

We further certify that this SOQ is made without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation submitting or participating in the submission of a separate SOQ or any officer, employee or agent of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB or any public agency of Puerto Rico; and that the undersigned executed this Respondent and Team Members Certificate with full knowledge and understanding of the matters herein contained and was duly authorized to do so.

We further certify and declare, and agree to be under an obligation to declare, that we do not have knowledge of or the ability to avail ourselves of confidential information of the Government, PREPA or the Authority relevant to the Project, except to the extent we have been expressly authorized by the Government, PREPA, or the Authority.

We further certify that Respondent and Team Members shall not, other than as permitted in the RFQ, attempt to communicate in relation to the RFQ, directly or indirectly, with any representative of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB or any public agency of Puerto Rico, including any Restricted Parties, or any director, officer, employee, agent, advisor, staff member, counsel, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of: (a) commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ; (b) influencing, or attempting to influence, the outcome of the RFQ process, or of the competitive selection process, including the review and evaluation of SOQs or the selection of the Qualified Respondents; (c) promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members; (d) commenting on or criticizing aspects of the RFQ, the competitive selection process, or the Project including in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents or their respective Team Members; and (e) criticizing the SOQs of other Respondents.

To the extent the Authority and PREPA determine to submit any of the costs incurred under the PPP Contract for federal reimbursement, the Respondent shall be required to comply with all applicable federal certification and requirements.

s A-2



Federal regulations restrict PREPA from contracting with parties that are debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs and activities, where the contract is funded in whole or in part with federal funds. The Respondent certifies that:

1. Neither it nor any of its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905), are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935) from participation in this transaction by any federal department or agency. SAM Exclusions is the list maintained by the General Services Administration that contains the name of parties excluded or disqualified, as well as parties declared ineligible under certain statutory or regulatory authority. The Respondent may verify its status and the status of its principals, affiliates and any actual or anticipated Team Members at www.SAM.gov.
2. The Respondent agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this proposal is valid and throughout the period of any contract that may arise from this proposal. The Respondent further agrees to include a provision requiring such compliance in its lower tier covered transactions.
3. This certification is a material representation of fact relied upon by the Authority and PREPA. If it is later determined that the Respondent did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Authority and PREPA, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

The Respondent further certifies, to the best of its knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the Respondent or any Team Member, to any person for influencing or attempting to influence an officer or employee of an agency, a member of the United States Congress, an officer or employee of the United States Congress or an employee of a member of the United States Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of the United States Congress, an officer or employee of the United States Congress or an employee of a member of the United States Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form- LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned Respondent and Team Members acknowledge that any violation or misrepresentation with respect to the above will prohibit their participation in any procurement process under the PPP Act and other applicable laws of Puerto Rico and, therefore, will be disqualified from participating hereunder.

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PARTNERSHIPS**
AUTHORITY



The attached SOQ shall be governed by and construed in all respects according to the laws of Puerto Rico and the terms of the RFQ.

Our business address is:

[Insert business address]

Yours faithfully,

[Insert appropriate signature block for signature by a person duly authorized to bind the Respondent or Team Member]

s A-4



APPENDIX B: FORM OF DOCUMENT ACKNOWLEDGEMENT & CONTACT INFORMATION

[Letterhead of the Respondent]

Mr. Fermín Fontanés, Esq. — Executive Director
Puerto Rico Public-Private Partnerships Authority
Puerto Rico Fiscal Agency and Financial Advisory Authority Building, 4th Floor
Roberto Sánchez Vilella Government Center
De Diego Avenue, Parada 22
San Juan, PR 00940-2001 USA

Ladies and Gentlemen:

I, *[Name of Respondent Representative]* in my capacity as *[Title]* of *[Name of the Respondent]*, acknowledge on behalf of the Respondent and each Team Member that the Respondent (for itself and each anticipated Team Member) was able to access the Puerto Rico Public-Private Partnerships Authority (the “**Authority**”) web site and downloaded the following documents regarding the Request for Qualifications (“**RFQ**”) for the LNG to H2 Combined Cycle Generation Plant PPP (the “**Project**”), issued by the Authority on March 1st, 2023. Our contact information for further notifications is included below. We accept the transmission of such additional notifications via electronic communications, but acknowledge and accept that we shall have the responsibility of periodically checking in the Authority’s website for any and all official communications regarding the RFQ and other stages of the procurement process for the Project.

Document/File Title

Date Received/Downloaded

Respondent Representative Signature

Date

Contact Information: *[Respondent Representative name, title, company, address, electronic mail, telephone number]*

**Exhibit C:
Qualification
Analysis and
Shortlist Report**

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GOVERNMENT OF PUERTO RICO
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QUALIFICATION ANALYSIS AND SHORTLIST REPORT

Puerto Rico Public-Private Partnership for the
LNG to H2 Combined Cycle Generation Plant

July 31, 2024

Confidential



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

On March 1, 2023, the Puerto Rico Public-Private Partnership Authority (the “**Authority**”), acting in collaboration with the Puerto Rico Electric Power Authority (“**PREPA**”), issued a Request for Qualifications (the “**RFQ**”) from companies and consortia interested in owning, developing, constructing, managing and operating a new combined-cycle generating facility (the “**Generation Facility**”) of approximately 300 megawatts (“**MW**”) with multiple fuel capabilities, including hydrogen fuel capability (the “**Project**” or “**H2 CCGT Project**”) and for the sale of electricity to PREPA pursuant to a long-term power purchase and operating agreement (the “**PPOA**”) through a public-private partnership (“**PPP**”).

In response to the RFQ, the Authority received statements of qualifications (the “**SOQs**”) from eight (8) prospective proponents (“**Respondents**”). This Qualification Process Report (the “**Report**”) describes the process followed to evaluate the SOQs and determine if the Respondents are qualified to participate as proponents in the next stage of the Project, which is the Request for Proposal (“**RFP**”) stage. Moreover, this Report sets forth the official list of the qualified Respondents selected by the partnership committee appointed to oversee the Project to proceed to the RFP stage.

This Report consist of six (6) sections: (I) Background of the Project; (II) Background of the Qualification Process; (III) Description of the Evaluation Criteria; (IV) Description of each Respondent; (V) Outcome of SOQ Evaluations; and (VI) Conclusion.

Capitalized terms used but not otherwise defined in this Report have the meaning ascribed to them in, as applicable, the Public-Private Partnership Authority Act, Act No. 29-2009, as amended (“**Act 29**”), the Puerto Rico Electric System Transformation Act, Act No. 120-2018, as amended (“**Act 120**”), the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts under Act No. 29-2009, as amended (the “**Act 29 Regulation**”), the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Partnerships Contracts and Sales Contracts for the Transformation of the Electric System under Act No. 120-2018, as amended (the “**Act 120 Regulation**”), and the RFQ.

I. Background on the Project

The Authority, in collaboration with PREPA, is interested in procuring a long-term public-private partnership contract (“**PPP Contract**”) in the form of a PPOA for the development, construction, management, and operation of a new 300MW Generation Facility (the “**H2 CCGT Plant**”) that would deliver electricity to PREPA. This is a project by which the Government of Puerto Rico (the “**Government**”) seeks to transform the electric power system of Puerto Rico into one that is modern, sustainable, reliable, cost-effective, and resilient to the ravages of nature. The Project is a key economic development initiative for Puerto Rico.

PREPA is a public corporation and instrumentality of the Government, created pursuant to Act No. 83 of May 2, 1941, as amended. Its purpose is to provide electric power in a reliable manner, contribute to the general welfare and the sustainable development of Puerto Rico and maximize the benefits while minimizing the social, environmental, and economic impacts of electric energy generation and distribution. PREPA’s current objectives include reducing operating expenses, increasing efficiency, diversifying energy sources, and reducing reliance on fossil fuels, increasing environmental compliance, and maximizing the use of advanced and renewable technology.

PREPA’s base-load generation plants and gas turbine peaking plants (the “**Legacy Generation Assets**”) are nearing the end of their useful lives, so the next phase in the transformation process consists of developing new generation capacity in accordance with the Integrated Resource Plan approved by the Puerto Rico Energy Bureau (“**PREB**”) on August 24, 2020 (the “**IRP**”) and Act 17-2019, the Puerto Rico Energy Public Policy Act (“**Act 17**”). Act 17 requires that 40% of PREPA’s energy come from renewable sources by 2025 and 60% by 2040, reaching 100% by 2050. The H2 CCGT Project will provide generation capacity with a view towards improving resource adequacy on the island. Given the goals and plans to transform and modernize Puerto Rico’s energy system, this Project supports the ongoing efforts of strengthening the reliability of power generation on the island.



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Puerto Rico needs upgraded energy generation to increase reliability and resiliency, reduce cost and allow for the economic recovery of the island. Pursuant to Act 120, PREPA is authorized to carry out PPP transactions with respect to any function, service, or facility of PREPA, including the Legacy Generation Assets. In turn, Act 120 designates the Authority as the only government entity authorized to determine and be responsible for the functions, services or facilities for which PPPs will be established, subject to the priorities, objectives and principles established in the energy public policy and regulatory framework developed by the Government pursuant to Act 120 and Act 17.

The Project contemplates PREPA entering into one or more PPP Contracts in the form of a PPOA with one or more private partners, pursuant to which: (i) the private partner would identify a suitable site location to design, permit, finance, construct and install the Generation Facility and (ii) would then sell, and PREPA will buy, the net electric output of the Generation Facility. Under the PPP Contract the applicable private partner would assume all rights and responsibilities related to the operation, maintenance, and management of the Generation Facility, including:

- identification of a suitable location and performance of any necessary site preparation for the Generation Facility (including, but not limited to, site clearing, potential demolition, decommissioning (for locations with existing facilities) and other tasks related to readying a site for construction), as well as factoring requirements and interconnections for fuel, water, emissions, and Transmission & Distribution (“T&D”) injection point;
- in coordination with the T&D operator, fund and conduct a system stability study to define suitable power injection locations in the T&D system;
- design, construction, and installation of the Generation Facility according to the specifications listed in the RFP;
- design, construction, and installation of all equipment and facilities necessary to interconnect the Generation Facility to the T&D system, including all metering equipment, relay and switching equipment, as well as protective devices and safety equipment to be installed;
- installation of any necessary balance of plant (“BOP”) equipment including fuel supply for oil, natural gas, and natural gas/hydrogen blended fuels according to the specifications listed in the RFP;
- provision, storage, and inventory maintenance of any necessary spare and consumable parts for the Generation Facility, interconnection facilities, and BOP;
- procurement and management of water or other energy or power supply for the Generation Facility, if applicable;
- procurement of fuel (including natural gas, hydrogen, and diesel), including storage capacity, if applicable or, alternatively, coordination with the LGA Operator as provider for the procurement of fuel;
- synchronizing the Generation Facility to the electrical system (subject to an interconnection study), and provide automatic load following services;
- applying for and obtaining all construction and operation permits, or modifying current site permits if an existing site is to be repurposed, with PREPA’s assistance if necessary, and performing site readiness, clearing, and demolition as needed;
- day-to-day operation of the Generation Facility in accordance with an interconnection agreement and the T&D Operator’s System Operation Principles (as amended, supplemented, or otherwise modified from time to time, the “**T&D Operator’s SOP**”);

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- performing routine and emergency maintenance, repair, and replacement of equipment, including any BOP equipment;
- outage management and restoration;
- coordination of emergency planning, restoration, and recovery;
- interfacing with regulators, including with respect to environmental permitting; and
- financing the Project.

II. Background on Qualification Process

Pursuant to Act 29 and the Act 120 Regulation, the Board of Directors of the Authority established a partnership committee for the Project on February 21, 2023 (the “**Partnership Committee**”) through Resolution 2023-05. The Partnership Committee has the duty and responsibility to evaluate and prequalify those Respondents most suitable to participate in the RFP process as proponents for the Project.

Section 3.2 of the Act 120 Regulation grants the Partnership Committee ample discretion to support its functions by way of contracting advisors for such purposes. Section 3.2 of the Act 120 Regulation provides that the Partnership Committee may “contract, on behalf of the Authority, advisors, experts or consultants with the knowledge necessary to assist the Partnership Committee and the Authority in the adequate discharge of its functions.”

Likewise, Section 3.6 of the Act 120 Regulation authorizes the Authority to “contract with consultants, advisors or agents to: (a) assist the Authority and a Partnership Committee in the review of the Proposals, the selection of a winning Proponent, and negotiation of terms and conditions of a Transformation Contract for a PREPA Transaction, and (b) provide any other assistance that is deemed necessary or appropriate in connection with an Award of a Transformation Contract.”

Accordingly, the advisors engaged to assist the Authority and the Partnership Committee throughout the Project’s development and the issuance of the RFQ include the following, among others:

- Cleary Gottlieb Steen & Hamilton LLP;
- FTI Consulting, Inc.;
- Nu Energy Consulting Group, LLC; and
- Pietrantoní Méndez & Alvarez, LLC.

The Act 29 Regulation and Act 120 Regulation authorize the Partnership Committee to qualify a limited number of Respondents in order to arrive at a shortlist for the Project. Pursuant to Section 2.2 of the RFQ, the objective of the RFQ was to: (i) enable the Partnership Committee to identify Respondents that, based on their SOQ, are deemed qualified by the Partnership Committee to participate in the RFP process (“**Qualified Respondents**”) and (ii) notify prospective respondents of the Authority’s right to limit in its absolute discretion the number of Respondents it considers to be qualified in order to arrive at a shortlist of Qualified Respondents that allows for an orderly procurement. Furthermore, the RFQ established specifically that the Partnership Committee reserves the right to disqualify a Respondent for any of the reasons stated in Sections 7.1 and 7.2 of the Act 120 Regulation, or if the Respondent:

- is ineligible to submit a proposal on one or more grounds specified in Act 120, Act 29, or the Act 120 Regulation;
- fails to satisfy the standards established by the Partnership Committee with respect to the Respondent’s required financial condition, or technical or professional ability and experience (as set forth in Section 5 of the RFQ);

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- fails to comply with the requirements of Sections 9(a) and/or 9(d) of Act 29, as applicable; or
- is the T&D Operator or the LGA Operator.

Pursuant to Section 8(b) of Act 29 and Section 3.2 of the Act 120 Regulation, the Partnership Committee evaluated the SOQs and selected those Respondents best qualified to undertake the Project to proceed as Qualified Respondents. Specifically, the Partnership Committee evaluated each SOQ by considering the extent to which Respondents satisfied the evaluation criteria established in Section 4 of the RFQ, as described below (the “**Evaluation Criteria**”):

- compliance with requirements of Act 120 and Act 29;
- background and team information;
- resources and financing; and
- technical & operational capabilities.

The Partnership Committee reviewed each of the eight (8) SOQs and scored each Respondent according to the strength to which its SOQ satisfied the Evaluation Criteria based on scorecards established by the advisors. The review and evaluation process were conducted by the Partnership Committee during a meeting held to assess and discuss: (i) the SOQs received in connection with the RFQ and (ii) the advisors’ recommendations. On May 15, 2023, the Partnership Committee voted to select six (6) qualified Respondents to proceed to the RFP stage.

III. Description of the Evaluation Criteria

In order to provide an objective and transparent evaluation method, Respondents were evaluated pursuant to Section 8(b) of Act 29, Section 3.2 of the Act 120 Regulation, and by considering the extent to which Respondents satisfied the evaluation criteria and requirements and procedures established in Sections 4 and 5 of the RFQ (the “**Evaluation Criteria**”). Specifically, Respondents were evaluated by reference to the following Evaluation Criteria:

Part 1 - Compliance with Requirements of Act 29 and Act 120 (Pass/Fail)

Each SOQ submitted pursuant to the RFQ was reviewed to determine whether it satisfied the requirements under Act 29, Act 120, and the Act 120 Regulation in the following areas:

- 1.1 Respondents that are corporations, partnerships or any other legal entity, whether based in the U.S., including Puerto Rico, or elsewhere in the world, were required to be properly registered, or demonstrate that they were capable of being properly registered, to do business in Puerto Rico at the time of the execution of the PPP Contract, and comply with all applicable Puerto Rico and U.S. laws and/or requirements.
- 1.2 Each Respondent and each Team Member was required to certify that:
 - (a) neither it nor any of its directors, officers, controlling shareholders or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego or the passive economic agent of the Respondent or Team Member, as applicable, (each, a “**Covered Party**”), has been convicted, entered a guilty plea, been indicted or had probable cause found for their arrest in any criminal proceeding in Puerto Rico, the rest of the U.S. or any foreign jurisdiction for:
 - i. any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico;
 - ii. any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code; or

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- iii. any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government, or under the U.S. Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in Puerto Rico, the rest of the U.S. or any other jurisdiction.
 - (b) it is in compliance and shall continue to comply at all times with all federal, state, local and foreign laws applicable to the Respondent or Team Member(s) that prohibit corruption or regulate crimes against public functions or public funds, including the U.S. Foreign Corrupt Practices Act;
 - (c) it completed the SOQ without prior understanding, agreement, connection, discussion or collusion in relation to the RFQ with any other person, firm or corporation submitting or participating in the submission of a separate SOQ or any other officer, employee or agent of the Authority, PREPA, the Partnership Committee, the Puerto Rico Fiscal Agency and Financial Advisory Authority (known by its Spanish acronym "AAFAF"), PREB, the Government, the Fiscal Oversight and Management Board ("FOMB"), LUMA, Genera or any public agency of Puerto Rico; and
 - (d) except as provided in Section 2.7 of the RFQ, as required by Section 4.13 of the Act 120 Regulation, it shall not attempt to communicate in relation to the RFQ, directly or indirectly, with any representative of the Authority, PREPA, the Partnership Committee, AAFAF, PREB, the Government, the FOMB or any public agency of Puerto Rico, including any Restricted Parties or any director, officer, employee, agent, advisor, staff member, counsel, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of:
 - i. commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ;
 - ii. influencing, or attempting to influence, the outcome of the RFQ process or of the competitive selection process, including the review and evaluation of SOQs or the selection of the Qualified Respondents;
 - iii. promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members;
 - iv. commenting on or criticizing aspects of the RFQ, the competitive selection process or the Project, including in a manner which may have given the Respondent or its Team Members a competitive or other advantage over other Respondents or their respective Team Members; or
 - v. criticizing the SOQs of other Respondents.
- 1.3 Each Respondent and each Team Member was required to:
- (a) acknowledge that the Respondent and each Team Member were able to access the Authority's website and download documents pertaining to the RFQ and the Project;
 - (b) provide the contact information for the Respondent and each Team Member;
 - (c) acknowledge and accept responsibility for periodically checking the Authority's website for any and all official communications regarding the Project; and

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- (d) accept the transmission of additional notifications via electronic communications.

Respondents could satisfy requirements 1.1 and 1.2 by completing the Form of Respondent Certification included as Appendix A to the RFQ.

Respondents could satisfy requirement 1.3 by completing the Form of Respondent Certification included as Appendix B to the RFQ.

Part 2 - Background and Team Information (15% Weighting)

Respondent and Team Member(s) were encouraged to provide enough supporting information and details to enable the evaluators to perform a thorough evaluation of their strengths, roles, and responsibilities. This included the following:

- 2.1 Respondents were required to provide a description of the Respondent and all Team Members that identified:
- (a) anticipated roles, functions, and overview of business operations;
 - (b) jurisdiction, form of entity organization, ownership structure and capitalization;
 - (c) currently and formerly owned or controlled electric utility operating companies;
 - (d) anticipated legal relationships (e.g., joint ventures, partnerships) and percentage ownership interest;
 - (e) up to five (5) individuals who are expected to play an important role in the Project on behalf of Respondent and Team Member(s), and who have at least ten (10) years of experience (the "Key Individuals") and their roles (experience of the individuals was to include experience in all phases of project development including development, permitting, design, construction, commissioning, operating and maintaining generation units of the type proposed);
 - (f) instances of working with Spanish-speaking workforces;
 - (g) instances, if relevant, in which Respondent and Team Member(s) had previously worked together;
 - (h) evidence and tenor of power plant installation, construction, and operations, as well as management experience in electric power generation (including experience with operating agreements); and
 - (i) instances of fuel management, operational design, purchasing, transporting, testing and storage experience.
- Anticipated roles and legal relationships were to include, among other relevant descriptions, whether the Respondent was the entity expected to submit the response to the RFP and execute the PPP Contract as the Private Partner. Such descriptions also were to include the entity expected to guarantee the Private Partner's performance under the PPP Contract in the case where Respondent was not the Private Partner.
- 2.2 A list of technical, financial, legal, accounting, or other advisors that the Respondents or any Team Member(s) had engaged or intended to engage in connection with the Project.
- 2.3 Respondents were required to provide resumes (indicating overall experience and any specific experience relevant to the nature and scope of the Project) for the Key Individuals, including Spanish-speaking skills (if any). Respondents were expected to identify an anticipated

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management team comprised of individuals with at least ten (10) years of relevant electric generation managerial experience for all executive-level positions.

Part 3 - Financial Capabilities (30% Weighting)

The evaluation of the financial capabilities of each SOQ was examined in accordance with the criteria set out below:

- 3.1 **Financial Capacity of Team:** Respondents were required to demonstrate adequate financial wherewithal to fulfill the terms of the PPP Contract. Each Respondent or, if a consortium, at least one (1) Team Member, was to provide:
- (a) evidence of the experience developing structured transactions for power generation projects and financing projects;
 - (b) evidence of the financial capability to obtain development and operational security in the form of an unconditional and irrevocable direct pay letter(s) of credit or any proposed form of guarantee;
 - (c) credit ratings (if any); and
 - (d) copies of audited financial statements, Form 10-Ks, 20-Fs, or similar types of annual reports for the past two (2) years, together with any other relevant financial information.
- 3.2 **Ability to Raise Financing:** Respondent were required to provide specific evidence demonstrating their ability to raise or obtain financing. Specific factors that will be assessed include:
- (a) capability of raising significant quantities of debt and equity in the current capital markets;
 - (b) the number and size of past relevant transactions; and
 - (c) specific experiences on past relevant transactions.

At a minimum, each Respondent or at least one Team Member was required to provide evidence of at least three (3) debt or equity raises of at least US\$200 million in aggregate proceeds.

Part 4 - Technical & Operational Capabilities (55% Weighting)

The evaluation of the technical and operational capabilities of each SOQ was examined in accordance with the criterion set out below:

- 4.1 Respondent was required to demonstrate its technical and operational capabilities to fulfill the terms of the PPP Contract. Detailed evidence on the following criteria will be required for Respondent or at least one (1) Team Member:
- (a) evidence of experience carrying out at least two (2) related scope generation projects, including the siting, design, construction, installation, operation, and maintenance of combined cycle power plants with gas and steam turbine technology capable of burning multiple fuels, including a hydrogen blend with natural gas, within the past fifteen (15) years, along with appropriate references;
 - (b) power plant construction project details, including plant technology type, number of units, fuel types, hydrogen fuel experience including percentage-blend amounts, plant rating (i.e., output and heat rate), and installation cycle time;

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- (c) names of the locations where the Respondent or subcontractors have performed similar work and the telephone number, email address and name of the reference that is familiar with the works performed by the Respondent;
- (d) certification of no significant or sustained environmental regulation violations or Occupational Safety and Health Administration (“OSHA”) fines/violations; and
- (e) a demonstrable history of compliance with energy related policies, practices, and regulations from a state, commission, or other regulatory body.

Respondent and Team Member(s) were encouraged to provide sufficient evidence to demonstrate an intimate understanding of the power and electric utility industry, especially as it applies to operating and dispatching generation units as part of a large-scale electric utility. Operations, maintenance, improvements, safety, and environmental responsibility should each be a key focus. The RFQ indicated that operations, maintenance, safety, and environmental responsibility were a key focus.

- 4.2 Respondent and Team Member(s) were expected to have current or past experience in power generation and electric utility operations, management, and maintenance. As such, Respondent or at least one Team Member was required to demonstrate that its current or previous electric utility experience fulfills the following criteria on a sustained basis:
 - (a) developing, constructing, installing, operating, and maintaining generation units of the type proposed, with a combined capacity of approximately 300 MW;
 - (b) providing power or any comparable services to PREPA or public/government agencies within the last ten (10) years;
 - (c) experience and capability operating plants burning hydrogen-blended fuels, including details of the amount (percentage) and types of fuels blended; and
 - (d) ability to safely operate similar generation facilities with annual equivalent availability factors above average as reported in the North American Reliability Corporation Generating Availability Data System database.
- 4.3 Respondent and Team Member(s) were required to demonstrate: (a) their ability to address and resolve safety issues and (b) their knowledge of safety strategies and methodologies. Respondent and Team Member(s) shall have submitted copies of the OSHA 300 forms for the past three (3) years, only as related to electric utility operations. If not applicable, Respondent and Team Member(s) were required to present a document explaining the reasons for not submitting the form.
- 4.4 Respondent and Team Members should have provided a short assessment of the current state of generation technology, hydrogen/natural gas blending and percentage concentration of fuel blends (both current and potential), as well as the state of the supply chain.

Compliance with SOQ Requirements and Procedures (Pass/Fail)

Each SOQ submitted pursuant to the RFQ was reviewed to determine whether it satisfied the following requirements and procedures set forth in the RFQ:

Part 5 -

- 5.1 Respondents were required to prepare their SOQs in English, comply with the specifications set forth in the RFQ and include the following components and sections in their SOQs:
 - (a) cover page (including identification of all Team Members);

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- (b) cover letter (two (2) pages maximum);
- (c) table of contents;
- (d) executive summary (two (2) pages maximum); and
- (e) the specific requirements set forth in Section 4 of the RFQ (as outlined above):
 - i. Part 1: Compliance with the Requirements of Act 29 and Act 120 (no page limit);
 - ii. Part 2: Background & Team Information (fifteen (15) pages maximum);
 - iii. Part 3: Financial Capabilities (ten (10) pages maximum) ; and
 - iv. Part 4: Technical & Operational Capabilities (fifty (50) pages maximum).

5.2 Respondents were required to:

- (a) Deliver both an electronic copy and four (4) physical copies of its original, completed SOQ to the Authority by 5:00 pm AST on the submission deadline (“Submission Deadline”); and
- (b) submit one (1) originally executed SOQ, with signatures in blue ink and marked as “Original”, and four copies along with one copy in portable document format (PDF) on a USB flash drive.

5.3 Each Respondent was required to declare, and agree to be under an obligation to declare, that it does not have knowledge of, or the ability to, avail itself of confidential information of the Government, PREPA or the Authority relevant to the Project, except to the extent it has been expressly authorized by the Government, PREPA or the Authority.

IV. Description of each Respondent

The Authority received eight (8) responses to the RFQ from the following Respondents:

- CH4 Green Energy, LLC (“**CH4 Green Energy**”);
- Eco-Renovable, LLC (“**Eco-Renovable**”);
- Haina Investment Co., Ltd. (“**HIC**”);
- InterEnergy Group Limited (“**InterEnergy**”);
- Karpower International B.V. (“**Karpower**”);
- Linde Puerto Rico B.V. (“**Linde**”) ¹,
- NuevaGen Power LLC. (“**NuevaGen**”) ²; and

¹ Linde submitted an SOQ that failed to satisfy the standards set forth in the RFQ by submitting documentation that was nonresponsive.

² NuevaGen was disqualified from the RFP process given it is a wholly owned subsidiary of New Fortress Energy Inc (NASDAQ: NFE), which under the RFQ is a party “Related” to a “Restricted Party (Genera PR, LLC) (as such terms are defined in the RFQ).



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- Tropigas³.

Each of the Respondents listed above submitted their responses to the RFQ prior to the Submission Deadline. The Authority received two (2) requests for due date extensions from Antilles Power Depot and MAN Energy Solutions. However, the Authority denied these extensions as the above eight (8) respondents had already submitted their SOQs.

Below is a brief description of each of the six (6) Respondents that were selected to participate in the RFP process. These descriptions are provided merely for ease of reference and summarize each Respondent's principal characteristics. The Partnership Committee evaluated all Respondents in accordance with the criteria set forth in the RFQ and strictly based upon the information provided in their SOQs. The Respondents are listed in alphabetical order.

1. CH4 Green Energy

- CH4 Green Energy is a limited liability company incorporated under the laws of Puerto Rico on July 12, 2021. CH4 Green Energy is part of a group of companies (including Lindsayca Inc. ("LND")) that specializes in engineering, procurement, construction, management, operation and maintenance, and development of turnkey projects in the areas of electric power, oil, gas, petrochemicals, mining, and infrastructure. CH4 Green Energy offers a full service for the management of photovoltaic plants in all sizes, support upgrading of photovoltaic complexes worldwide, and development of electricity generating plants. This includes compliance with safety standards, quality assurance, and yield optimization. LND is a global organization and pioneer in the execution of oil and gas processing plants, compressor stations, power generation, and distribution facilities, and has completed more than 130 projects throughout the Americas with 35 years of history, employing more than 1,200 qualified technicians worldwide.

2. Eco-Renovable

- Eco-Renovable is the leader of the Eco-Ren North Star Consortium, created through a special purpose entity to be created among Peerless Oil and Chemicals, LLC ("Peerless") and Eco-Renovable prior to the execution of the PPP contract. Eco-Renovable is a Puerto Rico limited liability company, which is wholly owned by V-Financial, LLC., a Delaware limited liability company. Peerless is a wholly owned subsidiary and Puerto Rico enterprise of Sunoco LP, a Delaware master limited partnership. The local staff and owners of Eco-Renovable have been involved in prior projects with PREPA. Members of the Eco-Renovable team have also served as lead bankers on a variety of bond and equity transactions, privatizations, and public private partnerships, including over \$20 billion of bond underwritings. The total equity of Peerless' parents was approximately \$6.8 billion at a calendar year end 2022.

3. HIC

- HIC is a holding company dedicated to the management of its own assets and entities in the electricity and fuels sector. In the Dominican Republic, HIC is shareholder and operator of Empresa Generadora de Electricidad, S.A. ("EGE Haina"), the largest power generation company in the Dominican Republic in terms of installed capacity, and the largest public-private partnership company in the Dominican Republic. Since 2011, a total of 2,890 MW in new capacity has been installed in the Dominican Republic. Of that aggregate capacity, EGE Haina developed and operates almost 30% (780 MW). EGE Haina also has a majority stake in SIBA Energy Corporation ("SIBA Energy"), a combined cycle generator designed for operations on hydrogen that was inaugurated in 2023 in the Dominican Republic. SIBA Energy owns the SIBA ENERGY thermoelectric power plant located in the municipality of Boca Chica, Santo Domingo province, which is operated by EGE Haina and operates on natural gas and has the flexibility to switch to

³ In their SOQ, Tropigas indicated that Energiza, a special purpose company, would be created and would ultimately be the company to submit the Proposal.

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hydrogen or diesel. Moreover, HIC has expanded its presence to other territories by acquiring Termoyopal, a generation company located in Colombia, which is comprised of five generation units, with a total installed capacity of 200 MW running on wellhead natural gas. Termoyopal began its commercial operations using three gas turbines that currently have the capacity to burn mixtures of hydrogen and natural gas.

4. InterEnergy

- InterEnergy has over 30 years of investment and operational experience in power generation and distribution with over 800 employees, US\$500 million of revenues and US\$130 million of EBITDA in average. InterEnergy's portfolio of operating assets comprises a vertically integrated utility and twenty-seven stand-alone power generation plants located in the Dominican Republic, Panama, Jamaica, and Chile. The portfolio totals almost 2GW of installed and available capacity. InterEnergy has a renewable projects portfolio under development of 1GW in the region: Mexico, Panama, Dominican Republic, and Chile. InterEnergy has invested, during the last years, \$1,000 million in renewable projects and in the conversion of the thermal assets into gas ones to decarbonize their matrix generation.

5. Karpower

- Karpower is an international power generation company, and member of Karadeniz Energy Group, founded in Istanbul, Turkey, that has had innovative energy investments for the past 25 years globally. Today, the company owns and operates 6,000 MW installed capacity worldwide, including thirty-six floating power plants ("**Powerships**"), LNG Assets, land-based plants, and renewable investments. Karpower is the only owner, operator, and builder of the world's first Powership fleet. Karpower has successfully completed nineteen projects around the world. Karpower offers a one-stop-shop tailor-made solution to its customers through an integrated business model where the design, development, engineering, and construction of the entire assets are developed in-house. Karpower has more than 2,600 direct employees from twenty-one different nationalities and creates employment for additional 10,000 co-workers for the construction of the Powerships. Karpower has supplied and/or currently supplying dependable, uninterrupted, and clean energy to countries like Brazil, Indonesia, Senegal, Ghana, New Caledonia, Lebanon, Ivory Coast, Gambia, Sierra Leone, Guinea Bissau, Guinea Conakry, Mozambique, and Iraq. The company started its operations in the Dominican Republic during April 2023 and was named as the preferred bidder by the South African Energy Ministry as a result of the country's most significant power purchase tender (1.2 GW). Karpower is also a Gas-to-Power company, with an all-integrated LNG supply chain for locations where domestic natural gas is not available or not enough to satisfy the increasing demand. Karpower's mission is to facilitate and accelerate the migration to cleaner fuels and LNG for all its host countries.

6. Tropigas

- Tropigas de Puerto Rico ("**Tropigas**") and its team members Cratos Project Services PR LLC ("**Cratos**"), Mitsubishi Power Americas Inc ("**Mitsubishi Power**"), as the original equipment manufacturer, and NAES Corporation ("**NAES**"), as the provider of operation and maintenance services, formed Energiza, a special purpose company that will ultimately submit the Proposal for the Project. Tropigas is well established in the propane market in Puerto Rico. Since 1959, the group is engaged in the importation, marketing, and distribution of liquefied petroleum gas and related products in Puerto Rico and sells around thirty-three million gallons per year from twenty-five bottling plants located around the island and also services various islands in the Greater Antilles. Tropigas group is the majority shareholder of Energiza and brings extensive regulatory knowledge and a history of successful business and service in Puerto Rico. Cratos is a Puerto Rico company with experience developing power projects in the Americas, with a targeted focus in Latin America. Cratos focuses on identifying, structuring, and developing financeable power generation projects. Mitsubishi Power, headquartered in Lake Mary, Florida, employs more than 2,500 power generation, energy storage, and digital solutions experts and professionals. Mitsubishi Power's power generation solutions include gas, steam, and aero-derivative turbines;

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powertrains and power islands; geothermal systems; PV solar project development; environmental controls; and services. NAES is the power generation industry’s largest independent services provider, dedicated to optimizing the performance of energy facilities worldwide and responsible for managing more than 50,000 MW of generation. The NAES family of companies, comprising 4,000+ team members, provides an unparalleled wealth of experience in operations, maintenance, fabrication, grid management, regulatory compliance, and technical support to build, operate and maintain both traditional and renewable resources.

V. Outcome of SOQ Evaluations

In accordance with the authority granted to the Partnership Committee’s pursuant to Act 29, Act 120, the Act 29 Regulation and the Act 120 Regulation, the Authority and its advisors assisted the Partnership Committee in evaluating each of the SOQs. The Partnership Committee subsequently met with the Authority and its advisors on May 15, 2023, to discuss the SOQs. In particular, the Authority and its advisors provided the Partnership Committee with an overview of each Respondent and its SOQ and an analysis of their observations and recommended scoring pursuant to the Evaluation Criteria. During said meeting, the Partnership Committee decided to qualify Respondents who obtained a score of 60 or higher.

After reviewing the Authority’s assessment of the SOQs, the Partnership Committee conducted a comprehensive analysis of the SOQs considering the objectives and needs of the Project. Based on this analysis, the Partnership Committee calculated each Respondent’s Weighted Aggregate Score. Subsequently, through the Referendum dated May 15, 2023, the Partnership Committee determined the shortlisted Respondents who had obtained a score of 60 or higher and would thus be invited to participate in the RFP process.

The table below breaks down each Respondent’s Weighted Aggregate Score based on compliance with the Evaluation Criteria.

Evaluation Sections		CH4	EcoRenovable	HIC	InterEnergy	Energiza LLC	Karpowership
1. Compliance with Act 29 and Act 120	Pass/Fail	Pass	Pass	Pass	Pass	Pass	Pass
1.2. SOQ Requirements and Procedures	Pass/Fail	Pass	Pass	Pass	Pass	Pass	Pass
2. Background & Team Information	15%	11	14	14	14	15	15
3. Financial Capabilities	30%	12	18	26	26	21	27
4. Technical & Operational Capabilities	55%	37	37	44	41	53	47
TOTAL SCORE (100 points maximum)	100%	60	69	84	81	89	89
Recommendation for RFP Phase (Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes

Based on the results summarized in the table above and in accordance with the authority granted to it pursuant to Act 29, Act 120 and the Act 120 Regulation, the Partnership Committee decided to shortlist the following six (6) Respondents to participate in the RFP process:

- CH4 Green Energy;
- Eco-Renovable;
- HIC;
- InterEnergy;
- Karpower; and
- Tropigas.

The Partnership Committee believes that the six (6) shortlisted Respondents demonstrated significantly higher operational and/or financial capabilities to meet all of the Project’s objectives than the two (2) Respondents that

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were not shortlisted. Specifically, Linde and NuevaGen were disqualified. Linde submitted an SOQ that failed to satisfy the standards set forth in the RFQ by submitting documentation that was nonresponsive. Additionally, NuevaGen was disqualified given it is a wholly owned subsidiary of New Fortress Energy Inc (NASDAQ: NFE), which under the RFQ is a party “Related” to a “Restricted Party” (Genera PR, LLC) (as such terms are defined in the RFQ).

The Partnership Committee carefully considered the number of Respondents that would be qualified for inclusion in the shortlist, in accordance with its right to shortlist under the Act 120 Regulation and the RFQ. In determining the size of the shortlist, the Partnership Committee considered various factors, including: (i) selecting the best qualified Respondents for the Project; (ii) the need to maximize competitive tension in the procurement process for the Project; and (iii) ensuring an efficient and effective procurement process during the RFP stage. The Partnership Committee believes that the number of shortlisted Respondents achieves a desirable balance for the next phase of the process.

VI. Conclusion

The shortlisted Respondents will provide the RFP process with the necessary competitive bidding environment needed to achieve the objectives of the Authority and the Government for this procurement process and meet the public policy considerations set forth in Act 120 and Act 29.

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**Exhibit D:
Summary
of PPOA**

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SUMMARY OF POWER PURCHASE AND OPERATING AGREEMENT FOR THE LNG TO H2 COMBINED CYCLE GENERATION PLANT

This summary of the principal terms and conditions of the power purchase and operating agreement for the Puerto Rico LNG to H2 Combined Cycle Generation Plant (the “**PPOA**”) is provided for convenience and should not be relied upon in lieu of the PPOA. In the event of any conflict between this summary and the PPOA, the PPOA controls. Capitalized terms used in this summary and not otherwise defined herein have the meaning set forth in the PPOA.

Term	Summary
Parties	The Puerto Rico Electric Power Authority (“ PREPA ”); and Energiza LLC (“ Seller ”), a limited liability company organized under the laws of Puerto Rico. San Juan Generation Assets LLC, a limited liability company organized under the laws of Puerto Rico, (“ Tropigas ”) and Cratos Energy Holdings LLC, a limited liability company organized under the laws of Puerto Rico (“ Cratos ”) are also party to the PPOA in their capacity as Sponsors, but solely for the purposes of Section 21.4 .
Effectiveness	The rights and obligations of the Parties under Article 1 (<i>Definitions & Interpretation</i>), Article 2 (<i>Term, Effectiveness and Performance Security</i>), Article 14 (<i>Representations, Warranties & Covenants</i>), Article 16 (<i>Force Majeure</i>), Article 19 (<i>Taxes</i>), Article 21 (<i>Assignment</i>), Article 22 (<i>Notices</i>) and Article 23 (<i>Miscellaneous Provisions</i>) of the PPOA become effective on the date the PPOA is executed by the Parties (the “ Agreement Date ”), and includes certain conditions precedent to the Agreement Date listed in Appendix F (Signing Conditions) of the PPOA, including the submissions of certain certifications required from Seller and required government approvals, among others. (§2.4)
Closing Date Conditions	<ul style="list-style-type: none"> • The remaining provisions of the PPOA will become effective on the date (the “Closing Date”) as of which the Parties jointly sign a certificate confirming that the conditions precedent set forth in Section 2.4(a) have been satisfied or waived. • The Parties will use commercially reasonable efforts to satisfy their respective Conditions Precedent and cause the Closing Date to occur no later than 270 Days as of the Agreement Date. • The PPOA provides for an automatic termination of the PPOA if the Closing has not occurred for any reason within 380 Days after the Agreement Date (subject to certain exemptions) (the “Outside Closing Date”). (§2.4)
Seller Performance Security	<ul style="list-style-type: none"> • Seller to provide a performance security (“Seller Performance Security”) to secure the due, proper, timely and full performance of its obligations as a condition precedent to the Closing Date, in an amount equal to the Security Amount. (§2.5) • The Security Amount consists of: (i) \$20 million, from the Closing Date to Construction Start Date, (ii) \$60 million, from Construction Start Date to Commercial Operation Date and (iii) \$20 million, from Commercial Operation Date until the end of the Term. (Appendix J) • The Seller Performance Security will be maintained by Seller until 60 days after the expiration of the Term. (§2.5)
Term	30 years from Commercial Operation Date with option to extend for up to 2 consecutive periods of ten 10 Fiscal Years each (the “ Term ”), subject to approval from PREB and P3A in accordance with Act 120. (§2.2 and §2.3)
Seller’s Development Obligations	<ul style="list-style-type: none"> • Seller to develop, design, finance, permit, construct, install, test and commission the Facility and achieve Commercial Operation no later than the Guaranteed Commercial Operation Date (i.e., June 30, 2028), at its own cost. (§3.1) • Seller will have other development rights and obligations as specified in the PPOA. (§3.1)

Term	Summary
PREPA's Development Obligations	PREPA to develop, design, permit, construct, install, test and commission any PREPA Interconnection Facilities no later than the Backfeed Date (i.e., May 31 2027), as adjusted in accordance with Section 3.3 (<i>Extensions of Time</i>) by either Party, provided that Seller has complied with Section 3.1(f) (<i>Seller's Development Obligations</i>). (§3.2)
Extensions of Time	Each Party has the right to an extension of the time (subject to the rights and obligations set forth in Section 3.3) for the completion or occurrence of any Milestone or deadline expressly stated under the PPOA where (i) Force Majeure, (ii) a breach, delay or failure by the other Party in performing any material obligation under the PPOA or the Interconnection Agreement, (iii) a Change in Law (as defined in the PPOA), or (iv) (in the case of Seller only) any other PREPA Risk Event (as defined in the PPOA), in each case, directly delays the Delayed Party's ability to achieve such Milestone or deadline, subject to the fulfillment of certain requirements and conditions. (§3.3)
Liquidated Damages	<ul style="list-style-type: none"> • Seller Guaranteed Performance Liquidated Damages (as defined in the PPOA) will be payable by Seller upon failure to deliver the Guaranteed Capacity and the Guaranteed Heat Rate, if not cured within six (6) Months after the date of the first Guaranteed Performance Testing. (§3.4) • Notwithstanding Seller's ability to pay Seller Guaranteed Performance Liquidated Damages, in the event that either the Capacity is below the amount of 70% of the Dependable Capacity or the Heat Rate is above the amount of 130% of the Guaranteed Heat Rate, in each case for more than 12 consecutive Months after Commercial Operation Date (unless Seller and PREPA otherwise agree in writing), PREPA will be entitled to invoke its termination rights and other remedies under the PPOA and/or under Applicable Law. (§3.4) • Seller Delay Liquidated Damages (as defined in the PPOA) will be payable by Seller for each Day of delay in achieving Commercial Operation after the Guaranteed Commercial Operation Date until the earlier of (i) the Commercial Operation Date and (ii) the Long-Stop Date. The obligation to pay Seller Delay Liquidated Damages will be subject to Section 3.3 (<i>Extensions of Time</i>) and an aggregate cap of \$30,000,000 (§3.5).
Seller's Utilities	<ul style="list-style-type: none"> • Prior to the Initial Synchronization Date, Seller will procure, at its own cost, the electricity required for the Facility, which electricity it will obtain from PREPA at the most advantageous published rate available to Seller (unless Seller generates electricity for its own use), and will procure all of its other water, fuel and other utilities during the Term. (§3.7) • From and after the Initial Synchronization Date, PREPA agrees to provide back-feed electricity to Seller as requested by Seller at the most advantageous published rate available to Seller, which Seller will select based on what it is otherwise qualified for, and will conform with rates the System Operator charges to similar customers. (§3.7)

Term	Summary
Facility Design Requirements	<ul style="list-style-type: none"> • Seller will submit to PREPA and the System Operator the issued-for-construction design of the Facility (the “Proposed Design”), which will be reviewed and commented on by PREPA and the System Operator as specified in the PPOA until PREPA accepts the Proposed Design (the “Approved Design”). (§4.1) • Seller will not commence construction of the Facility without PREPA’s written consent until the Parties have agreed on an Approved Design; provided that Seller may, at its risk, order long-lead items of Major Equipment for the Facility prior to the Parties agreeing on the Approved Design. (§4.1) • Each Party will notify the other in advance of any changes to its system, and the reasons for those changes that may affect the coordination of protective devices between Seller and PREPA interconnected systems or otherwise affect either Party’s Interconnection Facilities. (§4.2) • Prior to the Initial Synchronization Date, Seller will perform the acceptance testing of Seller Interconnection Facilities in accordance with the Testing Protocol. Seller will provide to PREPA no less than 10 Days’ written notice of such testing and PREPA will have a representative witness and evaluate the testing. (§4.3) • Upon completion of the pre-synchronization testing of Seller Interconnection Facilities, Seller will provide written notice following the requirements under the PPOA to PREPA that Seller has substantially completed and tested Seller Interconnection Facilities. (§4.3) • The Parties will proceed with Initial Synchronization and testing as specified in the PPOA once PREPA, in consultation with the Independent Expert, determines, acting reasonably in accordance with Prudent Utility Practice, that (i) the Facility has been constructed in accordance with the PPOA and (ii) equipment with sync-check and other capabilities required by the System Operator has been installed at the Facility. (§4.3) • From and after the Initial Synchronization Date, Seller will not carry out any upgrades or modifications to the Facility that will, or may reasonably be expected to, impair or limit the Facility’s compliance with the Prudent Utility Practices, alter its Operating Characteristics or expand or limit its ability to make available Net Electrical Output at the Point of Interconnection, including the addition of energy storage systems, capacity expansions or other upgrades not contemplated by the Approved Design, in each case, without PREPA’s prior written consent. (§4.5)
Synchronization Date	<ul style="list-style-type: none"> • Seller will notify PREPA, PREB and the System Operator in writing of the Proposed Initial Synchronization Date and the start-up and testing schedule for the Facility no later than 30 Days prior to the Proposed Initial Synchronization Date. (§5.1) • Seller will not energize, back-feed, or synchronize the Facility without notifying PREB and PREPA and without the System Operator’s prior approval. Subject to Seller’s compliance with the Interconnection Agreement and the PPOA, the System Operator, as agent to PREPA, agrees to allow the Facility to interconnect to the T&D System at the Point of Interconnection in accordance with the terms of the PPOA and the Interconnection Agreement from the Initial Synchronization Date. (§5.2)

Term	Summary
Testing, Capacity Ratings and Completion	<ul style="list-style-type: none"> • The Dependable Capacity for the Facility will be the Tested Capacity (as determined by the Guaranteed Performance Testing and starting with the first Annual Performance Testing). (§6.1) • On or promptly after the Initial Synchronization Date, Seller will provide PREPA with at least 10 Days prior written notice that the Facility is ready for the demonstration of its Tested Capacity and Tested Heat Rate (the "Guaranteed Performance Testing") and the date and time when Seller will perform the testing according to the Testing Protocol and PREPA will have the right to monitor the testing. (§6.2) • If the Guaranteed Performance Testing is completed in accordance with the Testing Protocol and any disputes with respect to such testing have been resolved to the satisfaction of the Parties, Seller will set the Tested Capacity and Tested Heat Rate based on the results obtained in the testing and corrected to the same ambient conditions as the Guaranteed Capacity and Guaranteed Heat Rate. The Tested Capacity and Tested Heat Rate will be measured against the Guaranteed Capacity and Guaranteed Heat Rate. (§6.2) • To demonstrate compliance with required regulations and permitted levels of emissions and noise emissions at site operating conditions and at the various required load levels, Seller will conduct an emissions testing of the Facility (the "Emissions Testing") and an acoustics testing of the Facility, including near field and far field (the "Noise Emissions Testing") after finalization of the construction of the Facility and prior to Commercial Operation Date, and any time thereafter in accordance with permit requirements. (§6.3) • Upon completion of the first Agreement Year, the Dependable Capacity and Heat Rate for the Primary Fuel will be reset by testing as described in the PPOA and in accordance with the Testing Protocol (the "Annual Performance Testing"). Seller will hire a Qualified Independent Testing Contractor. All costs and fees associated with the appointment of, and services provided by, the Qualified Independent Testing Contractor and arising in connection with the Annual Performance Testing, will be borne exclusively by Seller. In the event System Operator requires a demonstration test annually for the Backup Fuel that requires a Qualified Independent Testing Contractor, then the cost for such testing will be borne by PREPA. (§6.5) • The Annual Performance Testing will occur every Agreement Year. Prior to the end of each Agreement Year, Seller will coordinate with, and the testing will be conducted by, the Qualified Independent Testing Contractor. Such Annual Performance Testing will be witnessed by PREPA's personnel. (§6.5) • No later than 180 after the Closing Date, the Parties will agree upon any adjustments or additions to the Testing Protocols and Agreed Operating Procedures applicable to the Facility, taking into consideration Prudent Utility Practices, the Approved Design, the Operating Characteristics, and the terms and conditions of the PPOA. (§6.6) • Seller will at all times own and have responsibility for (at its own cost and expense) the safe and reliable operation and maintenance of all Seller Interconnection Facilities. PREPA will own and have responsibility for the safe and reliable operation and maintenance of any Seller Interconnection Facilities. (§6.7)

Term	Summary
Conditions to Commercial Operation Date	<p>Commercial Operation Date will occur on the date that the following conditions have been satisfied: (i) determination of the Tested Capacity and Tested Heat Rate pursuant to the terms of the PPOA, which such Capacity and Heat Rate must meet or exceed the Guaranteed Performance (or, to the extent that the Tested Capacity and Tested Heat Rate do not achieve the Guaranteed Performance, the Minimum Acceptance Criteria must have been achieved), (ii) successful completion of the initial emissions and noise testing, (iii) delivery to PREPA of copies of all material Permits needed to operate the Facility and Seller Interconnection Facilities, (iv) delivery to PREPA of a full set of electronic red-lined "as-installed" drawings for the Facility and a full set of warranty documents from the equipment manufacturers and construction contractor(s), with clean "as-installed" drawings to be provided 6 Months later, (v) delivery to PREPA of a certificate issued by Seller with evidence of the actual costs (denominated as a Dollar amount) incurred to interconnect the Facility to the T&D System, along with the calculation of the new monthly Interconnection Cost Payment, and (vi) delivery to PREPA for its review and approval of all Fuel Supply Arrangements, Fuel transportation agreements, Backup Fuel agreements and other commitments for the supply and transportation of Fuel and Backup Fuel. (§6.4)</p>
Long-Term Fuel Supply	<ul style="list-style-type: none"> • Seller will maintain a supply of Fuel adequate to allow Seller to support the operation of the Facility pursuant to the terms and conditions of the PPOA for the Term. On or before the Commercial Operation Date, Seller will provide PREPA for its review and approval all Fuel Supply Arrangements, Fuel transportation agreements, Backup Fuel agreements and other commitments for the supply and transportation of Fuel and Backup Fuel. Seller will not make any amendments to any of these documents without PREPA's prior written approval. (§7.1) • Following receipt of the estimated daily schedule of operations from PREPA, Seller shall provide fuel supplier with schedule of its natural gas requirements for following three (3) Months commencing with Month M (in chronological order, Months "M," "M+1" and "M+2"). Natural gas quantities set forth for Month "M" become binding following nomination ("Scheduled Monthly NG Quantity"). (§10.3) • If Seller does not take all or any part of a Scheduled Monthly NG Quantity (such shortfall, the "ToP Shortfall") then Seller will add the ToP Shortfall Payment to the Energy Payment for that Month in which such ToP Shortfall is due under the Fuel Supply Arrangement, provided, however, that PREPA will be in no obligation to pay the ToP Shortfall Payment to the extent such ToP Shortfall arises from or relates to (i) a Force Majeure affecting Seller, or (ii) reasons attributable to Seller (including the occurrence of a Forced Shutdown caused by or contributed to by Seller). (§7.2) • Seller agrees that, in the event of any Fuel supply interruption, Seller will nevertheless remain subject to all of its obligations under the PPOA to supply electric energy, by using Backup Fuel. (§7.3) • Seller will cause the Facility to be developed in such a manner that it is capable of operating at least on 30% hydrogen fuel, by volume and blended with natural gas, as of Commercial Operation Date. Seller will provide PREPA with a terminal point at the Facility to receive hydrogen fuel to utilize during its operation. The percentage of hydrogen fuel capability during operation of the Facility will increase over time in accordance with the provisions of Appendix S (<i>Hydrogen Fuel Implementation</i>) of the PPOA. (§7.4) • Seller will deliver to PREPA an annual report including any developments on the market on Green Hydrogen technology and the financial and technical feasibility of implementing up to 100% Green Hydrogen in the operation of the Facility (the "Green Hydrogen Fuel Implementation"). (§7.4) • At any time and from time to time, either Party may request by written notice to the other Party that the Parties meet to discuss in good faith the technical and financial feasibility of the Green Hydrogen Fuel Implementation. Upon receipt of such notice, the Parties will meet to discuss in good faith whether the Green Hydrogen Fuel Implementation is technically and financially feasible and, if so, alternatives to proceed with the Green Hydrogen Fuel Implementation. (§7.4)

Term	Summary
Sale and Purchase of Energy	<ul style="list-style-type: none"> • Seller agrees to sell, and PREPA agrees to (i) accept delivery of and purchase Net Electrical Output of the Facility from and after the Initial Synchronization Date, and (ii) to purchase, Dependable Capacity from and after the Commercial Operation Date of the Facility, subject to the terms and conditions of the PPOA. (§8.1) • The Net Electrical Output that Seller makes available to PREPA will become the property of PREPA at the Point of Interconnection, at which point title to the Net Electrical Output and all risk of loss associated with such output will transfer to PREPA. (§8.2)
Control and Operation of the Facility	<ul style="list-style-type: none"> • From the Initial Synchronization Date until the expiry of the Supply Period, Seller will: (i) operate, maintain, test, repair and, if necessary, replace the Facility (or any portion thereof) as specified in the PPOA, (ii) ensure that (x) Seller's personnel remain on duty at the Facility at the times required to meet Seller's obligations, and (y) any contractor that Seller engages for the operation, maintenance, testing or repair of the Facility qualifies as a Qualified Operator; and (iii) make the entire net electrical generating capacity of the Facility exclusively available to PREPA. (§9.1) • At least 60 Days prior to the Commercial Operation Date, Seller will submit a written schedule of Scheduled Outages and Scheduled Deratings program (the "Scheduled Maintenance Program") for review and approval by the System Operator and PREB, following the requirements under the PPOA. Only those Outages or Deratings that (i) meet the submittal timelines under the PPOA, and (ii) PREPA and the System Operator approve in accordance with the PPOA will constitute a Scheduled Outage or Scheduled Derating, respectively. (§9.2) • If Seller determines that it requires a Non-Scheduled Outage or Non-Scheduled Derating, then Seller will coordinate the timing of such Non-Scheduled Outage or Non-Scheduled Derating, as applicable, with PREPA and the System Operator, as specified in the PPOA. (§9.3) • Following any Facility Emergency, Outage or Derating, Seller will provide as much prior notice as reasonably practicable to PREPA and the System Operator of the date and time that it will bring the Facility back online, provided that Seller will furnish at least 2 Days' prior notice for restoration from a Scheduled Outage or Scheduled Derating and at least 2 hours' notice for restoration from a Non-Scheduled Outage, Non-Scheduled Derating or Emergency, in each case, in accordance with the Agreed Operating Procedures. (§9.5) • Seller covenants and warrants that (i) Seller's Complex will be operated and maintained by a Qualified Operator as specified in the PPOA, (ii) it will at all times (before and after the Commercial Operation Date) maintain a maintenance services agreement with a Qualified Service Provider, which will include customary terms and conditions, and (iii) the Facility will be operated at the voltage levels determined pursuant to the Interconnection Agreement. (§9.7 and §9.8)

Term	Summary
Dispatch	<ul style="list-style-type: none"> • Subject to the terms of the PPOA, PREPA at its sole discretion, will have the right to Dispatch the Facility within its Design Limits. During the Pre-Operation Period, Seller will have the right to operate the Facility substantially in accordance with the commissioning and testing schedule delivered to PREPA pursuant to the PPOA and subject to the Agreed Operating Procedures. Any Net Electrical Output produced by the Facility during such period will be purchased by PREPA. (§10.1 and §10.2) • Starting on the Commercial Operation Date, the Facility will be operated in the Dispatchable Mode. 65 Days prior to the target Commercial Operation Date (as notified by Seller to PREPA) and 35 Days prior to the start of each subsequent Month, PREPA will provide Seller with an estimated daily schedule of operations for the following 3 Months. Following receipt of the estimated daily schedule of operations, Seller will provide fuel supplier with schedule of its natural gas requirements for following 3 Months commencing with Month M (in chronological order, Months "M," "M+1" and "M+2"). PREPA acknowledges that natural gas quantities set forth for Month "M" become binding following nomination ("Scheduled Monthly NG Quantity"). In addition, no later than 7 Days prior to the target Commercial Operation Date (as notified by Seller to PREPA), and by Friday of each week PREPA must provide Seller with an estimated hourly schedule of operations for the following 5 weeks. (§10.3) • PREPA will provide Seller with 6 hours prior notice of a request to either start-up or shut down any unit of the Facility, subject to the Agreed Operating Procedures, other than in cases of Force Majeure. The Facility may be dispatched during any hour of the Day from 52% to approximately 100% of its Dependable Capacity, subject to the Ramp Rates, ambient conditions to maintain emissions compliance, and the Agreed Operating Procedures. (§10.3)
Revenue Metering	<ul style="list-style-type: none"> • PREPA will own and the System Operator will maintain all meters and metering equipment (including RTUs) used to measure the delivery and receipt of Net Electrical Output, for payment purposes (the "Revenue Meters"). Seller will own and maintain meters and metering devices for backup purposes (the "Backup Meters"). Seller will install, at its own expense, the Revenue Meters, the Backup Meters and all other meters and metering equipment at the Facility in accordance with the Interconnection Agreement. (§11.1) • From the Initial Synchronization Date until the end of the Supply Period, Seller will own all data and information recorded from operation, scheduling, dispatch, testing and maintenance of the Facility, and Seller will be deemed to have granted to the System Operator a non-terminable, transferable, non-exclusive, royalty free and cost free license to copy and use such data and information for the purpose of modeling the T&D System and assessing the operation, scheduling, dispatch, metering and testing of the Facility during the Supply Period. (§11.5)

Term	Summary
Compensation, Payment and Billings	<ul style="list-style-type: none"> • PREPA will pay or will cause Seller to be paid for the Net Electrical Output and Dependable Capacity delivered and billed to PREPA every Billing Period. Such payment will be equal to an Energy Payment plus a Capacity Payment plus a Start-up Payment plus an Ancillary Services Payment, as set forth under the PPOA. (§12.1) • For each Billing Period, PREPA will pay or will cause to be paid to Seller a payment (the “Energy Payment”) for the Net Electrical Output of the Facility (including Net Electrical Output delivered prior to the Commercial Operation Date) measured and calculated as set forth under the PPOA. (§12.2) • Prior to Commercial Operation Date, the Capacity Payment will be equal to 0. For each Billing Period after the Commercial Operation Date, PREPA will cause to pay to Seller a payment (the “Capacity Payment”) for the Dependable Capacity (DC) of the Facility on Primary Fuel made available at the Point of Interconnection on a Dollars per kW basis at a monthly rate calculated as set forth under the PPOA. (§12.3) • For each Billing Period, PREPA will cause to pay to Seller a start-up payment (the “Start-up Payment”) equal to the amount calculated as set forth under the PPOA. (§12.4) • Prior to Commercial Operation Date, the Ancillary Services Payment will be equal to 0. For each Billing Period after the Commercial Operation Date, PREPA will pay or will cause to be paid to Seller a payment (the “Ancillary Services Payment”) for the Fuel and Variable Operations and Maintenance Costs associated with providing Ancillary Services as directed by the System Operator acting on behalf of PREPA, on a Dollar basis calculated as set forth under the PPOA. (§12.5) • For each Billing Period, the Equivalent Availability Adjustment Factor (“EAAF”) will be calculated as set forth under the PPOA based on the EAF for the period comprising the last 36 Billing Periods ending with the one being billed (“Annual Month EAF”). (§12.6) • On or before the 15th day following the end of each Billing Period, Seller will provide PREPA with a written invoice for the Net Electrical Output delivered to PREPA, for the Dependable Capacity made available to PREPA, and for the Start-up Payment due for starts incurred during the Billing Period, and for all other amounts or reimbursements due to Seller under the PPOA, and such invoice will be paid by PREPA within 45 Days after the end of the Billing Period. Interest will accrue on the outstanding payments due to Seller commencing on the 46th Day after the Billing Period. Any amounts owed to PREPA may, at PREPA’s discretion, be offset against the amounts due to Seller from PREPA under the PPOA. (§12.7) • The Parties will negotiate a downward adjustment to the Capacity Payment to reflect the financial benefits of refinancing, as further provided under the PPOA. This reduction will never be greater than US\$0.50 per kW-Month, unless Seller secures improved financing from the Loan Programs Office of the U.S. Department of Energy or any other governmental institution or agency. (§12.8)

Term	Summary
Liability	<ul style="list-style-type: none"> • From and after the Initial Synchronization Date, each Party will be responsible for the energy and facilities located on its respective side of the Point of Change in Ownership. Except as provided in Section 13.2 (<i>Foreseeable Damages</i>) of the PPOA, Seller will have no liability to PREPA for loss or damage to PREPA's generation or Transmission and Distribution System resulting directly or indirectly from the use, misuse or presence of said energy once it passes the Point of Interconnection. (§13.1) • Each Party will have liability for all foreseeable damages suffered by the other Party as a necessary consequence of the first Party's negligent performance or omissions or failure to perform its respective obligations under the PPOA. For purposes of this provision, the "foreseeable damages" will include (without duplication): (i) if the PPOA is terminated due to the first Party's negligent performance or omissions or failure to perform its respective obligations under the PPOA, the direct economic loss of the other Party, if any, resulting from termination of the PPOA; (ii) all costs, brokerage fees, commissions, legal expenses, and other similar transaction costs and expenses, reasonably incurred by the other Party in connection with the first Party's negligent performance or omissions or failure to perform its respective obligations under the PPOA; and (iii) with respect to Seller, costs and losses to Seller in respect of any debt financing of the Facility (including as a result of any acceleration of such debt). (§13.2) • Neither Party nor its officers, directors, shareholders, agents, employees and representatives will, in any event, be liable to the other Party or its officers, directors, shareholders, agents, employees or representatives for Claims for incidental, consequential, special, punitive or indirect damages to persons or property, whether arising in tort, contract or otherwise, connected with or resulting from performance or non-performance under the PPOA, including Claims made by either Party's customers or suppliers, Claims made by third parties, Claims made by either Party for lost profits (other than payments expressly contemplated by any provision of the PPOA) or Claims arising from Force Majeure; provided that nothing will exclude or limit a Party's liability for fraud, willful misconduct or Gross Negligence. (§13.4) • Seller's liability to PREPA under the PPOA, whether based on contract, warranty or tort, including errors or omissions, negligence, strict liability or otherwise, or any other claim or cause of action, with respect to any and all Claims will not exceed the amount equal to the greater of: (i) 20% of the greatest amount of Capacity Payments paid to Seller in any Agreement Year during the Term, or (ii) \$20,000,000 ("Seller Liability Cap"); provided that (x) nothing will exclude or limit Seller's liability for the Exceptions, and (ii) for purposes of determining Seller's liability, the Parties will deduct the proceeds of insurance received by Seller (or that would have been received had Seller complied with the terms of the PPOA), relating to the event or circumstances which resulted in such liability. (§13.6)

Term	Summary
Representations, Warranties & Covenants	<ul style="list-style-type: none"> • Seller and PREPA to provide customary representations and warranties not only on the Agreement Date but also on the Closing Date. (§14.1 and §14.2) • The Parties will, at all times and in all material respects, comply with and operate in accordance to all Permits and Applicable Law, including the Bulk-Power System EO (if in effect) and any regulations or orders issued thereunder, and such other Laws applicable to (i) the use, occupancy and operation of the Facility, and (ii) Seller as an Electric Power Company or Electric Power Generation Company (each, as defined under Act No. 57-2014), as the case may be. Seller will at all times comply with the public policy and regulatory framework applicable to the Facility. (§14.3) • Each Party (such Party, the “Receiving Party”) will keep all Agreement terms and information obtained from the other Party (the “Disclosing Party”), and not otherwise generally available to the public (but without limitation of any liability the Receiving Party may have to the Disclosing Party for information that becomes generally available to the public through the negligence or willful misconduct of any of the Receiving Party, its Affiliates or their respective employees, agents and representatives), confidential and use such information solely in connection with the performance of its obligations under the PPOA. Disclosure of such information may be made only as provided under the PPOA. (§14.5) • Seller will not (i) engage in any business activity other than as reasonably required to perform its obligations under the PPOA and the Interconnection Agreement, (ii) enter into any merger, consolidation or amalgamation with any entity, or (iii) demerge, separate or split into one or more entities, in each case, without PREPA's prior written consent. (§14.7) • Seller agrees to use its reasonable efforts when soliciting and (i) obtaining personnel to perform services for the Facility in the Commonwealth, to ensure that individuals who are bona fide residents of the Commonwealth perform not less than 30% of the total personnel hours expended in the construction of the Facility (prior to the Commercial Operation Date) and not less than 30% of the total personnel hours expended in Seller's performance of the services under the PPOA (following the Commercial Operation Date), and (ii) selecting subcontractors and vendors to perform services for the Facility in the Commonwealth, to ensure that business concerns owned and controlled by one or more individuals, who are bona fide residents of the Commonwealth, perform not less than 30% of the total personnel hours expended in the construction of the Facility (prior to the Commercial Operation Date), as measured by person-hours on an annual basis. (§14.11) • PREPA and Seller stipulate that the PPOA is a post-petition agreement executed after the PREPA Title III petition date and entitled to administrative expense treatment under PROMESA and the Bankruptcy Code. Further, PREPA stipulates that all of PREPA's costs and obligations owed to Seller under the PPOA constitute administrative expenses and that it will support such recovery in any proceeding before any relevant court. (§14.14)

Term	Summary
Indemnification	<ul style="list-style-type: none"> Each Party (the "Indemnifying Party") will indemnify and hold harmless the other Party and each of Indemnitees from and against any and all Claims by third parties for or on account of injury, bodily or otherwise, or death of persons or for damage to or destruction of third-party property, in each case to the extent resulting from or arising out of, the Indemnifying Party's violation of Law, negligence, willful misconduct or failure to perform under the PPOA. (§15.1) Seller will indemnify and hold harmless PREPA, and each of its Indemnitees, against any and all Claims arising directly or indirectly out of any environmental condition on the Site or any environmental harm due to the actions or omissions of Seller or Seller's agents or employees during the design, development, construction or operation of the Facility, in each case as a result of the release from or presence at the Facility of pollutants, hazardous substances, materials or wastes in excess of amounts and concentrations permitted by Applicable Law then in effect. In the event Seller fails to reimburse PREPA for such Claims within 30 Days of receipt of written notice from PREPA stating that such Claims were incurred (including reasonable documentation of such Claims), PREPA may offset the amount of such Claims against amounts due to Seller from PREPA under the PPOA. In the event Seller disputes that Claims are due to the actions of Seller or Seller's agents, the Parties will resolve such Dispute pursuant to Article 24 (<i>Dispute Resolution</i>) of the PPOA, and PREPA will not offset any such disputed amounts until final settlement under Article 24 (<i>Dispute Resolution</i>) of the PPOA. (§15.3)
Termination Rights	<ul style="list-style-type: none"> The PPOA will automatically terminate on the earliest to occur of: (i) end of the Term, (ii) mutual consent of the Parties in writing, (iii) following the occurrence of a Default and failure of the defaulting Party to cure such Default within 30 Days of having received a written notice by the non-defaulting Party, termination of the PPOA by the non-defaulting Party, or (iv) Termination for a Prolonged Force Majeure. (§17.1) Cancellation, expiration or earlier termination of the PPOA will not relieve the Parties of obligations incurred prior to, or as a result of, such cancellation, expiration or earlier termination, which will survive such events pursuant to the terms of the PPOA, including Section 2.5 (<i>Performance Security from Seller</i>), Section 3.5 (<i>Delay Liquidated Damages</i>), Section 9.10 (<i>Record Keeping</i>), Article 13 (<i>Liability</i>), Section 14.5 (<i>Confidentiality</i>), Article 15 (<i>Indemnification</i>), Article 16 (<i>Force Majeure</i>), Article 17 (<i>Termination</i>), Section 18.3 (<i>Certain Material Breaches</i>) and Article 23 (<i>Miscellaneous Provisions</i>). The Articles, Sections, and Appendices designated in the preceding sentence will survive the Termination Date, provided that Section 14.5 (<i>Confidentiality</i>) will expire on the 2nd anniversary of the Termination Date. (§17.5) Upon the expiration of the Term or the earlier termination of the PPOA where PREPA has no obligation to and otherwise does not purchase the Facility, Seller will be entirely responsible (at its sole cost, risk and expense) for owning, operating, maintaining and ultimately removing the Facility and related equipment at the end of their useful lives in accordance with all Applicable Laws; provided, however, that upon expiration of the Term, the Parties may negotiate in good faith the transfer of the Facility from Seller to PREPA. (§17.4)

Term	Summary
Termination for a Prolonged Force Majeure	<ul style="list-style-type: none"> • Either Party will have the right, but not the obligation, to terminate the PPOA if (A) a PREPA Risk Event under paragraph (b) (i.e., T&D System Event), (e) (i.e., any delay in the completion of the PREPA Interconnection Facilities) or (f) (i.e., Change in Regulatory Law or other Change in Law being applied to Seller in a discriminatory or arbitrary manner) of the definition of PREPA Risk Event or (B) any event of Force Majeure (as defined in the PPOA) prevents either Party from performing any of its obligations under the PPOA for a continuous period of 18 Months, except that: (i) Seller will not have the right to terminate the PPOA so long as PREPA has continued paying for Capacity Payments, and elects in such event to continue paying, and actually makes, Capacity Payments beyond such 18 month period when due pursuant to the terms of the PPOA, and (ii) if PREPA is prevented from performing its obligations under the PPOA, in lieu of termination and payment of amounts as stated above, so long as PREPA has continued paying for Capacity Payments and continues paying Capacity Payments beyond such 18 month period when due pursuant to the terms of the PPOA, PREPA may elect to request Seller to negotiate in good faith an adjustment to the Capacity Purchase Price or other terms of the PPOA to address the negative impact of the relevant PREPA Risk Event or Force Majeure; provided that, (A) any such adjustment may not have an adverse impact on the economics of the PPOA with respect to Seller, and (B) if the Parties are unable to agree on such adjustment within 6 months after such negotiations have commenced, either (y) PREPA may continue paying for Capacity Payments; or (z) either Party will have the right to terminate this PPOA. (§17.2) • If a PREPA Risk Event under paragraph (b) (i.e., T&D System Event), (e) (i.e., any delay in the completion of the PREPA Interconnection Facilities) or (f) (i.e., Change in Regulatory Law or other Change in Law being applied to Seller in a discriminatory or arbitrary manner) of the definition of PREPA Risk Event or any Force Majeure prevents both Parties from performing any of their obligations under the PPOA, 18 month continuous period above will start to run from the date on which one Party is no longer prevented from performing any of its obligations under the PPOA. (§17.2) • In the case of Natural Force Majeure, such termination right will only apply if the Parties agree, or it is determined by the Independent Expert, that the Facility cannot be repaired, reconstructed or replaced on a commercially feasible basis taking into account the insurance proceeds required to be applied to such repair, reconstruction, or replacement and any other amounts in the Facility accounts available for such repair, reconstruction or replacement. (§17.2)

Term	Summary
Termination Payment	<ul style="list-style-type: none"> • The PPOA provides for PREPA's right (in the event of termination due to a Seller Default and, under certain circumstances, for termination due to Prolonged Force Majeure) or PREPA's obligation (in the event of termination due to a PREPA default and, under certain circumstances, for termination due to Prolonged Force Majeure) to purchase the facility at a certain purchase price set forth in <u>Section 17.3</u> of the PPOA (which varies depending on the circumstances of termination). (§17.3) • In the event of any termination of the PPOA, any all Risk Physical Damage Property and Equipment Breakdown Policy insurance proceeds received by Seller from any insurance policy pursuant to Article 20 (<i>Insurance</i>) of the PPOA (or that Seller would have received had it complied with the PPOA) will be applied to reduce the outstanding Debt in the first instance as provided under the PPOA. (§17.3) • In the event of any termination of the PPOA, any termination payment which Seller is entitled to recover will be paid by PREPA no later than 90 Days after the first day of PREPA's next Fiscal Year, provided, however, that during such period PREPA pays any interest or principal payments due by Seller to Project Lenders on outstanding Debt that becomes due and payable, but excluding any acceleration of such outstanding Debt. (§17.3) • In the event of termination of the PPOA by Seller and with respect to any termination payment which Seller is entitled to recover, PREPA will have the right to pay to Seller any amount in excess of the outstanding Debt in the form of a note in lieu of Cash, which note will include customary terms and conditions, with a tenor not to exceed 5 Years, with an interest rate equal to the greater of (i) the then current yield for PREPA bonds of similar maturity as traded in the secondary market or (ii) 10.00%, and with the right to prepay the note at par. (§17.3) • Immediately upon payment by PREPA of the termination payment stated above, Seller will (i) assign to PREPA or its designee, subject to Applicable Law, free and clear of all liens and encumbrances, any leasehold or real estate interest on the Site where the Facility is located, and (ii) transfer to PREPA or its designee, subject to Applicable Law, free and clear of all liens and encumbrances, all of Seller's right, title and interest in the Facility. For the avoidance of doubt, PREPA will have the right, at its sole discretion, to engage another seller to perform the services furnished by the Facility. (§17.4) • In the event of termination for a Natural Force Majeure and payment of the termination payment by PREPA to Seller as provided above, the Facility will be delivered to PREPA in "as is/where is" condition. In all other termination scenarios under the PPOA, upon payment of the termination payment by PREPA to Seller, the Facility will be delivered to PREPA in good working condition and operating in accordance with all Applicable Laws and Permits, subject to the Facility's maintenance records per Mitsubishi's standard recommended operations and maintenance instructions. (§17.4)

Term	Summary
Default	<ul style="list-style-type: none"> • The following events will constitute a "Seller Default" under the PPOA by Seller: (i) the provision of materially incorrect or misleading information, representation or certification submitted (or made) by Seller in connection with either (x) the submission of Seller's Proposal in response to the RFP, or (y) the execution, delivery or performance by Seller of the PPOA as set forth under the PPOA, (ii) Seller's failure to remit in full any amount due and payable under the PPOA to PREPA, subject to specified cure periods, (iii) Seller's failure to observe or perform any covenant contained in Section 18.3 (<i>Certain Material Breaches</i>) of the PPOA, (iv) the Equivalent Availability Factor is less than 60% for any period 12 consecutive Months, or less than 70% for any period of 24 consecutive Months, (v) Development Abandonment or Permanent Closing, (vi) a termination of the Interconnection Agreement due to a default thereunder by Seller, (vii) a COD Termination Event, (viii) failure to obtain required insurance under Article 20 (<i>Insurance</i>) of the PPOA, subject to specified cure periods, (ix) an Insolvency Event with respect to Seller, whether voluntary or involuntary, subject to the specified requirements, (x) the occurrence of the event set forth in Section 3.4(b) (<i>Guaranteed Performance Liquidated Damages</i>), and (xi) except as otherwise covered in paragraphs (i) through (ix), the failure by Seller to observe or perform in any material respect its obligations under the PPOA, subject to specified cure periods. (§18.1) • The following events will constitute a "PREPA Default" under the PPOA by PREPA: (i) a materially incorrect or misleading representation or warranty made by PREPA under the PPOA or any certification submitted by PREPA in connection with the execution, delivery or performance of the PPOA, subject to specified cure periods, (ii) failure to remit in full any amount due and payable under the PPOA to Seller, subject to specified cure periods, (iii) an Insolvency Event with respect to PREPA, whether voluntary or involuntary, subject to the specified requirements, (iv) any condemnation or nationalization of the Facility by any Governmental Authority, (v) default in the observance or performance of any of the material terms, covenants or conditions contained in the PPOA, subject to specified cure periods, and (vi) a termination of the Interconnection Agreement due to a default thereunder by PREPA. (§18.2)
Taxes	<ul style="list-style-type: none"> • Seller will promptly pay and discharge all Taxes applicable to the construction, ownership and operation of the Facility and otherwise imposed upon it or in respect of all or any part of its property or business, all trade accounts payable in accordance with usual and customary business terms, and all Claims for work, labor or materials which, if unpaid, might become a lien or charge upon any of its property, subject to the specified requirements. (§19.1) • PREPA will pay or will cause to be paid all sales, use, excise, value-added or other similar consumption Taxes imposed on or with respect to the purchase and sale of Net Electrical Output at the Point of Interconnection, except any such Taxes related to the construction, ownership and operation of the Facility payable by Seller pursuant to Section 21.1 (<i>Restriction on Assignment</i>) under the PPOA. The Parties acknowledge that the purchase and sale of the Net Electrical Output is currently exempt from the sales and use tax applicable under the Puerto Rico Internal Revenue Code of 2011. (§19.2)
Insurance	<p>Seller will obtain and maintain in full force and effect from the Construction Start Date and during the Term of the PPOA and thereafter policies of insurance covering all operations engaged in by the PPOA, subject to the specified requirements and limits of coverage, which will be formally agreed with an insurance company authorized to do business in the Commonwealth. (§20.1)</p>

Term	Summary
Assignment	<ul style="list-style-type: none"> Except as otherwise provided under the PPOA, neither Party will assign or transfer the PPOA without the prior written consent of the other Party. Any attempt to assign the PPOA without the prior written consent of the corresponding Party will be void. Any failure of a Party to respond to any request by the other Party for consent to assignment will not be deemed or construed as an acceptance or consent to such proposed assignment. (§21.1) Notwithstanding the foregoing, the Parties acknowledge that PREPA is undergoing a transformation process, and therefore agree that, after the front-end transition period of a Partnership Contract, Sale Contract or any other PREPA Transaction (as these terms are defined in Act 120), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate or otherwise dispose (each, a "Transfer") any of its rights, title or interest under the PPOA as permitted by Applicable Law and at any time, without Seller's consent, and without cost, expense, or incremental liability to PREPA, to an Affiliate of PREPA or any Governmental Authority of Puerto Rico financially, legally and operationally capable of performing all of PREPA's payment and performance obligations, subject to the specified requirements. (§21.2) Notwithstanding the foregoing, Seller will have the right to assign, pledge or encumber the PPOA in its entirety or in part without PREPA's consent to the Project Lenders as collateral security in order to obtain financing or other funding, subject to the specified requirements and terms and conditions. (§21.3) Each of Tropigas and Cratos agree not to, and Seller agreed to ensure that any other Sponsor does not assign, sell or transfer (whether directly or indirectly) to any other Person any part of its ownership interests in Seller or renounce any preferential subscription rights for ownership interests in connection with a capital increase (each, a "Equity Transfer") at any time prior to the Commercial Operation Date without the prior express consent of PREPA. On or after the Commercial Operation Date, each of Tropigas and Cratos agree not to, and Seller agreed to ensure that any other Sponsor does not effect an Equity Transfer at any time without the prior express written consent of PREPA. Notwithstanding the foregoing, a Sponsor may conduct certain actions without PREPA's consent, as specified under the PPOA (§21.4) Seller will not sell or transfer, directly or indirectly, the Facility, any portion of the Facility or substantially all of its assets either (i) at any time prior to the Commercial Operation Date, or (ii) for any such sale or transfer occurring on or after the Commercial Operation Date, without PREPA's prior express written consent. The foregoing prohibition will not apply to any such transfer that (A) forms part of a foreclosure on any mortgage, lien, pledge, charge or other encumbrance granted to the Project Lenders under any non-recourse project financing related exclusively to such assets and such lenders or their agent have entered into a direct agreement with PREPA in respect of the collateral assignment of the PPOA and the Interconnection Agreement, or (B) constitutes a permitted assignment under Article 21 (<i>Assignment</i>) of the PPOA. If Seller intends to sell the Facility, or any portion of the Facility, or substantially all of its assets, pursuant to PREPA's consent, then it will satisfy the requirements specified under the PPOA. (§21.5)
Amendments	<p>Neither the PPOA nor any provision thereof may be changed, modified, amended or waived, except by written agreement duly executed by the Parties. Any such amendment will not be effective until to the extent required by Applicable Law, approved by PREB and the FOMB (if then in existence). (§23.4)</p>
System Operator's Role	<p>The Parties acknowledge that by virtue of the T&D O&M Agreement, System Operator, as agent to PREPA, will have the ability to effectively assume and discharge all rights and operational and regulatory obligations and responsibilities of PREPA under the PPOA. (§23.6)</p>
Governing Law	<p>The PPOA will be interpreted, construed and governed by and in accordance with, and enforced pursuant to, the laws of the Commonwealth of Puerto Rico. (§23.14)</p>

Term	Summary
Dispute Resolution	<ul style="list-style-type: none"> • Except as otherwise expressly provided in the PPOA, any dispute among the Parties arising out of, relating to or in connection with the PPOA or the existence, interpretation, breach, termination or validity thereof (a “Dispute”) will be resolved in accordance with the procedures set forth in Article 24 (<i>Dispute Resolution</i>) of the PPOA, which will constitute the sole and exclusive procedures for the resolution of such Disputes (the “Dispute Resolution Procedure”), including as to the validity of any termination or effective date of any termination. (§24.1) • If a Dispute arises, any Party may initiate the Dispute Resolution Procedure by giving a written notice of the Dispute to the other Party (a “Notice of Dispute”), subject to the requirements as specified. Upon receipt of a Notice of Dispute from a Party, the Parties will refer the dispute to the Designated Person of each Party. The Designated Persons will negotiate in good faith and attempt to resolve the Dispute within 30 days after the date on which the Notice of Dispute was issued, or such longer period as the Designated Persons may otherwise agree (the “Negotiation Period”). If the Dispute remains unresolved during this Negotiation Period, then any engineering or technical dispute the Parties mutually agree in writing is a technical dispute (a “Technical Dispute”), will be referred to the Independent Expert for a final and binding expert determination (“Expert Technical Determination”). The Independent Expert will, in consultation with the Parties, determine the procedure to be undertaken in the Expert Technical Determination. The Independent Expert will determine the Technical Dispute within 60 days “after receiving notice of the Technical Dispute or as otherwise agreed by the Parties. The determination by the Independent Expert on any Technical Dispute will be final and binding on the Parties. (§24.2, §24.3 and §24.4) • If a Dispute, other than a Technical Dispute, remains unresolved after the Negotiation Period, either Party may refer the Dispute to mediation through a written notice of mediation (the “Notice of Mediation”). Each Party agrees that it may not initiate a civil action (other than provisional relief sought on an expedited basis) unless (i) the matter in question has first been submitted to mediation or (ii) such Party would be barred from asserting its claim in a civil action if it were required to submit to mediation pursuant to the terms of the PPOA. The Parties will, in the first instance, attempt to agree on a mediator through their respective Designated Persons. If the Parties cannot so agree within 30 days after the Notice of Mediation is sent, either of the Parties may promptly apply to the ICC for appointment of a single mediator in accordance with the Mediation Rules of the International Chamber of Commerce (the “Mediation Rules”). Absent any written agreement to the contrary by the Parties, if the Dispute is not resolved within 90 days of the Notice of Mediation, the mediation will be terminated. (§24.5) • In the event that the Parties fail to resolve any Dispute, other than a Technical Dispute, within 90 days after the date the mediator is selected (or such longer period as the Parties may mutually agree), either Party may initiate a civil action in the Commonwealth Court and in accordance with all applicable rules of civil procedure. The Parties acknowledge and understand that, to resolve any and all claims arising out of the PPOA (other than any Technical Dispute), they may file a civil action, including actions in equity, in the Commonwealth Court. Except as required by Seller’s indemnity obligations under the PPOA, each Party will bear its own costs and expenses in any legal proceeding where it is the named defendant or in any legal proceeding among the Parties. Notwithstanding the foregoing, each Party retains its rights to bring any legal proceeding or to implead the other Party as to any matter arising under the PPOA. (§24.6) • The Parties agree that during the resolution of a Dispute pursuant to the Dispute Resolution Procedure, the Parties will continue to perform their obligations under the PPOA, subject to the provisions as specified. (§24.9)

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PUERTO RICO
**PUBLIC-PRIVATE
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