PUERTO RICO
ELECTRIC POWER AUTHORITY
PREPA
GOVERNMENT OF PUERTO RICO

Mary C. Zapata Acosta
Executive Director

December 23, 2025

By Email
ocarlo@carlolaw.com

Mr. Osvaldo Carlo, Esq.
Regulatory Compliance Services, Corp.
American Airlines Building
1509 López Landrón PH
San Juan, PR 00911

Dear Mr. Carlo:

Re: Response to 3PPO Report dated December 22, 2025 – Gothams Agreement (RFP No. 3PPO-0314-20-TPG2)

The Puerto Rico Electric Power Authority (PREPA) acknowledges receipt of the Third-Party Procurement Office's (3PPO) report dated December 22, 2025, concerning the proposed agreement with Gothams Energy LLC (Gothams) under RFP No. 3PPO-0314-20-TPG2. According to the report, negotiations with Gothams have advanced to the point where all material commercial, technical, and legal terms have been resolved, with the sole exception of Clause 9.6 (Market Protection Mechanism), which addresses potential increases or extraordinary decreases in global LNG prices. The report further indicates that the only outstanding matter requiring PREPA's input relates to the proposed language of Clause 9.6.

PREPA reiterates that, under the applicable legal and regulatory framework—including the Energy Bureau's directives and Act No. 120-2018—the Puerto Rico Public-Private Partnership Authority (P3A) and the 3PPO are the entities expressly empowered to conduct the procurement process and to evaluate and select proponents. PREPA's role is not to conduct or manage procurement negotiations, but rather to receive the final information and recommendations from the P3A and the 3PPO once the procurement process has concluded, and thereafter to review, approve, and execute the resulting agreement in full compliance with all legal requirements.

In this context, PREPA notes that the December 22, 2025 report does not include the 3PPO's formal recommendation regarding Gothams' request, nor does it reflect the P3A's position on the matter. Given that this transaction is governed by Act No. 120-2018, PREPA underscores that the P3A should provide the requested guidance, consistent with its statutory responsibilities as administrator of the public-private partnership procurement framework. PREPA further emphasizes the importance of the 3PPO fully discharging its duties in accordance with the Energy Bureau's directives and the applicable legal framework.

Notwithstanding the foregoing, PREPA emphasizes that the most critical omission in the December 22, 2025 report is the absence of any update regarding the status of the Office of Foreign Assets Control (OFAC) inquiry. As expressly stated by the 3PPO in its prior correspondence dated November 11, 2025, "no contract will proceed until the OFAC inquiry is fully resolved" (see attached). That communication made clear that the 3PPO was awaiting official written confirmation from OFAC and that a supplemental report would be issued upon receipt of such confirmation.

To date, the December 22, 2025 report does not indicate whether the OFAC inquiry has been resolved, whether a response has been received from OFAC, or whether the condition expressly established by the 3PPO for proceeding with the contract has been satisfied. This information is essential for PREPA to discharge its statutory duties and to evaluate any request for approval or execution of the proposed agreement.

Accordingly, PREPA reiterates that its role is limited to reviewing, approving, and executing the agreement once all necessary documentation has been received and all conditions precedent—including full resolution of the OFAC inquiry—have been satisfied. PREPA will review the documents submitted while awaiting further communications from the 3PPO and the P3A in accordance with the matters outlined above.

PREPA remains available to review the complete record and to act promptly once the procurement process has been finalized and the 3PPO has issued its recommendation, in accordance with applicable legal and regulatory requirements.

Cordially,

Mary C. Zapata-Acosta
Executive Director

Attachment

c Josué A. Colón Ortiz, Executive Director, P3A; josue.colon@p3.pr.gov
Francisco J. Domenech, Secretary of the Governor's Office; fjdomenech@fortaleza.pr.gov