3PPO
Third-Party Procurement Office

July 18, 2025

NFEnergía LLC

Subject: Notification of Terms Accepted by Puerto Rico Stakeholders for the Multisite Energy Generation Gas Supply Agreement

Dear NFE Legal Team,

On behalf of the Third-Party Procurement Office (3PPO), and pursuant to our role as independent procurement facilitator designated by the Puerto Rico Public-Private Partnerships Authority (P3A), we hereby transmit the commercial terms that have been formally accepted by the relevant stakeholders of the Government of Puerto Rico in connection with the proposed Multisite Energy Generation Gas Supply Agreement with NFEnergía LLC (NFE). These terms reflect the consensus positions of the public-sector energy entities involved in this procurement and are the result of extensive internal review and coordination, including technical, legal, and fiscal oversight.

The Government of Puerto Rico has determined that the terms outlined below are aligned with the public interest and consistent with the emergency and transitional energy needs of the Commonwealth. These terms are intended to support fuel supply for currently operating generation assets and to ensure contractual fairness and financial integrity for both parties, while maintaining flexibility to respond to operational realities.

First, the stakeholders have expressly agreed that **no "take-or-pay"** commitments will be included in the final agreement. The gas volumes and acquisition profiles will be structured based exclusively on units that are currently operational, without imposing penalties or fixed payments for unused volumes.

We confirm that we are prepared to proceed under a Henry Hub–indexed pricing structure calculated as **(HH × 115%) + adder**, expressed in USD/MMBtu. Under this structure, the Henry Hub index price for the applicable period is multiplied by 1.15 (i.e., increased by 15%), and a fixed dollar adder is then applied. The final acceptable terms are an adder of **$6.50/MMBtu** for San Juan Units 5 & 6 and **$7.95/MMBtu** for the Temporary Generation units. In formula form: San Juan 5 & 6 = (HH × 1.15) + $6.50; Temporary Generation = (HH × 1.15) + $7.95. These pricing levels represent the finalized commercial terms to be incorporated into the definitive agreement.

The stakeholders have agreed to an initial contract term of **five (5) years, with a two 5-year extensions** option based on the operational continuity of the covered units and compliance with applicable regulatory approvals.

In order to secure performance across the multiple sites involved in this procurement, the agreement will require the posting of a **performance bond in amount of $200 million**. This

instrument is intended to provide financial assurance for fulfillment of supply obligations and will form an integral part of the contractual security package.

While these terms represent the material commercial positions of the Government of Puerto Rico, it is acknowledged that certain minor provisions remain under negotiation. These include administrative, technical, and legal clauses that will be resolved as part of the final reconciliation process, once NFE provides its formal response to the framework outlined herein. To that end, we respectfully request that NFE review these terms and confirm its acceptance in writing, or submit any proposed modifications for consideration by the public stakeholders.

The 3PPO will continue to manage the procurement process in accordance with applicable requirements, including those under the Federal Acquisition Regulation (FAR), 2 C.F.R. § 200, and the compliance policies of the Office of Contractual Integrity and Monitoring Procedures (OCIMP). Once NFE's response is received, the 3PPO will coordinate the transmittal of final contract terms and, if necessary, support its submission for review by the Financial Oversight and Management Board (FOMB) consistent with the Contract Submission and Disclosure Policy.

Please note that the FOMB did not approve the contract as previously proposed. Any revised agreement must conform to the observations and requirements issued by the FOMB.

We appreciate your collaboration and engagement and look forward to your response in the next 24 hours as we work toward finalizing this critical fuel emergency.

Sincerely,

Third-Party Procurement Office (3PPO)