PUERTO RICO
ELECTRIC POWER AUTHORITY

PREPA

GOVERNMENT OF PUERTO RICO

RESOLUTION 5213

Request for Approval to Negotiate with Selected Proponents of RFP 3PPO-0314-20-TPG2 (800MW Emergency Generation)

WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by Act 83 of May 2, 1941, as amended (Act 83). PREPA was created to provide electrical energy in a reliable way, contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, PREPA provides a service based on affordable, fair, reasonable, and non-discriminatory cost that are consistent with environmental protection, non-profit, focused on citizen participation and its clients.

WHEREAS: Act 83 authorizes PREPA to grant contracts and formalize all the instruments that are necessary or convenient in the exercise of any of its powers.

WHEREAS: Section 15(1)(a) of Act 83 states that all purchases made and contracts for supplies or services, except professional services, entered by PREPA, including its capital construction contracts, shall follow a bid process.

WHEREAS: Section 15(2) of Act 83 lists the instances in which a bid process will not be required. According to Section 15(2)(f) of Act 83, a competitive bidding process shall not be necessary, when in the judgment of the Governing Board, a competitive request for proposal (RFP) process for the acquisition of goods, equipment, materials or services must be carried out to encourage greater competition, reduce the risk of collusion and promote the best possible terms and conditions in benefit of greater savings and reduction of costs and operational expenses of PREPA.

WHEREAS: On January 24, 2023, the Puerto Rico Electric Power Authority (PREPA), the Puerto Rico Public-Private Partnerships Authority (P3A), and Genera PR (Genera) entered into the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (the "Generation O&M Agreement"), whereby Genera became the operator of the Legacy Generation Assets (as defined therein) as an agent of PREPA.

WHEREAS: Pursuant to the Generation O&M Agreement, PREPA designated and appointed Genera as its agent.

WHEREAS: The Third-Party Procurement Office ("3PPO") has been established under the P3A, as mandated by the Puerto Rico Electric System Transformation Act (Act 120-2018) and the Public-Private Partnerships Act (Act 29-2009), and has been designated as the primary entity authorized to manage and oversee procurement activities pertaining to Public-Private Partnerships, specifically in relation to PREPA, when potential conflict of interests may arise among one of the private operators and its affiliates, subsidiaries or parent companies.

WHEREAS: Given the critical condition of Puerto Rico's electric system, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau"), through a Resolution and Order issued on March 19, 2025, ordered PREPA to appear before the P3 Authority and initiate the process through the 3PPO to begin the expedited procedure for acquiring up to 800 MW of temporary generation for a period of eighteen (18) months. Additionally, PREPA was directed to submit the costs associated with each initiative to the Energy Bureau upon completion of the bidding process, so the Bureau could assess whether such costs are prudent and reasonable.

WHEREAS: The 3PPO issued Request for Proposals 3PPO-0314-20-TPG (RFP), on March 25, 2025, to procure 800MW of emergency temporary generation. The RFP sought bids to deliver power generation solutions to the requested sites and to deliver power to the generation units at the Delivery Point, pursuant to the form of Power Generation Sale and Purchase Agreement included in the RFP.

WHEREAS: The proposed power generation solutions must utilize proven, high-efficiency technology, such as combined cycle or reciprocating engines, and include state-of-the-art environmental control and monitoring systems. The system must meet minimum annual equivalent availability factors as set forth in the RFP documents.

WHEREAS: The proposed power solution must integrate into Puerto Rico's Transmission & Distribution (T&D) infrastructure. The project must fully comply with all procurement and operational guidelines established by the 3PPO. Additionally, the project must meet environmental regulations, including compliance with the Clean Water Act, Clean Air Act, New Source Performance Standards, Hazardous Air Pollutant Standards, Spill Prevention Control & Countermeasure requirements, Facility Response Plans, waste disposal regulations, construction and operating permits, and any future permits and modifications required under local and federal plans and not otherwise exempted under Applicable Law.

WHEREAS: Following the evaluation, the 3PPO advanced into contract negotiations. During this stage, non-negotiable terms were introduced by stakeholders, which ultimately only one proponent was able to meet. As a result, the 3PPO proceeded to present the negotiated contract to PREPA's Board, which approved the contract.

WHEREAS: Upon submission to the Energy Bureau for review, the Bureau determined that the proponent's offer included more favorable pricing terms under a longer-term arrangement than originally contemplated in the RFP. On July 4, 2025, the Energy Bureau, through Resolution and Order NEPR-MI-2024-0005, conditionally approved PREPA's proposed contract. However, the Bureau made clear that execution was contingent upon the parties reaching agreement on materially revised commercial terms.

WHEREAS: Given the extent of these revisions, and consistent with applicable law—including 2 CFR §200.319(a) and Government Accountability Office (GAO) precedent—the 3PPO determined that a new competitive solicitation was required to ensure transparency, fairness, and compliance.

WHEREAS: Accordingly, on July 15, 2025, the 3PPO reissued the RFP under RFP No. 3PPO-0314-20-TPG2, incorporating updated commercial and technical terms in alignment with the Energy Bureau's resolution.

WHEREAS: The submission proposal due date was August 6, 2025, and the 3PPO received proposals from the following respondents: Gothams LLC, Javelin Global Commodities and Power Expectations. The 3PPO conducted its evaluation in accordance with procurement standards. Based on this review, the 3PPO has determined that the following proponents represent the best interests of Puerto Rico and

are therefore selected for award: Gothams LLC, Javelin Global Commodities and Power Expectations LLC.

WHEREAS: PREPA's Legal Affairs Directorate reviewed the documentation submitted by the 3PPO, which conducted the RFP process in compliance with the Resolution and Order issued by the Energy Bureau. Based on this evaluation, the Directorate concluded that the procurement may proceed under the authority granted to PREPA by Section 15(2)(f) of Act 83, and that the contract will be subject to the approval of PREPA's Governing Board, the Energy Bureau, and the Financial Oversight and Management Board for Puerto Rico.

THEREFORE: In accordance with Act 83, this Governing Board resolves to:

1. Authorize the 3PPO to commence negotiations with the proponents Gothams LLC, Javelin Global Commodities, and Power Expectations LLC for the purpose of formalizing contracts consistent with all terms and conditions established in the RFP and the selected proposals.

2. The Executive Director is hereby authorized to formalize and execute the contracts with one or more of the aforementioned proponents, provided that such agreements remain within the parameters established in the RFP and the corresponding selected proposals.

3. Should the outcome of the negotiations result in any materials modifications to the terms or conditions of the selected proposals, the Executive Director shall resubmit the matter to the Governing Board for further review and approval prior to execution.

Approved in San Juan, Puerto Rico, on 24th day of October two thousand twenty-five.

Maricarmen Boria Goitia
Corporate Secretary