PUERTO RICO
ELECTRIC POWER AUTHORITY

PREPA

GOVERNMENT OF PUERTO RICO

RESOLUTION 5196

Request for Approval of Selected Proponent 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: On May 9, 2025, the Governing Board approved Resolution 5186 to authorize the Executive Director to commence negotiations with the proponents selected by the Evaluation Committee. On June 16, 2025, the 3PPO presented to PREPA an Award Letter, which in turn, presented it to this Board for discussion and approval.

WHEREAS: Following the conclusion of the evaluation process, the 3PPO recommend the selection of Power Expectations, LLC as the preferred proponent for the provision of up to eight hundred megawatts (800 MW) of temporary emergency generation capacity. This recommendation is based on the proponent's compliance with all mandatory requirements, demonstrated logistical feasibility, financial capability, and overall responsiveness to the RFP.

WHEREAS: Power Expectations, LLC submitted a proposal that includes confirmed generation equipment, a defined implementation timeline, and a detailed logistical plan for fuel supply and site mobilization. In addition, the 3PPO have received formal documentation confirming the proponent's financial capacity to fully execute the project scope, including verified access to capital and contractual commitments from key partners.

WHEREAS: PREPA's Legal Affairs Directorate 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) (f) of Act 83, after the approval of the Governing Board, and all other required approvals such as, the Puerto Rico Energy Bureau ("PREB") and the Financial Oversight and Management Board for Puerto Rico ("FOMB").

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

1. Authorize the Executive Director to execute the Contract with Power Expectations, LLC, after receiving all the required authorizations.
2. The Legal Affairs Director will review the terms and conditions of the contract to ensure that they meet the legal requirements regarding government contracting.

Approved in San Juan, Puerto Rico, in this 19th day of June two thousand, twenty-five.

Maricarmen Boria Goitia
Corporate Secretary