GeneraPR

April 15, 2025

VIA ELECTRONIC MAIL

Regulatory Compliance Services, Corp. ("3PPO")
Touchvision Plaza
1509 López Landron St. – Penthouse
San Juan, Puerto Rico 00911
Attention: President - Osvaldo Carlo Linares
Email: management@recomspr.net

Re: Response to 3PPO Letter – Immediate Action

Dear 3PPO:

We refer to (i) the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement ("OMA") dated as of January 24, 2023, by and among the Puerto Rico Electric Power Authority ("PREPA" or "Owner"), the Puerto Rico Public-Private Partnership Authority ("Administrator" or "P3A") and Genera PR LLC ("Genera") and (ii) the Natural Gas Sale and Purchase Agreement ("NGSPA") dated as of March 15, 2024, between Genera, as agent of PREPA, and NFEnergía LLC ("NFE"). Capitalized terms not defined in this letter shall have the meanings ascribed to them in the OMA.

On February 20, 2025, Genera received a letter from the 3PPO requesting Genera to (i) assert PREPA's claim in the amount of $ **10,524,296.91** under the NGSPA due to NFE's "…failure to meet its delivery obligations…", (ii) reserve all rights and remedies that PREPA may have under the NGSPA and, (iii) provide a summary of the actions taken or that will take to enforce the NGSPA, pursue recovery (of amounts due or any additional amount) and escalate the matter to the appropriate legal or regulatory channel, if appropriate. See *Annex A*.

Genera sent a letter on April 15, 2025, to NFE for payment of $10,524,296.9. This letter reiterated the reservation of PREPA's rights and remedies under the NGSPA for any additional amount that may become due. See *Annex B*. This letter was consistent with the prior steps that Genera had taken to preserve PREPA's rights under the NGSPA since the first Force Majeure notice issued by NFE, including the following:

1. On October 2024, NFE issued a Force Majeure notice under the NGSPA related to a determination of the Coast Guard in which they concluded that NFE's vessel was obstructing the navigable channel.
2. Between October 2 and 4, 2024, Genera's Fuel Team exchanged various communication with NFE related to a missed delivery. On October 4, 2024, Genera issued a formal letter requesting information from NFE and reserving PREPA's rights.
3. On October 7, 2024, Genera issued a follow up notice requesting additional information related to the vessel swap, the quantity of LNG inventory in the new vessel and how NFE would comply with the requirements of the Coast Guard.

4. On October 10, 2024, Genera worked closely with the 3PPO to request from NFE all the information related to the Force Majeure claim issued by NFE and address inventory, delivery and mitigation concerns.
5. On December 5, 2024, Genera issued a letter to NFE requesting Shortfall Payments under the NGSPA while again reserving PREPA's rights.
6. On December 6, 2024, Genera met with the Coast Guard to better understand their determination and the possible effects for the delivery of LNG at the San Juan Port.
7. Genera is actively monitoring NFE's operational decisions and remediation efforts to monitor their impact in comparison with the prior period.

We have and will keep taking all actions deemed necessary to protect and preserve PREPA's rights under the NGSPA. The immediate next steps will depend upon NFE's response to the April 15th request for payment. Genera is committed to its obligations under the OMA and to keep working together with the 3PPO and the Administrator for the benefit of the People of Puerto Rico.

We are available to further discuss or clarify any questions the 3PPO may have regarding this topic. Should the need arise, please contact Mr. Kevin D. Futch, General Counsel, at kevin.futch@genera-pr.com.

[Signature Page to Follow]

GeneraPR

April 15, 2025

Cordially,

Genera PR LLC

Kevin Futch

Kevin D. Futch
General Counsel

American International Plaza
250 Av. Luis Muñoz Rivera, Suite 1200
San Juan, PR 00918

Annex A

American International Plaza
250 Av. Luis Muñoz Rivera, Suite 1200
San Juan, PR 00918

3PPO
Third-Party Procurement Office

April 8, 2025

To:
Mr. Kevin Futch
General Counsel
Genera PR, LLC

Subject: Immediate Enforcement Action Required – LNG Shortfall by NFE Energia, Invalid Force Majeure Claim, and Recovery of Financial Losses under NGSPA

Dear Mr. Futch,

Reference is made to the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement, dated January 24, 2023 (the "LGA O&M Agreement"), executed among (a) the Puerto Rico Electric Power Authority (PREPA), (b) the Public-Private Partnership Authority (P3A), and (c) Genera PR, LLC ("Genera"). Capitalized terms not defined herein shall have the meanings assigned to them in the LGA O&M Agreement. Reference is also made to Genera's Procurement Manual, as approved by the P3 Authority. In accordance with the governance and contractual framework established under the P3A Agreement, and pursuant to Act 29-2009, this letter is issued by the Third-Party Procurement Office (3PPO) in its oversight capacity to request immediate commercial and legal action in response to the sustained breach by NFE Energia.

Since the notice of shortfall from NFE Energia, we have consistently requested from Genera an updated and accurate report of shortfall calculations to assess compliance with the Natural Gas Sale and Purchase Agreement (NGSPA). On March 28, 2025, the relevant data was received, and upon review, the results are both alarming and unacceptable. The reported cumulative shortfall for San Juan and Palo Seco facilities from October 2024

through February 2025 totals 1,369,668 MMBtu, triggering a forced switch to diesel fuel at a substantial financial and operational burden to Genera. The documented financial impact of this fuel conversion exceeds $10.5 million, with February 2025 alone accounting for $6.5 million of that amount.

This shortfall constitutes a direct and material violation of Article 5.3 of the NGSPA, which mandates the Seller's delivery of the Monthly Contract Quantity. The contract further establishes that, in the event of non-delivery not excused by Force Majeure, the Seller is liable for the cost differential between the contracted gas and replacement fuel. NFE's failure to meet its delivery obligations without prompt remediation or demonstrated mitigation efforts has created unjustified exposure and disrupted critical operational continuity across the island's generation infrastructure.

NFE has invoked Article 13 (Force Majeure) to justify its failure, referencing navigational and vessel safety limitations in San Juan Harbor based on U.S. Coast Guard advisories. However, the evidence presented does not meet the contractual thresholds outlined in Sections 13.1 and 13.2 of the NGSPA. Furthermore, Article 13.4 makes clear that the duty to mitigate remains in effect even in the presence of Force Majeure. NFE has not demonstrated that it exhausted commercially reasonable alternatives.

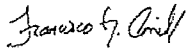
Considering these facts, we formally urge Genera to take immediate and decisive action to enforce its rights under the NGSPA. Specifically, Genera should formally reject NFE Energia's Force Majeure claim, as it lacks contractual merit and fails to satisfy the standards set forth in Article 13. Concurrently, a formal Notice of Breach should be issued to document NFE's ongoing non-performance and to preserve all remedies available under the agreement. In addition, we urge Genera to promptly initiate recovery efforts, including the issuance of a demand for payment in the amount of $10,524,296.97, representing the excess fuel costs directly attributable to NFE's delivery failure, as provided for under Article 5.3(c). We further request that Genera provide a written response on or before April 15, 2025, outlining the actions it will take to enforce the agreement, pursue recovery, and, if necessary, escalate the matter to appropriate legal or regulatory channels.

This matter is not merely a question of compliance, it represents a clear and ongoing risk to Puerto Rico's energy reliability, economic stability, and public trust in the integrity of contracted energy services. As the designated oversight body responsible for procurement integrity under federally funded operations, the 3PPO expects full alignment with the enforcement obligations required by contract and law.

Please confirm receipt of this letter and provide your formal response to the items outlined above. The 3PPO remains available to support the process with documentation, legal coordination, and any action required to ensure full accountability and remedy.

Sincerely,

Francisco G. Amill (Electronic Signature)



Legal Counsel

Third-Party Procurement Office (3PPO)

Annex B

American International Plaza
250 Av. Luis Muñoz Rivera, Suite 1200
San Juan, PR 00918

GeneraPR

April 15, 2025

VIA ELECTRONIC MAIL

NFEnergía LLC
111 W. 19th St., 8th Fl.
New York, NY 10011Attention:
Attn: General Counsel
Email: legal@newfortressenergy.com

Re: Demand for Payment and Reservation of Rights under the NGSPA

Dear NFEnergía LLC:

We refer to the Natural Gas Sale and Purchase Agreement ("NGSPA") dated as of March 15, 2024, between the Puerto Rico Electric Power Authority ("PREPA") and NFEnergía LLC ("NFE"). Capitalized terms not defined in this letter shall have the meanings ascribed to them in the NGSPA.

Genera PR LLC ("Genera"), in its capacity as agent for the PREPA under the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement among the Puerto Rico Public-Private Partnerships Authority, Genera, and PREPA dated as of January 24, 2023, received the letter attached as Annex A from the 3PPO on April 8, 2025, noting "NFE's failure to meet its delivery obligations" and that NFE's force majeure claim "does not meet the contractual thresholds…."

As requested by the 3PPO, PREPA demands payment of **$10,524,296.91**, representing the excess cost of the diesel consumed by PREPA to prevent an interruption in service of the TM 2500s during NFE vessel swaps from October 2024 to the date of this notice. We reserve all rights and remedies that PREPA may have under the NGSPA to resolve this matter and claim any additional amounts as they may become due.

Should the need arise, please contact Mr. Kevin D. Futch, General Counsel, at kevin.futch@genera-pr.com.

[Signature Page to Follow]

April 15, 2025

Cordially,

Genera PR LLC

Kevin Futch

Kevin D. Futch
General Counsel, Genera PR LLC,
as agent and on behalf of the
Puerto Rico Electric Power Authority

American International Plaza
250 Av. Luis Muñoz Rivera, Suite 1200
San Juan, PR 00918

GeneraPR

April 15, 2025

Annex A

American International Plaza
250 Av. Luis Muñoz Rivera, Suite 1200
San Juan, PR 00918

3PPO
Third-Party Procurement Office

April 8, 2025

To:
Mr. Kevin Futch
General Counsel
Genera PR, LLC

Subject: Immediate Enforcement Action Required – LNG Shortfall by NFE Energia, Invalid Force Majeure Claim, and Recovery of Financial Losses under NGSPA

Dear Mr. Futch,

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Since the notice of shortfall from NFE Energia, we have consistently requested from Genera an updated and accurate report of shortfall calculations to assess compliance with the Natural Gas Sale and Purchase Agreement (NGSPA). On March 28, 2025, the relevant data was received, and upon review, the results are both alarming and unacceptable. The reported cumulative shortfall for San Juan and Palo Seco facilities from October 2024

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This shortfall constitutes a direct and material violation of Article 5.3 of the NGSPA, which mandates the Seller's delivery of the Monthly Contract Quantity. The contract further establishes that, in the event of non-delivery not excused by Force Majeure, the Seller is liable for the cost differential between the contracted gas and replacement fuel. NFE's failure to meet its delivery obligations without prompt remediation or demonstrated mitigation efforts has created unjustified exposure and disrupted critical operational continuity across the island's generation infrastructure.

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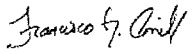
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Please confirm receipt of this letter and provide your formal response to the items outlined above. The 3PPO remains available to support the process with documentation, legal coordination, and any action required to ensure full accountability and remedy.

Sincerely,

Francisco G. Amill (Electronic Signature)



Legal Counsel

Third-Party Procurement Office (3PPO)

Letter to NFE - Demand for Payment

Final Audit Report 2025-04-15

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"Letter to NFE - Demand for Payment" History

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Document e-signed by Kevin Futch (kevin.futch@genera-pr.com)
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Genera Letter to 3PPO - Immediate Action

Final Audit Report 2025-04-15

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