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From:	Procurement <Procurement@recomspr.net>
Sent:	Friday, November 21, 2025 4:16 PM
To:	Mary C Zapata-Acosta
Cc:	Blanche Gonzalez Hodge; Alexis G. Rivera-Medina; Mariela Quinones; ocarlo@carlolaw.com; Francisco Amill; Colón Ortiz, Josué A. (AAPP)
Subject:	Response to Request for Status of Contract Negotiations TPG
Attachments:	Response to Request for Status of Contract Negotiations 11.21.25.pdf

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Good afternoon, Executive Director Mary Zapata, attached to this email is the letter: "Response to Request for Status of Contract Negotiations ".

Thank you,

Fabián Vélez
Third-Party Procurement Office (3PPO)



3PPO
Third-Party Procurement Office

November 21, 2025

Mary C. Zapata-Acosta
Executive Director
Puerto Rico Electric Power Authority (PREPA)
San Juan, Puerto Rico

Re: Response to Request for Status of Contract Negotiations and Submission of Draft Contracts — RFP 3PPO-0314-20-TPG2

Dear Ms. Zapata-Acosta:

We acknowledge receipt of your recent communication regarding the status of negotiations with all selected proponents under RFP 3PPO-0314-20-TPG2. In accordance with your request, we respectfully provide the following detailed summary of the negotiation progress to date and the planned submission of additional draft contracts.

1. Status and Outcome of Negotiations with All Selected Proponents

a. Power Expectations, LLC (“PE”)

The 3PPO has completed the negotiation stage with Power Expectations. The resulting contract fully complies with the commercial and technical requirements set forth in the RFP.

On November 17, 2025, the 3PPO submitted to PREPA the final draft contract for its review, approval, and subsequent transmittal to the Puerto Rico Energy Bureau pursuant to PREPA Governing Board Resolution No. 5213.

b. Gotham LLC (“Gotham”)

The 3PPO transmitted to Gotham the complete draft contract, maintaining all mandatory RFP requirements. Gotham’s previously submitted markups introduced non-compliant modifications inconsistent with the RFP framework, and therefore the 3PPO rejected those changes.

A negotiation meeting is scheduled for Monday, November 24 to continue discussions to resolve the remaining points. If Gotham accepts the required terms, the 3PPO will immediately submit its completed draft contract to PREPA.

c. Javelin Global Commodities (“Javelin”)

The 3PPO sent a formal communication to Javelin requiring that its proposal fully comply with the RFP guidelines, which do not contemplate guarantees, additional payments, or compensations beyond a unitary price per kWh.

In response, Javelin submitted a letter requesting a meeting with the Executive Director of PREPA, Eng. Josué Colón, and asserting that such communication superseded prior proposal terms or negotiations.

Accordingly, the 3PPO is preparing a communication informing Javelin that the PREPA Governing Board held a meeting in which it reaffirmed that only conditions consistent with the original RFP terms are acceptable. As Executive Director, Eng. Colón cannot modify or override a determination of PREPA's Governing Board.

The 3PPO considers Javelin's response to constitute, in effect, a refusal to comply with the parameters established by the RFP, and the alternatives or remedies they seek are not available under the procurement framework. Therefore, the 3PPO will proceed to formally notify Javelin that it is not possible to continue negotiations under the terms they have proposed.

2. Submission of Additional Draft Contracts & PREB Clarification

PREPA should expect to receive additional draft contracts for the remaining proponents as negotiations conclude.

Upon completion of the Gotham process and, if applicable, Javelin, the 3PPO will promptly transmit the corresponding drafts for PREPA's review.

Additionally, we note for PREPA's planning purposes that, in its resolution dated November 13, the Puerto Rico Energy Bureau stated:

"If a proposed contract is formally submitted to the Energy Bureau for evaluation pursuant to the applicable statutory and regulatory framework, the Energy Bureau will review it with the diligence and impartiality required by law."

This statement confirms PREB's procedural posture and does not indicate approval of any specific contract.

3. Individual Project Advancement and Contractual Flexibility for Additional Sites

Each project under the RFP may advance independently, subject to PREPA's review and approval.

The 3PPO notes that the current draft contract with Power Expectations identifies Yabucoa as the only designated "additional site." No other alternative sites are currently included.

However, the contract structure allows PREPA, should it so determine, to amend the agreement to authorize deployment at additional sites to ensure system resilience.

Power Expectations has represented to the 3PPO its willingness to support the development of other sites, including the potential inclusion of Costa Sur through a formal amendment should Gotham or Javelin not be selected or if they decline to comply with the mandatory RFP terms.

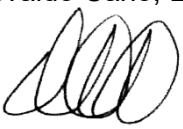
This provides PREPA with operational flexibility while ensuring that any expansion beyond the current scope adheres to formal amendment requirements.

The 3PPO remains committed to ensuring that all negotiations and resulting contracts comply strictly with the RFP framework, the directives of PREPA's Governing Board, and all statutory and regulatory obligations.

We will continue to provide timely updates and will transmit additional draft contracts immediately upon their completion. Should you require further information or clarification, we remain at your disposal.

Respectfully,

Osvaldo Carlo, Esq.



President
Third-Party Procurement Office (3PPO)