PUERTO RICO
ELECTRIC POWER AUTHORITY

PREPA

GOVERNMENT OF PUERTO RICO

RESOLUTION 5186

Request for Approval to Negotiate with Selected Proponents
of RFP 3PPO-0314-20-TPG (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: PREPA urgently requires secure temporary Power Generation units to support the Puerto Rico grid during the upcoming peak demand season.

WHEREAS: To address such requirement, the 3PPO issued Request for Proposals 3PPO-0314-20-TPG (RFP) on March 25, 2025, in which it sought bids to deliver Power Generation solutions to the requested sites, and deliver Power Generation to the Generation Units at the Delivery Point, pursuant to the form of Power Generation Sale and Purchase Agreement published as part of the 3PPO-0314-20-TPG RFP. The 3PPO appointed and Evaluation Committee (3PPO EC) for the evaluation of this 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: The 3PPO presented to PREPA 3PPO EC's Final Evaluation Report, which in turn, presented it to this Board for discussion and approval.

WHEREAS: PREPA's Legal Affairs Director considered the aforementioned and concluded that the procurement of these services, may be carried out through an RFP process, according to the faculty granted to PREPA by Section 15(2) (d) of Act 83, after the approval of the Governing Board, the Office of Management and Budget of Puerto Rico and any other required authorizations.

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

1. Authorize the Executive Director to commence negotiations with the proponents selected by the Evaluation Committee.

2. The Legal Affairs Director will review the terms and conditions of the contract resulting from said negotiations, after which the Executive Director re-submit the agreements to this Board for final approval.

Approved in San Juan, Puerto Rico, in May 9, 2025.

Fabiola M. Rosa Roldán
Assistant Secretary of the Board