mczapata23@outlook.com

From:	Franco Nogueras, María J. (AAPP) <Maria.Franco@p3.pr.gov>
Sent:	Friday, August 21, 2026 6:07 PM
To:	Robert Mujica
Cc:	governor@fortaleza.pr.gov; Mary C Zapata-Acosta; trivera@senado.pr.gov; Edison Aviles Deliz; cmendez@camara.pr.gov; ocarlo@carlolaw.com; Santa Crispín, Lionel (AAPP); Franco Nogueras, María J. (AAPP)
Subject:	August 17, 2026 Letter – Temporary Emergency Generation Contract – Power Expectations, LLC; Enchanted Rock, LLC; and Reyes Contractor, LLC
Attachments:	August 17, 2026 Letter – Temporary Emergency Generation Contract – Power Expectations, LLC; Enchanted Rock, LLC; and Reyes Contractor, LLC.pdf; P3A RESPONSES TO APPENDIX B.pdf

[CAUTION] This email originated from outside of PREPA. Do not click links or open attachments unless you recognize or trust the sender. If you believe the email is phishing, please report it using the phishing report tool. For any questions or concerns, please contact cybersecurity@prepa.pr.gov.
[PRECAUCIÓN] Este correo proviene de fuera de la AEE. No haga clic en enlaces ni abra archivos adjuntos a menos que reconozca o confíe en el remitente. Si considera que el correo es un intento de suplantación de identidad (phishing), repórtelo utilizando la herramienta de reporte de phishing. Para cualquier pregunta o inquietud, contacte a cybersecurity@prepa.pr.gov.

Good afternoon, Mr. Mujica:

We include a letter and annex from the engineer Josué A. Colón Ortiz, Czar Energy and Executive Director, of the *Puerto Rico Public-Private Partnerships Authority*, regarding an *August 17, 2026 Letter – Temporary Emergency Generation Contract – Power Expectations, LLC; Enchanted Rock, LLC; and Reyes Contractor, LLC.*

We would appreciate your confirmation that you received this communication.

CONFIDENTIALITY NOTE: This electronic transmission contains information belonging to the Puerto Rico Fiscal Agency and Financial Advisory Authority, its subsidiaries and/or affiliates, which is confidential and/or legally privileged. If you are not the intended recipient, please immediately advise the sender by reply e-mail or telephone that this message has been inadvertently transmitted to you and delete this e-mail from your system. If you have received this transmission in error, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of the information is strictly prohibited. Unauthorized use, dissemination, distribution or reproduction of this message by other than the intended recipient is strictly prohibited and may be unlawful.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY
GOVERNMENT OF PUERTO RICO
Eng. Josué A. Colón Ortiz I Executive Director

August 21, 2026

BY ELECTRONIC MAIL
Robert.mujica@promesa.gov

Mr. Robert F. Mujica Jr.
Executive Director
Financial Oversight and Management
Board for Puerto Rico
PO Box 192018
San Juan, Puerto Rico 00919-2018

Dear Mr. Mujica:

Re.: August 17, 2026 Letter – Temporary Emergency Generation Contract – Power Expectations, LLC; Enchanted Rock, LLC; and Reyes Contractor, LLC

Initial

The Puerto Rico Public-Private Partnerships Authority ("P3A") acknowledges receipt of the Financial Oversight and Management Board for Puerto Rico's ("Oversight Board" or "FOMB") August 17, 2026 letter concerning the temporary emergency generation Power Purchase and Operating Agreement, Contract No. 2026-P00107, among the Puerto Rico Electric Power Authority ("PREPA"), Power Expectations, LLC, Enchanted Rock, LLC, and Reyes Contractor Group, Inc. (the "Contract").

By notice dated August 18, 2026, PREPA notified the Seller of its decision to terminate the Contract on two separate grounds: Power Expectations' failure to furnish the performance security required by Section C.1 of Exhibit C, which PREPA identified as an Immediate Seller Event of Default under Section 15.1, without opportunity to cure, and as a basis for termination under Section 15.5(d); and the Oversight Board's revocation of its prior approval and express direction to terminate the Contract. This letter should therefore be understood within its proper scope. P3A does not address or defend Power Expectations' performance under the Contract, nor does it undertake in this response to independently evaluate PREPA's decision to terminate or the grounds stated in its notice. PREPA, acting in its capacity as Buyer, has made that determination and notified the Seller accordingly. The matters addressed by P3A here are separate and more limited: the accuracy and completeness of the Oversight Board's characterization of the competitive procurement process and P3A's actions after the allegations concerning Enchanted Rock were brought to its attention.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

In that respect, P3A stands by the reasonableness of its reliance on the competitive Request for Proposals process as administered and evaluated by the independent Third-Party Procurement Office ("3PPO") and maintains that the qualification and award determinations must be assessed based upon the procurement record and information available at the time those determinations were made—not through the lens of subsequent events or Power Expectations' later contractual performance.

P3A recognizes the seriousness of the allegations concerning Enchanted Rock/ERock and agrees that any credible allegation involving the unauthorized use of a corporate name or signature, falsification, misrepresentation, or other potentially unlawful conduct in a public procurement process must be fully and independently investigated. That has been P3A's position from the very moment the specific allegations were first presented on June 16, 2026, nearly two months before the Oversight Board announced its decision to revoke its approval of the Contract. P3A must nonetheless respectfully - but unequivocally - reject several characterizations contained in the August 17 letter and its appendices. The suggestion that P3A failed to take the allegations seriously, allowed a compromised procurement to proceed without appropriate scrutiny, concealed material information, or required the Oversight Board's intervention before the matter would be independently investigated or referred to competent authorities is not supported by the contemporaneous documentary record.

Initial
NCO

P3A's actions were necessarily based upon the information, certifications, representations, procurement record, and investigative findings provided by the 3PPO - the entity institutionally entrusted with administering the procurement and possessing direct access to the underlying proposal materials. P3A did not conduct the competitive evaluation, score the proponents, or generate the representations contained in their submissions, and was neither authorized nor expected to supplant the 3PPO's procurement functions. Except where otherwise indicated, P3A's account of the procurement record in this letter reflects information provided to it by the 3PPO. P3A does not purport to adjudicate the dispute between the private parties, and the relevant inquiry is not what is known today but what was known, by whom, and when—and what actions were reasonably taken on the evidence then available.

I. THE PROCUREMENT WAS CONDUCTED THROUGH THE INDEPENDENT 3PPO STRUCTURE ESTABLISHED FOR PUERTO RICO'S TRANSFORMED ELECTRIC SYSTEM

The temporary generation procurement was not evaluated, scored, or awarded by P3A, PREPA, the Office of the Energy Czar, or any other Government official. It was administered through the 3PPO, whose functions are performed by ReComS, an independent private entity retained through a competitive process to administer designated procurements involving Puerto Rico's electric system. This structure was neither improvised for this procurement nor created by P3A as a means of avoiding governmental accountability. It is part of the institutional framework developed

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

following the transformation of Puerto Rico's electric system under Act 120-2018, the applicable procurement manuals and procedures, and the transfer of major operational functions to private operators.

The Government's contemporaneous records explain that the use of the 3PPO responds, among other considerations, to the need for independence where potential conflicts may arise in procurement processes under the operation and maintenance agreements with LUMA Energy, LLC ("LUMA") and Genera PR, LLC ("Genera") including matters involving their parent companies or affiliates. Independent procurement procedures insulate competitive selection and evaluation from the operational entities whose interests may intersect with the subject matter being procured.

The Oversight Board cannot fairly support the private-operator model, participate in and approve the institutional and contractual structure through which that model was implemented, recognize the need for safeguards addressing affiliate and conflict-of-interest concerns, and then characterize P3A's reliance upon an independent procurement mechanism as though that independence constituted a failure of Government oversight. The separation now criticized is a feature—not a defect—of the very structure implemented as part of Puerto Rico's electric-system transformation.

Initial

Under that structure, the 3PPO was responsible for receiving proposals, maintaining the procurement record, evaluating submissions, validating compliance with the RFP, reviewing technical and financial information, conducting due diligence, evaluating qualifications, and issuing its recommendation. No Government official or employee served on the team responsible for evaluating, scoring, or recommending the competing proposals. The proponents remained responsible for the truthfulness, accuracy, and authenticity of what they submitted; the 3PPO's duty to evaluate those materials does not relieve any proponent of responsibility for its own representations. The question properly before the Oversight Board is therefore, whether the qualification and award determinations were reasonable on the record before the 3PPO when they were made—not whether Power Expectations later performed under the executed contract.

II. THE OVERSIGHT BOARD'S OWN POSITION CONFIRMS A CENTRAL CONTRADICTION REGARDING ENCHANTED ROCK

The August 17 letter asserts that Enchanted Rock's financial, technical, and operational qualifications were material to the consortium's qualification, and relies upon the subsequent dispute concerning Enchanted Rock to conclude that the procurement was fundamentally compromised. That position contains an internal contradiction. If Enchanted Rock's qualifications were central enough that their alleged absence can now invalidate the procurement, then Enchanted Rock necessarily had a substantial and documented presence in the record evaluated before award.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

That is what the information provided by the 3PPO reflects: Enchanted Rock was presented as a consortium participant from the early stages of the RFP; financial information attributed to it was submitted; its industry experience was presented and considered in evaluating the consortium's capabilities; and procurement documentation reflected that Power Expectations had been designated as Enchanted Rock's agent and exclusive representative in Puerto Rico. The Oversight Board itself recognizes that those capabilities were considered, and that the final execution version submitted to FOMB on May 29, 2026 identified Power Expectations, Reyes Contractor, and Enchanted Rock as Sellers. FOMB authorized execution of that version on June 2.

The dispute that arose later is narrower and different: whether the person who executed certain documents possessed sufficient authority to bind Enchanted Rock, and what effect the contractual and agency relationships among the private parties had upon that authority. Participation in the procurement and authority to execute the final agreement are not synonymous questions. The August 17 letter conflates them, and in doing so uses an unresolved authority dispute to retroactively erase documented participation that the Oversight Board itself acknowledges was considered during qualification. Whatever the outcome of that dispute, it does not establish that the RFP process was conducted improperly on the record then before the 3PPO.

Initial

Power Expectations has publicly and categorically disputed the allegation that Enchanted Rock did not participate in the procurement. P3A does not adopt that position as an adjudicated fact and takes no position on the merits of the private dispute. Its relevance is narrow but fundamental: there are materially conflicting factual and legal positions concerning the relationship between these private parties, which is precisely why investigation—not automatic acceptance of either party's allegations—was necessary.

III. THE ALLEGATIONS WERE PRESENTED AFTER EXECUTION, AND P3A ACTED IMMEDIATELY AND IN THE PROPER INSTITUTIONAL SEQUENCE

The Oversight Board places substantial emphasis on the fact that it was not informed immediately after the June 16 communication. The chronology is correct. The inference the Oversight Board draws from it is not.

On June 8 and June 9, 2026, counsel from O'Neill & Borges LLC, acting on behalf of ERock in Puerto Rico, contacted the Energy Czar requesting an opportunity to discuss ERock's role in the Power Expectations project. Those communications contained no allegation of fraud, forgery, falsification, unauthorized execution, or unauthorized use of a signature, nor did they portray any sense of urgency; they were requests to coordinate a conversation. The Energy Czar, unable to meet and discuss any aspect of the ongoing procurement process, referred counsel to the appropriate legal and

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

procurement channels so that any concerns could be presented directly and evaluated through the appropriate channels.

It was on June 16 that O'Neill & Borges, on behalf of ERock, presented the allegations with sufficient specificity to raise concerns regarding Enchanted Rock and the authority associated with certain project documents. P3A acted that same day. It referred the matter to the 3PPO for independent review—the entity that had administered the procurement and possessed the original proposals, consortium representations, certifications, and financial and technical submissions necessary to test the allegations against the record—and placed O'Neill & Borges and ERock's representatives in direct contact with the 3PPO so that they could submit whatever information, documents, and evidence they considered relevant. Counsel expressly confirmed to the Energy Czar on June 16 that they were already in communication with Osvaldo Carlo and the 3PPO team.

Based on the report submitted by the 3PPO, it began direct communications with ERock on June 17, subsequently met separately with representatives of ERock and Power Expectations, examined corporate and contractual records, reviewed the procurement file, and continued the investigation over the following weeks. That work is supported by contemporaneous communications and a documented investigative chronology.

Initial
NC

When P3A received and evaluated the 3PPO's report and concluded that the developed record warranted review by entities possessing broader investigative jurisdiction, P3A and the Office of the Energy Czar referred the matter to the Puerto Rico Department of Justice and to the appropriate federal authorities. That sequence was deliberate: allegation; independent fact-finding by the entity possessing the procurement record; evaluation of the developed information; and referral to authorities with investigative jurisdiction when the record justified it. The August 17 letter reverses that sequence and faults P3A for not treating an allegation as an established fact before the investigation designed to test it had been completed. P3A respectfully but firmly rejects that premise. The Oversight Board's own letter recognizes that P3A referred the matter to the 3PPO on June 16 and subsequently made referrals to investigative authorities; any suggestion that FOMB's intervention caused the Government to investigate or to refer the matter is inconsistent with the documented chronology.

IV. P3A DID NOT CONCEAL THE ALLEGATIONS; IT PRESERVED THE INTEGRITY OF AN ACTIVE INVESTIGATION

The Oversight Board characterizes P3A's decision not to immediately publicize the allegations or disclose the underlying investigative record as a failure of transparency. P3A respectfully but firmly disagrees. That characterization conflates transparency with premature disclosure and disregards the distinction between an allegation, an investigation, and an established factual determination. An allegation is not a finding.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

An investigation is not an adjudication. And maintaining the confidentiality necessary to conduct independent fact-finding is not concealment.

What P3A received on June 16 was not an established finding of fraud, forgery, unauthorized execution, or criminal conduct. It was a set of allegations raised by one private party concerning corporate identity, authority, representation, and the execution of contractual documents—allegations that had not been substantiated through independent review, reconciled with the underlying procurement record, tested against the representations of the other private parties, or adjudicated by any court, regulator, or investigative authority, and that were inconsistent on their face with portions of the procurement documentation previously reviewed by the 3PPO. P3A had no independent evidentiary basis upon which to determine that ERock's allegations were correct, that Power Expectations' prior representations were false, or that any person had engaged in unlawful conduct. That circumstance made independent fact-finding more, not less, necessary.

It also dictated the sequence. The dispute directly implicated the integrity and meaning of documents contained in the procurement record, and the entity responsible for that record had to determine what the record actually showed before P3A could responsibly decide whether the matter warranted referral outside the procurement process. Circulating serious but unverified accusations through governmental and federal oversight channels before that fact-finding occurred would have risked transforming the allegation of one private party into an official Government accusation before its factual predicate had been established. The review that followed was accordingly not a passive administrative exercise or an indefinite decision to defer action, but the mechanism selected to establish whether the allegations had evidentiary support before P3A determined what further action was warranted.

Initial
NC

That process necessarily required a degree of confidentiality. The investigative record implicated private-party communications, corporate records, representations made during a competitive procurement, documents whose authenticity or legal effect was disputed, and information potentially relevant to allegations of unlawful conduct. Premature dissemination could have affected witness accounts, prejudiced contractual rights, compromised subsequent investigative steps, or exposed individuals and entities to public accusations before the facts had been established. The 3PPO expressly recognized those concerns: ReComS explained that certain underlying documents remained in its confidential files because the controversy remained active and because premature disclosure could prejudice the dispute or compromise the Government's position with respect to contractual remedies, while making clear that those materials would remain available to competent authorities or an appropriate forum upon formal request. The documents were preserved, the parties were heard, and the evidence remained available to competent authorities. That is the opposite of concealment.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

Two further considerations reinforced that approach. First, the allegations carried potentially grave consequences for private parties and individuals. The seriousness of an allegation determines the seriousness with which it must be investigated; it does not lower the evidentiary threshold necessary to treat the allegation as fact—particularly where the private parties continue to advance materially conflicting versions of events. Second, P3A's instructions contemplated from the outset that, if the investigation developed evidence of fraud, falsification, unauthorized conduct, or other potentially unlawful activity, the matter would be referred to the competent authorities. If that possibility arose, the appropriate course was to preserve the evidence, establish the facts through the independent 3PPO process, and then transmit the developed record to authorities possessing the legal powers to investigate further—not to disseminate a developing investigative record indiscriminately.

The Oversight Board's criticism also risks imposing an untenable standard on future procurements, under which every disputed allegation by a bidder, contractor, consortium member, affiliate, or former business partner would have to be circulated immediately to multiple oversight entities before the independent procurement administrator could determine whether the record supported it. That practice would encourage unverified accusations as a procurement tactic, undermine orderly fact-finding, and damage private parties based on claims that may prove unsupported.

Initial
NC

The Oversight Board's criticism of P3A's approach to disclosure is also difficult to reconcile with the Oversight Board's own handling of its decision concerning the Contract. Although the Oversight Board's formal revocation of approval and direction to PREPA to terminate the Contract were communicated through its August 17 letter, the Oversight Board publicly announced its decision three days earlier, on August 14, before PREPA had received the formal directive upon which it was expected to act. P3A does not question the Oversight Board's prerogative to communicate its decisions publicly. That sequence does, however, underscore the inconsistency in criticizing P3A for exercising restraint in disseminating unresolved allegations during an active investigation while the Oversight Board itself elected to publicly announce its decision concerning the Contract before formally communicating that decision to PREPA.

Transparency is indispensable in public procurement, but it must operate together with due process, investigative integrity, contractual responsibility, and fundamental fairness. There is a meaningful difference between withholding established material facts from an oversight authority and declining to characterize disputed, unverified allegations as established facts while an independent investigation designed to determine their validity is underway. The record here reflects the latter. P3A did not suppress an established finding; there was no established finding to suppress, nor to act upon.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

V. INVESTIGATION AND CONTRACT ADMINISTRATION WERE SEPARATE OBLIGATIONS

The Oversight Board suggests that P3A acted inconsistently by investigating the allegations while the Contract continued to be administered and monitored. That proposition is incorrect both legally and operationally, and the events of August 18 confirm it.

The Government confronted two distinct obligations that were not mutually exclusive. First, allegations concerning a public procurement had to be investigated and, if the evidence supported it, referred to competent authorities. Second, PREPA held an executed Contract, and the Government remained obligated to protect PREPA's rights, monitor Power Expectations' compliance, and preserve every available remedy unless and until a legally sufficient basis existed to act otherwise. Commencement of an investigation did not establish fraud, adjudicate the authority of the individual who executed the Contract, terminate the agreement, or relieve Power Expectations of its obligations. Abandoning contract administration because one private party raised disputed allegations could itself have prejudiced PREPA by compromising remedies, creating waiver arguments, or relieving Power Expectations of performance obligations before any factual determination had been made.

Initial

P3A therefore pursued both responsibilities: investigate the allegations without prejudging them and enforce the Contract without waiving PREPA's rights. The contemporaneous record demonstrates that the Government did not relax the Contract while the investigation proceeded. PREPA denied Power Expectations' request to extend the contractual schedule. The existing schedule remained in force and time remained of the essence. PREPA's Project Management Office requested the outstanding performance security on July 13, 2026. PREPA issued a formal Notice of Seller Event of Default on August 10, 2026, expressly preserving its rights and stating that continued communications would not constitute waiver, modification, extension, or forbearance. The Payment and Performance Bond requirement was never waived, and P3A supported strict enforcement of that requirement and of every other contractual obligation throughout. PREPA's August 18 termination followed the enforcement actions described above and does not alter the distinction between the investigation of the Enchanted Rock allegations and PREPA's administration of its contractual rights as Buyer.

P3A takes no position in this letter on any other aspect of Power Expectations' performance. The Contract commits the assessment of performance and the election of remedies to PREPA as Buyer, and PREPA has exercised that authority. The Government's monitoring during this period, including the interconnection discussions in which representatives of PREPA, P3A, ReComS, LUMA, and Power Expectations participated, reflected the Government's own diligence in administering the Contract; it was never a representation that Power Expectations was performing. The distinction P3A has drawn from the outset is between the integrity of the

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

procurement process, which P3A defends, and the alleged conduct of Power Expectations, which P3A does not. What that noncompliance does not establish is that the RFP process was improperly conducted, or that P3A ignored the deficiencies. It did not.

VI. THE FLOTEK SUBSTITUTION: THE EVALUATION, THE DISCLOSURE QUESTION, AND THE PRESERVATION OF PREPA'S REMEDIES

The Oversight Board asks why P3A and the 3PPO did not inform PREPA of the Enchanted Rock allegations before the substitution of Flotek was recommended on July 30, 2026, and why PREPA—whose consent was required under Article XVI and whose discretion to withhold it was absolute—first learned of those allegations through the media. P3A addresses that question directly, beginning with the instrument itself.

The July 30 recommendation is a memorandum of ReComS, issued in its capacity as the 3PPO. It is addressed to PREPA's Executive Director, is signed by ReComS's President, and rests on document-by-document reviews conducted by ReComS's Legal and Financial Departments. P3A is a copy recipient. P3A did not prepare the recommendation, determine its contents, or direct ReComS to omit information concerning the Enchanted Rock controversy; nor did P3A instruct the 3PPO to withhold that matter from PREPA or participate in any decision not to disclose it. The document reflects on its face the institutional allocation of responsibility this letter has described: the evaluation and the recommendation were the 3PPO's, and they went to PREPA directly.

Initial

The scope of that evaluation was defined and limited. ReComS was tasked with determining whether Flotek possessed the legal and financial capacity, and satisfied the due-diligence documentation generally required of entities seeking to contract with the Government of Puerto Rico, and the memorandum states that its recommendation rests exclusively upon the documentation available as of its date. It did not purport to resolve, and was not tasked with resolving, the disputed question of authority concerning Enchanted Rock.

Within that scope, the review was neither perfunctory nor uncritical. ReComS verified Flotek's corporate existence and standing, cross-referenced its registration against the Puerto Rico Department of State registry, confirmed its internal corporate authority through the Secretary's Certificate and Board Resolutions, and examined its technical experience, personnel documentation, and three years of audited financial statements. It recorded adverse findings as well as favorable ones, grading Flotek's debt ratio marginal and its revenue lacking against the established benchmark. And it recommended approval only on condition that four outstanding items be furnished before execution of the formal instrument of substitution, among them Flotek's registration to do business in Puerto Rico. This was not an unexamined insertion of an unknown company, and nothing about it was final.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

P3A does not contend that PREPA should have been left uninformed. PREPA's consent right under Article XVI belonged to PREPA and was exercisable in its sole and absolute discretion. P3A did not direct the 3PPO to withhold the Enchanted Rock investigation from PREPA, did not participate in any decision to withhold that information, and did not understand its June 16 referral to the 3PPO as authorizing the 3PPO to determine what information PREPA should receive in exercising a contractual right reserved exclusively to PREPA. P3A's referral of the matter to the 3PPO on June 16 was intended to produce an independent determination of what the procurement record showed; it was not intended to, and should not have operated to, withhold from PREPA information bearing on a decision reserved to PREPA.

Two points bear on the consequences of the consent that followed. First, it modified nothing. It did not alter the price, scope, deployment schedule, Commercial Operation Date, performance obligations, guarantees, or PREPA's contractual rights and remedies, and it did not cure, waive, or suspend the outstanding obligation to furnish the performance security. Second, the subsequent record confirms as much: ten days after granting consent, PREPA issued its Notice of Seller Event of Default, and it has now terminated the Contract on that ground. Consent to a proposed change in consortium composition and enforcement of the performance-security obligation proceeded in parallel, as Article XXI of the Contract contemplates. Neither P3A nor the 3PPO stated that the consent resolved or prejudged the Enchanted Rock investigation.

Initial

To the extent the Oversight Board questions whether the 3PPO should have included information concerning the Enchanted Rock investigation in its July 30 recommendation, that question is properly evaluated on its own merits and directed to the entity that prepared it. It does not support a characterization that P3A concealed information from PREPA or directed that PREPA be kept unaware. P3A will produce, to the extent within its custody, the June 16, 2026 instruction to the 3PPO, the findings the 3PPO delivered to P3A, and the related correspondence, so that the Oversight Board may assess the question on the documents. The separate question whether Oversight Board approval was required before the substitution could become effective is a contractual and PROMESA compliance question that P3A is prepared to address on its merits, and one that should not be conflated with the question of Enchanted Rock's authority or treated as evidence that the underlying procurement was improperly conducted.

VII. THE CONTRACT'S ECONOMIC STRUCTURE LIMITED PREPA'S EXPOSURE, AS THE TERMINATION CONFIRMS

The August 17 letter repeatedly characterizes the transaction as a "$5.9 billion contract." Standing alone, that figure creates a materially incomplete impression of PREPA's financial exposure. As FOMB is very much aware, the Contract was not a capital expenditure by the Government, a construction advance by PREPA, a guaranteed payment to Power Expectations, an unconditional purchase obligation, or

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

an upfront commitment of public funds. The project was to be financed with private capital: the contractor, not PREPA, bore all the risks and was responsible for financing, acquiring, mobilizing, installing, commissioning, operating, and maintaining the generation units, and PREPA's payment obligation was tied to energy that LUMA, as System Operator, actually dispatched and that the facility actually generated and delivered. The maximum potential contract value therefore represented the potential aggregate value of energy purchases over the term under the assumptions embedded in the agreement—not a liability incurred at execution.

That allocation of risk is no longer a matter of argument. PREPA's August 18 notice confirms that no Notice to Proceed was issued, no energy was delivered, metered, accepted, or invoiced, no payment was made to Power Expectations, and no termination compensation is owed under Section 15.9, which expressly relieves PREPA of any obligation to pay for undelivered energy, unused capacity, stranded investment, financing costs, return on equity, demobilization costs, or lost profits. A procurement structure that allowed the Government to exit a failed project having disbursed nothing is not accurately described by its headline maximum value. Whatever else the record shows, the contractual mechanics allocated development and financing risk to the private party, and they operated as designed.

Initial
NC

VIII. THE OVERSIGHT BOARD WAS ITSELF DEEPLY INVOLVED IN THE REVIEW AND APPROVAL OF THIS PROCUREMENT

The August 17 letter creates the impression that the Oversight Board's intervention uncovered deficiencies that would otherwise have escaped scrutiny. The record does not support that characterization. The Oversight Board participated extensively in reviewing this transaction before execution. It issued multiple RFIs, examined the procurement and scoring process, evaluated financing and lender due diligence, reviewed performance-security requirements, considered fuel and logistics arrangements, examined pricing and demand assumptions, required material contractual modifications, issued conditional approval on May 8, and authorized execution of the revised Contract on June 2. It was not a passive observer; it exercised its statutory review authority for months before approving the final execution version, which identified Enchanted Rock as one of the Sellers and rested in part upon Enchanted Rock's attributed capabilities.

This does not prevent FOMB from reassessing its approval when new information emerges. It does mean that FOMB should not retrospectively portray the procurement as though the Government alone failed to detect information contained in a record subjected to multiple levels of independent, regulatory, and Oversight Board review. Nor can it be maintained both that Enchanted Rock's participation was material enough to warrant revocation when later disputed, and that the same participation was an obvious defect P3A alone should have recognized before execution. If those capabilities were significant enough to support qualification, their inclusion was necessarily apparent in the record FOMB reviewed. The unresolved issue

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

concerns the legal authority associated with execution—the subject of the investigation—not whether any underlying participation existed or whether the RFP process was properly conducted.

IX. THE ENERGY EMERGENCY HAS NOT DISAPPEARED

The Contract has been terminated as per the Oversight Board's determination. The reliability problem that gave rise to the procurement has not been. The Oversight Board itself recognizes that the procurement originated from PREB's determination that Puerto Rico faced an anticipated 700-to-850 MW generation deficit. Termination does not eliminate that deficit, nor does it create replacement capacity, and the approximately 400 MW of reserve and peak generation the Contract contemplated must now be sought elsewhere.

The Government is advancing other initiatives toward that end: negotiations remain underway with another selected proponent in the temporary-generation procurement; the competitive processes for up to 3,000 MW of new generation and additional generation at Costa Sur are in their final stages; and the Government continues advancing the negotiations and actions required to implement Act 1-2025, together with repair of existing generating units, battery-storage projects, renewable generation, and other reliability measures. Those initiatives form part of a broader portfolio, but unfortunately, they do not replace the specific capacity contemplated by this Contract which has now been terminated.

Initial
NC

P3A shares the Oversight Board's stated objective of moving competently and expeditiously to respond to the existing emergency, and is prepared to work with the Oversight Board, PREB, PREPA, and the U.S. Department of Energy on the alternatives identified in the August 17 letter and on any further procurement required to close the remaining gap.

X. CONCLUSION

P3A's position is straightforward. The allegations concerning Enchanted Rock and the execution of the Contract are serious and must be fully investigated. P3A reached that conclusion on June 16, 2026—not after the matter became public, and not after the Oversight Board directed that an investigation occur—and referred the allegations that same day to the independent 3PPO, which conducted the fact-finding and reported its findings. Once P3A evaluated that information and concluded that further investigative review was warranted, the matter was referred to Puerto Rico and federal authorities.

At no point did P3A determine that the allegations were irrelevant, that fraud or unauthorized execution had occurred, or that an ongoing investigation was incompatible with preserving PREPA's remedies; and at no point did P3A waive any contractual right belonging to PREPA. What P3A would not do—and will not do—is

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

substitute allegation for evidence, hindsight for contemporaneous fact-finding, or public narrative for the documentary record.

P3A does not defend Power Expectations. What P3A defends is the integrity of the RFP process as administered, evaluated, and represented by the independent 3PPO, judged on the record before that office when the qualification and award determinations were made. A procurement is not retroactively rendered improper because the awarded party later fails to perform, and the Oversight Board's conclusions about the process should rest upon a complete and accurate account of the allocation of institutional responsibilities, the information available to Government officials at each point in time, the independent investigation already undertaken, and the distinction between Enchanted Rock's documented procurement participation and the disputed authority to execute the Contract.

P3A therefore rejects any characterization suggesting that the Government failed to act, concealed the allegations, disregarded procurement integrity, or permitted the project to continue without appropriate scrutiny. P3A will continue cooperating with the Oversight Board, PREPA, the Puerto Rico Department of Justice, federal authorities, and all other entities with lawful jurisdiction, and remains available to respond to the questions in Appendix B of the August 17 letter that fall within P3A's institutional knowledge.

Nothing in this response constitutes P3A's adoption of any factual allegation or legal conclusion contained in the August 17 letter, nor any prejudgment of a matter within the scope of the independent investigations, nor a waiver of any right, remedy, defense, or position. All rights, remedies, defenses, and positions of P3A are expressly reserved.

Cordially,

Signed by:
Josué A. Colón Ortiz
ACAE19A8DEF549C...

Josué A. Colón-Ortiz
Executive Director

Annex _ P3A Responses to Appendix B

c The Honorable Jenniffer A. González Colón
The Honorable Thomas Rivera Schatz
The Honorable Carlos J. Méndez Núñez
Eng. Mary C. Zapata Acosta
Mr. Edison Avilés Deliz, Esq.
Mr. Osvaldo Carlo Linares, Esq.
Mr. Lionel E. Santa-Crispín, Esq.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

P3A RESPONSES TO APPENDIX B

Relevant Questions Regarding the Temporary Generation Procurement, Contract and Project

Preliminary Statement

These responses are provided by the Puerto Rico Public-Private Partnerships Authority ("P3A") based upon information presently available in P3A's records and upon information, reports, and findings provided to P3A by the Third-Party Procurement Office ("3PPO"), whose functions are performed by Regulatory Compliance Services Corp. ("ReComS"). As explained in P3A's accompanying letter, P3A did not conduct the evaluation, scoring, qualification, or award of the competing proposals and does not maintain the underlying procurement record. Where a question concerns actions undertaken by the 3PPO, communications received directly by the 3PPO, or materials held in the 3PPO's procurement or investigative file, P3A answers to the limit of its own knowledge and identifies the entity holding the record.

P3A will produce, to the extent within its custody, the June 16, 2026 instruction to the 3PPO, the report the 3PPO delivered to P3A on August 8, 2026, and the related correspondence, so that the Oversight Board may assess these matters on the documents.

Nothing in these responses constitutes P3A's adoption of any disputed allegation advanced by ERock, Enchanted Rock, Power Expectations, Flotek, or any other private party as established fact, nor any prejudgment of matters referred to the Puerto Rico Department of Justice or federal authorities.

1. Jhoby Weaks and Enchanted Rock/ERock

(a)–(e) P3A did not administer procurement communications, verify the Seller parties' representatives or signatories, or participate in the execution process through which Mr. Jhoby Weaks was identified as signatory for Enchanted Rock, LLC. P3A therefore cannot state when the 3PPO became aware of the change in signatory from Corey Amthor to Mr. Weaks, whether the 3PPO investigated that change, whether any background verification of Mr. Weaks was conducted, or whether the 3PPO communicated directly with Mr. Amthor, Mr. Weaks, or other representatives of Enchanted Rock/ERock. Those matters reside in the 3PPO's procurement and investigative records.

When ERock raised questions concerning Mr. Weaks's identity and authority, those matters became part of the independent review P3A referred to the 3PPO on June 16, 2026.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

(f) P3A can answer this from a document in its possession. The recommendation on the proposed substitution is a memorandum dated July 30, 2026, issued by ReComS in its capacity as the 3PPO, addressed to PREPA's Executive Director and signed by Osvaldo Carlo Linares, Esq., President of ReComS. P3A was copied on the memorandum but did not prepare or issue it.

(g) P3A has made no determination as to whether the circumstances concerning Mr. Weaks implicate Section 15.1(viii) of the Contract. That question implicates the disputed facts concerning Mr. Weaks's identity and authority that were referred for independent review and subsequently to investigative authorities. To the extent the Oversight Board seeks the 3PPO's contractual assessment of those circumstances, that determination should be addressed by the 3PPO based upon its procurement and investigative records. PREPA, as Buyer, holds the contractual remedies available under Article XV.

2. June 16 Investigation; Findings; P3A Review; Notice to PREPA

On June 16, 2026, by e-mail copying Lic. Lionel Santa Crispín, P3A General Counsel, and Lic. Juan González, P3A outside counsel, P3A instructed the 3PPO to (i) conduct an independent review of the allegations; (ii) evaluate the information available; (iii) undertake such additional fact-finding as appropriate; and (iv) provide P3A with a written report of its findings, conclusions, and recommendations as expeditiously as practicable.

According to the 3PPO's subsequent report, its review included ERock's June 17 written allegations, separate meetings with representatives of ERock and Power Expectations on June 22 and June 23, respectively, and review of corporate, contractual, and procurement documentation relevant to the competing positions concerning Enchanted Rock's participation and authority.

Why was PREPA's Executive Director not notified on June 16?

P3A received allegations on June 16, not established findings. P3A immediately referred those allegations to the independent entity that had administered the procurement and possessed the underlying procurement record so that they could be tested against the contemporaneous documentation before P3A reached any institutional conclusion concerning their merits. P3A did not direct the 3PPO to withhold the allegations from PREPA, did not participate in any decision to withhold that information, and did not understand its June 16 referral as authorizing the 3PPO to determine what information PREPA should receive in exercising contractual rights reserved to PREPA.

P3A's June 16 referral was directed to obtaining an independent factual review of the allegations. To the extent the Oversight Board seeks to determine why PREPA was not informed at a particular point during the 3PPO's review, P3A can describe

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

its own actions but cannot supply the rationale for a disclosure decision that P3A did not make.

3. Why were the allegations not disclosed to PREPA before the Flotek recommendation?

P3A did not make or participate in a decision to withhold the Enchanted Rock allegations from PREPA. P3A did not direct the 3PPO to withhold those allegations from PREPA, nor did P3A understand its June 16 referral of the matter for independent review as authorizing the 3PPO to determine what information PREPA should receive in exercising contractual rights reserved to PREPA.

The July 30, 2026 recommendation concerning the proposed substitution of Flotek Industries, Inc. for Enchanted Rock, LLC was prepared and transmitted directly to PREPA by ReComS in its capacity as the 3PPO. P3A did not prepare that recommendation, determine its contents, or direct the omission of information concerning the pending Enchanted Rock investigation. P3A was copied on the memorandum.

Accordingly, P3A cannot provide the rationale for why the July 30 recommendation did not disclose the pending Enchanted Rock investigation. To the extent the Oversight Board seeks that explanation, it should be provided by the 3PPO based upon its contemporaneous records. P3A can confirm that its June 16 referral was intended to obtain an independent factual review of the allegations; it was not intended to, and should not be understood as, an instruction that PREPA be kept unaware of the matter.

4. Reyes Contractor

P3A did not administer the procurement communications with Reyes Contractor Group, Inc. and does not have independent knowledge of communications between the 3PPO and Reyes Contractor concerning its participation in the consortium or the allegations subsequently raised by ERock. Accordingly, P3A cannot independently state what communications occurred between the 3PPO and Reyes Contractor, what information or documentation Reyes Contractor provided, or when and under what circumstances Reyes Contractor became aware of the ERock allegations.

To the extent the Oversight Board seeks the substance and timing of communications between the 3PPO and Reyes Contractor, Reyes Contractor's knowledge of the ERock allegations, or documents provided by Reyes Contractor concerning those matters, those questions should be answered by reference to the 3PPO's contemporaneous records and, as appropriate, by Reyes Contractor itself.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

5. Why was the investigation not disclosed to FOMB before August 9?

P3A answers for itself. Between June 16 and August 9, 2026, P3A did not report the pendency of the investigation to the Oversight Board. The reasons are those set out in Section IV of the accompanying letter: P3A had received allegations that had not been substantiated, had referred them for independent review to the entity possessing the underlying procurement record, and considered that circulating unverified accusations through oversight channels before that fact-finding occurred risked converting one private party's allegations into an official Government accusation without an established factual predicate. P3A recognizes that the Oversight Board takes a different view of that judgment.

Whether and when the 3PPO independently communicated with the Oversight Board concerning the investigation is a matter for the 3PPO.

6. Why was Flotek recommended while the investigation remained open?

This question concerns the 3PPO's administration of two matters that were within its responsibility at the relevant time: the independent investigation referred by P3A on June 16, 2026, and the evaluation of the proposed assignment substituting Flotek Industries, Inc. for Enchanted Rock, LLC. P3A did not participate in the evaluation, negotiation, recommendation, or processing of the proposed Flotek assignment and did not direct the 3PPO as to how that process should proceed while its investigation remained pending.

P3A can confirm its own role. P3A referred the ERock allegations to the 3PPO for independent investigation on June 16, 2026, but did not direct the manner in which that investigation was conducted and did not participate in the process through which Flotek was evaluated or recommended as a proposed replacement for Enchanted Rock. To the extent the Oversight Board seeks the factual or analytical basis upon which the 3PPO determined that the Flotek evaluation could proceed while its investigation remained pending, the 3PPO is the appropriate entity to provide that explanation from its contemporaneous records.

Accordingly, P3A is not in a position to characterize, justify, or pass judgment on the 3PPO's decision to recommend the proposed Flotek assignment while its separate investigation remained open. The reasons underlying that decision, including the 3PPO's assessment of whether and how the two matters affected one another, are matters within the 3PPO's investigative and contract-administration record and should be addressed directly by the 3PPO.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

7. Did 3PPO disclose the June allegations to PREPA before recommending Flotek?

PREPA's Executive Director has stated, in her letter to the Oversight Board dated August 14, 2026, that PREPA first became aware of ERock's allegations on August 7, 2026. P3A has no basis to contradict that statement, and the July 30 memorandum does not, on its face, refer to the allegations or to the investigation.

P3A was not a party to communications between the 3PPO and PREPA and does not know what was conveyed outside the memorandum. That question is properly answered by the 3PPO and PREPA from their own records.

8. What analysis addressed assignability before the recommendation?

P3A did not participate in the evaluation, analysis, negotiation, recommendation, or processing of the proposed assignment substituting Flotek Industries, Inc. for Enchanted Rock, LLC. Accordingly, P3A is not in a position to characterize or independently describe the analysis undertaken by the 3PPO regarding the assignability of the Contract or the basis upon which the 3PPO ultimately recommended the proposed substitution to PREPA.

To the extent the Oversight Board seeks the specific contractual, legal, technical, financial, or due-diligence analysis upon which the 3PPO relied in determining that the proposed assignment was permissible and in recommending Flotek, those questions should be addressed directly by the 3PPO based upon its contemporaneous contract-administration and due-diligence records. Likewise, PREPA is the appropriate entity to address the basis upon which it ultimately exercised its contractual authority to consent to the proposed assignment.

9. Timing of the Flotek review

P3A did not participate in or direct the timing of the 3PPO’s evaluation of Flotek. Based upon the July 30, 2026 ReComS memorandum in P3A’s possession, Power Expectations entered into the Assignment and Assumption Agreement with Flotek on June 12, 2026, and thereafter submitted the proposed assignment/substitution to the 3PPO for evaluation and recommendation.

The memorandum reflects that the 3PPO issued an RFI to Power Expectations requesting documentation necessary to evaluate Flotek’s legal and financial capacity, and that ReComS’s Legal and Financial Departments subsequently reviewed the materials submitted in response. The memorandum does not state when the proposed substitution was first submitted to the 3PPO, when the RFI was issued, when the responsive materials were received, or when the Legal and Financial Departments commenced their respective reviews.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

Accordingly, P3A cannot independently provide the complete timeline of the Flotek evaluation beyond the dates reflected in the documents presently available to it. The 3PPO should provide the remaining dates and supporting documentation from its contemporaneous records.

10. Was the complete Article XVI record furnished?

P3A was not the recipient of PREPA's July 16 demand, is not the custodian of the Article XVI record, and has no record indicating whether that record was furnished to PREPA. PREPA is the entity able to state whether it received a complete record, and the 3PPO and Power Expectations are the sources for what was transmitted.

11. Why was the Seller-party change not submitted to FOMB before PREPA consent?

P3A did not participate in the evaluation, analysis, negotiation, recommendation, or processing of the proposed assignment substituting Flotek Industries, Inc. for Enchanted Rock, LLC. Accordingly, P3A is not in a position to characterize or independently describe the analysis undertaken by the 3PPO regarding the assignability of the Contract or the basis upon which the 3PPO ultimately recommended the proposed substitution to PREPA.

To the extent the Oversight Board seeks the specific contractual, legal, technical, financial, or due-diligence analysis upon which the 3PPO relied in determining that the proposed assignment was permissible and in recommending Flotek, those questions should be addressed directly by the 3PPO based upon its contemporaneous contract-administration and due-diligence records. Likewise, PREPA is the appropriate entity to address the basis upon which it ultimately exercised its contractual authority to consent to the proposed assignment.

12. Before June 2, was anyone aware of a contemplated Seller change?

P3A can only answer for itself. Based upon P3A’s records and institutional knowledge, P3A was not aware, before the Oversight Board’s June 2, 2026 approval, of any actual, proposed, or contemplated change in the composition of the Seller.

P3A cannot answer on behalf of the 3PPO, PREPA, PREB, or Genera as to information independently known to those entities before June 2, 2026. To the extent the Oversight Board seeks to determine whether any of those entities had such knowledge, each should answer based upon its own contemporaneous records and institutional knowledge.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

13. June 12 Assignment and timing

P3A did not participate in the negotiation or execution of the June 12, 2026 Assignment and Assumption Agreement between Power Expectations and Flotek and does not have independent knowledge of when discussions concerning that agreement began.

P3A can confirm that the 3PPO's July 30, 2026 memorandum states that Power Expectations entered into the Assignment and Assumption Agreement with Flotek on June 12, 2026, pursuant to which Flotek would assume certain rights, responsibilities, and interests associated with the project and substitute for Enchanted Rock within the project structure. The memorandum further states that Power Expectations subsequently submitted the proposed assignment/substitution to the 3PPO for evaluation and recommendation. It does not identify when negotiations concerning the proposed substitution began, when the 3PPO first became aware of those negotiations or the executed agreement, or the date on which the proposed substitution was submitted to the 3PPO.

Accordingly, to the extent the Oversight Board seeks those dates or the communications leading to the June 12 agreement, those matters should be addressed by Power Expectations, Flotek, and the 3PPO based upon their contemporaneous records.

14. Requalification of the new Seller composition

P3A did not conduct or participate in any requalification of the proposed Seller composition and therefore cannot independently state whether the 3PPO treated its review of Flotek as a formal requalification of the consortium under the standards applicable to the original RFP.

P3A can confirm that the 3PPO's July 30, 2026 memorandum reflects that ReComS conducted legal and financial due diligence concerning Flotek, including review of its corporate existence and standing, corporate authority, technical and project experience, key personnel, and audited financial statements. ReComS also identified certain outstanding governmental certifications and other documentation and conditioned its recommendation upon their completion. The memorandum ultimately concluded that Flotek possessed sufficient financial capacity to support the project and recommended approval of the proposed substitution subject to the identified conditions.

The July 30 memorandum does not, however, state that the reconstituted Seller was formally requalified under the original RFP criteria or demonstrate on its face that the consortium as reconstituted was rescored or reevaluated under the same methodology applied during the competitive procurement. To the extent the

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

Oversight Board seeks to determine whether such a requalification occurred, what standards were applied, or whether the 3PPO considered its Flotek review sufficient to satisfy any requalification requirement, those questions should be addressed by the 3PPO based upon its contemporaneous records.

15. January 28 Jurisdictional Clarification

The January 28, 2026 Jurisdictional Clarification was a communication issued by the 3PPO in its own capacity concerning its position regarding the Oversight Board's involvement in the TPG2 procurement process. P3A did not direct the 3PPO to prepare or issue that communication and did not participate in the drafting, review, approval, or transmission of the letter. Accordingly, the positions expressed therein should not be attributed to P3A as positions that P3A formulated, directed, or approved.

P3A has identified no record establishing that it instructed the 3PPO to adopt the positions expressed in the January 28 communication or otherwise directed the substance of that correspondence. The communication itself identifies the 3PPO as the entity issuing the Jurisdictional Clarification and describes its purpose as establishing the 3PPO's position concerning the scope and practical consequences of the Oversight Board's involvement in the procurement.

Accordingly, to the extent the Oversight Board seeks information concerning the reasons for the positions expressed in that communication, who participated in its preparation, or whether any person outside the 3PPO reviewed or commented upon it before transmission, those questions should be addressed directly by the 3PPO based upon its contemporaneous records. P3A cannot speak to the 3PPO's internal drafting, review, or approval process because P3A did not participate in that process.

16. Lobbyist engagement

(a)–(c) P3A did not participate in the procurement negotiations with the Seller parties and cannot identify the lobbyists, consultants, government-relations representatives, attorneys, or other intermediaries engaged in connection with this procurement, the terms of any such engagement, or the attendees at meetings in which the Contract terms were negotiated. Those records were generated and are held by the 3PPO and the Seller parties.

(d) P3A did not receive, and does not hold, any Standard Form-LLL filed by or on behalf of any Seller party. Exhibit D certifications were submitted through the procurement process administered by the 3PPO.

(e) P3A has no information concerning whether any individual associated with any Seller party held Commonwealth or public-corporation employment within the

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

preceding four years, or whether disclosure was made. P3A will search its records for any communications from or on behalf of the Seller parties or their representatives and will produce what is located.

Accordingly, to the extent the Oversight Board seeks information concerning the Seller parties' representatives or intermediaries, the terms of their engagements, the individuals who participated in the Contract negotiations, the submission or applicability of Standard Form-LLL, or disclosures concerning prior government employment, those questions should be addressed directly by the 3PPO based upon its contemporaneous records.

17. Government position following the Governor's August 14 statement

There is no inconsistency between P3A's August 9 position, the Governor's August 14 statement, and PREPA's subsequent August 18 termination of the Contract. Rather, those events reflect the evolution of the factual and contractual circumstances as additional information developed and contractual remedies became applicable.

P3A's August 9 letter addressed the circumstances existing at that time. Serious allegations concerning Enchanted Rock had been referred for independent investigation, but those allegations had not been adjudicated (and still have not been), and the Contract remained in effect. Under those circumstances, P3A's position was that the Government should preserve PREPA's contractual rights, continue monitoring compliance, and avoid treating disputed allegations as established facts before the independent investigation had developed the relevant record. P3A's position was also clear that, if the evidence or the Seller's performance ultimately established grounds for contractual or legal action, the appropriate remedies should be exercised.

The Governor's August 14 statement that, "if that contract can be cancelled, it should be cancelled," was consistent with that position. The statement was expressly conditional and reflected the Government's policy that, if the applicable facts and contractual or legal authorities provided a sufficient basis for termination, the Government should act accordingly. It did not constitute a retroactive determination that PREPA should have terminated the Contract before such a basis had been established.

On August 18, 2026, PREPA formally terminated the Contract on two separate and independent grounds. First, Power Expectations failed to furnish the performance security required by Section C.1 of Exhibit C, which PREPA determined constituted an Immediate Seller Event of Default under Section 15.1, without opportunity to cure, authorizing termination pursuant to Section 15.5(d). Second, the Oversight Board revoked its prior approval of the Contract and expressly directed PREPA to terminate it.

Docusign Envelope ID: 64647B99-8711-8049-8067-3248D6258BB2

Accordingly, the August 9 position, the Governor's August 14 statement, and PREPA's subsequent August 18 action reflect the circumstances existing at different points in time. On August 9, the allegations remained under investigation and the Contract remained in effect; on August 14, the Governor publicly expressed her position regarding the Contract; and, on August 18, PREPA, in its capacity as Buyer under the Contract, notified the Seller of its decision to terminate the Contract on the grounds stated in its termination notice.