

Gonzalez Montalvo, Angie (AAPP)

From: Chavez,Ottmar (AAPP)
Sent: Friday, January 17, 2020 6:49 PM
To: Perez, Isis (AAPP)
Cc: Marrero, Omar (AAFAF); José F. Ortiz Vázquez ; Ralph Kreil Rivera; Edison Aviles Deliz; Fontanes Gomez, Fermín (AAPP); Gonzalez Montalvo, Angie (AAPP); Efran Paredes Maisonet
Subject: Re: Referendum O&M Agreement - RFP T&D

A Favor

-Ottmar
787-505-2665

On Jan 16, 2020, at 2:44 PM, Perez, Isis (AAPP) <IPerez@p3.pr.gov> wrote:

Dear Members of the Partnership Committee,

In accordance with Article 8(b) of Act No. 29-2009, as amended, known as the Public Private Partnerships Act (“Act 29”) and Section 3 of 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”), the Puerto Rico Public Private Partnerships Authority (the “Authority”) hereby submits for your consideration a request to approve the final version of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“O&M Agreement”), revised to reflect LUMA Energy’s (the “Preferred Proponent’s”) (i) updated Financial Proposal and (ii) comments to the form of O&M Agreement distributed to the Preferred Proponent on January 11, in order to submit the revised O&M Agreement for approval to the Federal Oversight and Management Board (“FOMB”). Terms beginning with capital letters not specifically defined in this cover letter have the meaning ascribed to them in, as applicable, the O&M Agreement or the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System (RFP 2019-2) approved by the Partnership Committee on February 1, 2019, as amended and supplemented (the “RFP”).

Following the Partnership Committee’s selection of LUMA Energy as the Preferred Proponent pursuant to Section 5.1 of the Regulation, the Authority and its advisory team met with the Preferred Proponent to discuss the Preferred Proponent’s (a) Financial Proposal, which the Preferred Proponent agreed to reduce as indicated in Annex A, resulting in a reduction of US\$164 million in the net present value of the Service Fee over the term of the O&M Agreement, and (b) final comments to the O&M Agreement, which were limited and primarily in the nature of clean up and clarification changes, all of which were acceptable. Attached please find a clean and blacklined version of the updated O&M Agreement, including the Financial Proposal as Annex VIII thereto.

If approved by the members of the Partnership Committee, the revised O&M Agreement will be circulated to the FOMB as the agreed form of O&M Agreement and the Preferred Proponent will be notified of such via PowerAdvocate.

To that effect, the Authority respectfully requests that, in the exercise of their responsibilities under Act 29 and the Regulation, the members of the Partnership Committee approve the revised O&M

Agreement. Unanimous written consent from all members of the Partnership Committee is required to approve the foregoing.

Please provide your votes no later than **12:00pm AST by January 17, 2020**. As previously stated, all of the members of the Partnership Committee must submit a vote in favor of approving the revised O&M Agreement.

Please reply to all of the other members of the Partnership Committee.

Regards,

Isis Pérez

Puerto Rico Public-Private Partnerships Authority
Fiscal Agency and Financial Advisory Authority

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<Annex A Service Fee - Referendo 1.16.20.pdf>

<T&D O&M Agreement (1.16.20).pdf>

<BL - T&D O&M Agreement (vs. Draft 1.8.20).pdf>