



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4801

APPROVING THE EXECUTION BY THE PUERTO RICO ELECTRIC POWER AUTHORITY ("PREPA") OF A CERTAIN PUERTO RICO TRANSMISSION AND DISTRIBUTION SYSTEM OPERATION AND MAINTENANCE AGREEMENT BY AND AMONG PREPA, THE PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY, LUMA ENERGY, LLC, AND LUMA ENERGY SERVCO, LLC, CONTAINING THE TERMS AND CONDITIONS PURSUANT TO WHICH PREPA ESTABLISHES A PUBLIC-PRIVATE PARTNERSHIP TO OPERATE AND MAINTAIN ITS TRANSMISSION AND DISTRIBUTION SYSTEM; APPROVING THE PARTNERSHIP COMMITTEE REPORT PREPARED IN CONNECTION THEREWITH; AND CERTAIN OTHER MATTERS

WHEREAS: PREPA, in collaboration with the Puerto Rico Public-Private Partnerships Authority ("PPP Authority"), desires to establish a public-private partnership (the "Partnership"), pursuant to Act No. 120-2018, as amended (the "Transformation Act"), Act No. 29-2009, as amended (the "PPP Act"), and 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"), to operate and maintain its electric transmission and distribution system.

WHEREAS: PREPA desires to transform Puerto Rico's energy system into a modern, sustainable, reliable, efficient, cost effective and resilient system.

WHEREAS: Interested persons were invited to submit statements of qualification pursuant to a Request for Qualifications, dated October 31, 2018, as amended, issued by the PPP Authority (the "Request for Qualifications").

WHEREAS: Quanta Services, Inc. ("Quanta") and Canadian Utilities Limited ("ATCO"), the ultimate shareholders of each of LUMA Energy, LLC and LUMA Energy ServCo, LLC, entities created by Quanta and ATCO for purposes of participating in the Partnership (together, "LUMA"), submitted a statement of qualifications and, based on such statement of qualifications, were included in the shortlist of qualified proponents.



- WHEREAS:** On February 1, 2019, the PPP Authority issued the Puerto Rico Electric Power Transmission and Distribution System Request for Proposals 2019-2 (the "Request for Proposals") to the shortlist of proponents qualified pursuant to the Request for Qualifications, and LUMA, submitted a proposal in response to the Request for Proposals.
- WHEREAS:** Consistent with the provisions of the Transformation Act, PPP Act, the Regulation, and the Request for Proposals, LUMA was selected to carry out the Partnership.
- WHEREAS:** PREPA, acting through the PPP Authority, engaged LUMA in a lengthy negotiation process in order to arrive at a Transmission and Distribution System Operation and Maintenance Agreement (the "Agreement") to be executed by and among PREPA, the PPP Authority, LUMA Energy, LLC and LUMA Energy Servco, LLC, that was acceptable to all parties. The Agreement is being entered into as, and will constitute, a PPP Contract under and as defined in the Transformation Act, PPP Act and the Regulation. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.
- WHEREAS:** On January 17, 2020, PREPA, acting through the PPP Authority, and LUMA finalized their negotiations of the Agreement and, consistent with the provisions of the Transformation Act, PPP Act and the Regulation, a report of the Partnership Committee established to manage the RFP procurement process was prepared (the "Report"), which includes the reasons for entering into the Agreement, the reasons for selecting LUMA and a description of the procedure followed.
- WHEREAS:** Pursuant to the Transformation Act, PPP Act and the Regulation, and in order to execute the transactions contemplated in the Agreement, the Puerto Rico Energy Bureau ("PREB") is required to review and approve the Report and Agreement and to evidence such approval through the issuance of a Certificate of Compliance.
- WHEREAS:** On June 17, 2020, PREB issued a resolution and order, which constitutes the Certificate of Compliance required by the Transformation Act, approving the Report and the Agreement.
- WHEREAS:** PREPA has received and evaluated the Report, the terms and conditions incorporated in the Agreement, and all the documents attached or otherwise related to such Agreement (the "Transaction Documents") and necessary to give effect to the transaction contemplated in the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Puerto Rico Electric Power Authority as follows:

Section 1. In consideration of the high public interest of the Partnership, being the Partnership a Priority Project under the Transformation Act, the PPP Act and the Regulation that will modernize and improve the quality and reliability of PREPA's transmission and distribution system, and based on the reasons for the decision and recommendation made by the Partnership Committee as set forth in the Report, PREPA hereby approves the (i) selection of LUMA; (ii) Report and Agreement, substantially in the form attached as Exhibits A and B, respectively, to this Resolution; and (iii) Transaction Documents.

Section 2. PREPA's Chief Executive Officer is hereby authorized and directed to sign, execute and deliver on behalf and in representation of PREPA the Agreement and the Transaction Documents with such technical modifications and amendments as he may deem necessary and desirable.

Section 3. PREPA's Chief Executive Officer is hereby authorized to carry out any other action and execute all such documents, notices, certificates or instruments that he may deem necessary or desirable to give effect to the provisions of this Resolution, including in connection with the creation of any related bank account, and any other such action is hereby authorized and ratified.

Section 4. PREPA is hereby authorized and empowered to perform all of its obligations under the Agreement and the Transaction Documents and consummate the Partnership and the other transactions contemplated under the Transaction Documents, including to fund or pay or cause to be funded or paid all fees and expenses thereunder.

Section 5. That the omission from this Resolution of any agreement, or other arrangement contemplated by any of the agreements or instruments described in the foregoing, or any action to be taken in accordance with any requirements of any of the agreements or instruments described in the foregoing, shall in no manner derogate from the authority of the Chief Executive Officer to take all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing.

This Resolution shall take effect immediately upon its adoption.

Approved in San Juan, Puerto Rico, on the twenty-second day of June, two thousand twenty.



Eduardo Arosemena-Muñoz
Secretary of the Board

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Exhibit A

Report of the Partnership Committee

[Attached]