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From: Procurement <Procurement@recomspr.net>
Sent: Tuesday, November 11, 2025 3:56 PM
To: Mary C Zapata-Acosta
Cc: Blanche Gonzalez Hodge; Alexis G. Rivera-Medina; Mariela Quinones; Francisco Amill; ocarlo@carlolaw.com
Subject: JAVELIN- Request for Stakeholder Discussion-TPG2
Attachments: JAVELIN- Request for Stakeholder Discussion -Prepa- 11.11.25.pdf; JAVELIN_LLC_Summary_of_changes_JVLN_Response_vF.pdf

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Good day Executive Director Mary Zapata,

We are sending you the document titled "JAVELIN - Request for Stakeholder Discussion," which outlines the non-negotiable terms discussed during our recent meetings with the proponent, Javelin.

Please review the document at your convenience, and let us know when you would be available to discuss it further.

Thank you for your time and attention.

Best regards,

Fabián Vélez
Third-Party Procurement Office (3PPO)

3PPO
Third-Party Procurement Office

November 11, 2025

Subject: Request for Stakeholder Discussion – Javelin Global Commodities Proposal under Emergency Temporary Generation RFP 3PPO-0314-20-TPG2

Dear Executive Director, Mary Zapata,

Following our meeting with Javelin Global Commodities US Holdings Inc. regarding their proposed contract revisions under the above-referenced RFP, we would like to inform you that Javelin has formally requested that the Government of Puerto Rico, through the corresponding entities, including PREPA, the Puerto Rico Energy Bureau, and the Fiscal Oversight and Management Board, review and discuss certain non-negotiable terms established in the RFP guidelines.

As you know, the 3PPO has been conducting this RFP pursuant to the directive of the Puerto Rico Energy Bureau, which required the development of a transparent and competitive process to secure emergency temporary generation services. Throughout the evaluation and negotiation stages, 3PPO has adhered to the original guidelines and risk parameters previously endorsed by PREPA and the oversight entities including the stipulation that no financial guarantees or indemnities would be extended to proponents.

During the recent meeting, Javelin expressed that several of these restrictions are, in their view, not consistent with industry standards for projects of this scale and investment level. They noted that most developers require a basic framework of commercial reasonableness — including limited protections or cost-recovery mechanisms to mobilize and maintain over $250 million in generation assets on an emergency-response basis.

They have therefore requested that their position be formally shared with all relevant government stakeholders before any final determination is made, so that the reasonableness of these commercial provisions can be verified in context. Javelin emphasized that their proposal remains fully ready-to-mobilize and that premature disqualification would result in the loss of a qualified and shovel-ready provider capable of delivering the required emergency generation services within the established timelines.

Accordingly, we are attaching for your review Javelin's detailed response to the non-negotiable terms (see attached *Exhibit – JAVELIN_LLC_Summary_of_changes_JVLN_Response_vF*). We kindly request that each stakeholder review the attached information and, if deemed appropriate, provide feedback or a position regarding the reasonableness of Javelin's proposed approach.

Please note that 3PPO's role remains strictly administrative and facilitative to ensure that the process complies with PREB's directive and the public procurement framework. However, given the current impasse, a coordinated decision by the Government of Puerto Rico will be required to determine whether the terms as written in the RFP remain final, or if adjustments may be warranted in the interest of securing adequate emergency generation capacity.

Should you require further clarification or wish to discuss Javelin's position, please do not hesitate to contact us.

Kind regards,
Osvaldo Carlo,



President
Third-Party Procurement Office (3PPO)

[3PPO Logo]

Emergency Temporary Power Generation RFP 3PPO-0314-20-TPG2

Javelin Global Commodities US Holdings Inc - Proposed Changes Summary

JAVELIN RESPONSE
November 5, 2025

I. Summary of Key Contractual Changes (with Page References)

Article / Section	Page Reference	Summary of Change	Javelin Response
Article II §2.5 — Commercial Operation; Deployment Milestones	p. 14–15	Seller may unilaterally declare Commercial Operation even if Buyer or LUMA have not completed required interconnection or testing obligations.	Javelin will coordinate closely with Buyer and LUMA to achieve Commercial Operation in accordance with the schedule and the detailed commissioning procedures described in Exhibit A-1. However, Javelin should not be prohibited from declaring Commercial Operation if Javelin has performed all of its obligations with respect to the installation and commissioning of the Facility but third parties that Javelin has no control over (such as LUMA) do not perform their respective obligations.
Article II §2.5 (Final Paragraph) — Monthly Service Payment Obligation	p. 15	Buyer must continue making Monthly Service Payments during Force Majeure or regulatory delays, even if Seller is not generating power.	Javelin should not be penalized for circumstances outside of Javelin's control. Our Costa Sur project involves over $250 million of power generation equipment and infrastructure being mobilized to Puerto Rico. No credible developer can deploy this level of capital without a mechanism to recover fixed costs and earn a return.
Article III §3.5 — End of Term Rights	p. 17	Buyer prohibited from reusing Facility or Equipment for 36 months post-termination without Seller; violation triggers liquidated damages equal to contract value.	This language is necessary to ensure Javelin has the opportunity to participate in any future projects that involve the Facility Equipment that Javelin has invested significant time and resources to make available in Puerto Rico.

Article / Section	Page Reference	Summary of Change	Javelin Response
Article III §3.6 — Permitting Obligations	p. 18–19	Buyer responsible for obtaining and paying for all environmental and operational permits, including federal exemptions; must indemnify Seller.	Almost all permits required for the Facility are either waived by exemptions or executive order. Given co-location on Costa Sur site, any permitting will likely require amendments to Buyer's or its Affiliates (or sub-contractor's) existing permits. Javelin cannot unilaterally amend these permits, and therefore Buyer and its affiliates or sub-contractors have the necessary standing to obtain the any necessary permits that are not waived by the applicable exemptions.
Article IV §4.2 — FEMA Reimbursement Eligibility	p. 19	Seller compliance with FEMA standards is required, but all related costs and documentation expenses are passed through to Buyer.	Correct. Javelin will comply with FEMA standards but any additional costs imposed on Javelin in connection with such compliance should be borne by Buyer which will be supported by appropriate documentation. Javelin does not have any information from PREPA about the scope of FEMA reimbursements to be sought.
Article IV §4.3 — Non- Compliance with Performance Standards	p. 19	Deleted all corrective measures required to Seller and the Buyers right to take remedial action	The prior language in Section 4.3 was duplicative so Javelin streamlined the concepts. However, Javelin did not modify the underlying principle that in the event there is an issue with the Facility, Javelin will promptly notify Buyer and Javelin will take remedial action to promptly restore service. Javelin is not aware of what remedial actions Buyer could take to address an issue with the Facility that Javelin would not already be taking. In addition, note that Javelin is providing an Availability Guaranty in Exhibit L and is obligated to pay Availability Damages in the event the Facility does not meet the Availability Guaranty.
Article V §5.1(d) — Buyer Dispatch Forecasts	p. 20	PREPA must pay 'Dispatch Damages' if it does not follow its own dispatch schedule, even if conditions change.	It's important to note that PREPA is only obligated to pay Dispatch Damages during the periods when Javelin is providing the Diesel Services, and Javelin has agreed to use commercially

Article / Section	Page Reference	Summary of Change	Javelin Response
			reasonable efforts to accommodate any subsequent changes to the Expected Dispatch Schedule made by PREPA. If Javelin is providing the Diesel Services, Javelin will be relying on the Expected Dispatch Schedule as the basis for Javelin's diesel fuel procurements. Failure to adhere to the Expected Dispatch Schedule would result in demurrage and other costs to Javelin, and the Dispatch Damages are necessary to incentivize PREPA to provide accurate Expected Dispatch Schedules to avoid these costs.
Article V §5.3 — Infrastructure and Grid Integration	p. 21	Buyer and its operator LUMA bear all interconnection and coordination costs; Seller fully indemnified.	Javelin will be responsible for all work on Javelin's side of the Delivery Point as required to interconnect the Facility to Buyer's transmission system. Buyer's form agreement stated that LUMA is responsible for the electrical interconnection process including technical requirements, interconnection studies and any coordination with the transmission and distribution system. Javelin's revisions simply clarify that the costs associated with these interconnection activities are not Javelin's responsibility.
Article VIII §8.3 — Environmental Indemnity	p. 26	Buyer must indemnify Seller for any pre-existing or discovered contamination, including cleanup, disposal, and reporting costs. Deleted various Seller indemnifications to Buyer	Javelin should not be responsible for any Hazardous Materials that exist at the Project Site prior to the date that Javelin arrives on site. Note that Javelin is agreeing to indemnify Buyer and its affiliates for any claims arising from the unpermitted release of Hazardous Materials caused by the negligent acts or omissions of Javelin. Javelin views this as an equitable allocation of risk with respect to the environmental conditions at the Project Site.
Article IX §9.2 and 9.3— Invoicing and	p. 28–29	Buyer must pay invoices within 5 days; disputes must be raised within 3 days; unresolved	Buyer to advise what it believes to be appropriate timing for payment of Javelin's invoices and resolution of disputed amounts.

Article / Section	Page Reference	Summary of Change	Javelin Response
Dispute Resolution		amounts allow Seller to draw on Buyer's Letter of Credit.	
Article IX §9.1(d) — Site Decommissioning and Demobilization Fee	p. 28	Buyer must pay demobilization fee even upon early termination, regardless of cause.	There will be a cost associated with demobilizing the Facility Equipment regardless of whether the Agreement goes the full Term or is terminated prior to the end of the Term.
Article IX §9.4 — Late Payment Penalties	p. 29	Introduces $10,000/day Buyer Non-Performance LDs plus interest for delayed payment.	Inclusion of Non-Performance LDs and interest on undisputed amounts are intended to incentivize Buyer to timely pay all amounts owed to Javelin. See Javelin response to Article IX §9.2 and 9.3— Invoicing and Dispute Resolution above as well.
Article XI §11.1 — Definition and Scope	P.31	Redefines Force Majeure and includes performance failures of the Seller suppliers (CORCO)	Javelin's revisions are intended to clarify the specific instances that would constitute Force Majeure. The specific circumstances added, including failures by Javelin's material suppliers, must still comply with the elements of Force Majeure outlined in clauses (a)-(c) of Section 11.1.
Article XI §11.6 — Duration and Termination Rights	P. 32	Increases the time for a Force Majeure event from 60 to 365 days	Javelin views 365 days as a market period of time before either party can terminate the Agreement due to an extended Force Majeure. Depending on the nature of the Force Majeure, it may not be possible to overcome a particular Force Majeure event within 60 days.
Article XI §12.6 — Limitation of Seller's Liability	P. 35	Changed the clause completely	The prior language of this clause simply cross-referenced sections of the Agreement addressing performance shortfalls. Javelin's edits to this section are consistent with market limitation of liability provisions for similar transactions.
Article XIV §14.1–14.2 — Termination Rights	p. 36–38	Seller retains broad termination rights; Buyer's right to terminate restricted to limited events.	Javelin only has a right to terminate the Agreement if Buyer experiences an Event of Default and Buyer fails to cure such Event of Default within the cure

Article / Section	Page Reference	Summary of Change	Javelin Response
			periods provided in the Agreement. On the contrary, only Buyer has the right to terminate the Agreement for convenience under Section 14.2. The Events of Default defined in Exhibit D are appropriately tailored to reflect Buyer's status as a governmental entity and as the "Grantor" of the Project Site under the License Agreement.
Article XXXVI §37.1 — Insurance	P. 43	Changed the insurance policies required and limits. Deleted the requirement of additional insures	Javelin is willing to discuss appropriate policy coverage and limits with its insurance advisors.
Article XXXVII §37.1 — Assignment and Transfer	p. 44	Seller can assign or collateralize contract without Buyer consent ('Collateral Assignment').	Javelin can only assign the Agreement without Buyer's consent (i) for purposes of a Collateral Assignment, (ii) to an entity succeeding all or substantially all of Seller's assets whose creditworthiness is equal to or higher than Seller's, or (iii) to an Affiliate of Seller (meaning Buyer would still be dealing with Javelin). Any other assignments to third parties would require Buyer's consent. Further, Section 37 expressly states that Buyer has no obligation to consent to any Collateral Assignment that has a material adverse effect on Buyer's rights under the Agreement. Javelin views these assignment rights as consistent with market terms.

II. Payment Structure and Cost Risks (Exhibits B–L)

Cost Type	Description	Payment Terms	Tied to kWh?	Javelin Response
A. Capacity Payment (Exhibit B-1)	Fixed monthly fee for having generating units available (MW). PREPA pays regardless of dispatch status.	Monthly	No	Javelin requires a fixed monthly fee. Our Costa Sur project involves over $250 million of power generation equipment and infrastructure being mobilized to Puerto Rico. No credible developer can deploy this level of capital without a mechanism to recover fixed costs and earn a return that is not

Cost Type	Description	Payment Terms	Tied to kWh?	Javelin Response
				subject to Buyer's subjective dispatch schedule.
B. Energy Payment (Exhibit B-2)	Variable charge based on kWh delivered; rate depends on diesel or natural gas price index.	Monthly	Yes	Correct. The Energy Payment is a transparent pass-through of fuel costs based on published, third-party indices plus a small adder. This ensures Puerto Rico is always receiving a fair market price for fuel procured. Note the calculation of the Energy Payment is lower when Buyer is providing the Gas Services.
C. Black Start Fee (Exhibit B-4, optional)	Optional monthly charge if PREPA elects grid restart service.	Monthly (if elected)	No	Javelin has the ability to obtain incremental equipment that will permit the Javelin Facility to provide black start capabilities if Buyer opts for this service. This is an option for Buyer, not a requirement. Note, however, that these black start services are critically important for grid reliability following severe weather events. If Buyer elects to include the Black Start Services, Buyer will be able to utilize Javelin's Facility to start the Costa Sur site which can then start Ecoelectrica, neither of which has black start capabilities. Black start service is a crucial ancillary service for all electricity grids but especially island power grids.
D. Mobilization / Commissioning Fee (Exhibit I)	One-time lump sum: 50% at contract start; 50% after first COD.	At start & after COD	No	The Mobilization and Commissioning Fee is required to transport and commission the Facility Equipment. Javelin has allowed this payment to be made in separate installments in an effort to make these payments more manageable. However, the cost of mobilizing and commissioning the Equipment cannot be avoided.
E. Demobilization / Decommissioning Fee (Exhibit I)	One-time lump sum for dismantling and site restoration.	After term or early termination	No	As mentioned above, there will be a cost associated with demobilizing the Facility Equipment regardless of whether the Agreement goes the full Term or is terminated prior to the end of the Term. If Buyer and Javelin enter into

Cost Type	Description	Payment Terms	Tied to kWh?	Javelin Response
				a subsequent agreement and the Equipment remains on the Project Site, Javelin is open to discussing postponement of the Site Decommissioning and Demobilization Fee to accommodate timing of the new (or extended) contract.
F. Dispatch Damages (Exhibit B-5)	Buyer pays if facility is not dispatched as scheduled.	As incurred	No	*See* comment to Item A (Capacity Payment) of this Table II.
G. Availability Damages (Exhibit L)	Seller pays Buyer if plant fails to meet availability standards.	As incurred	No	Correct. Javelin will pay Buyer Availability Damages if the Facility does not satisfy the Availability Guaranty as set forth in Exhibit L.
H. Buyer Non-Performance LDs (Art. 9.4)	$10,000/day late-payment penalty plus interest.	As incurred	No	Inclusion of Non-Performance LDs and interest on undisputed amounts are intended to incentivize Buyer to timely pay all amounts owed to Javelin. See Javelin response to Article IX §9.2 and 9.3— Invoicing and Dispute Resolution above as well.
I. Taxes, Duties, Charges (Art. X & Exhibit F)	Buyer reimburses Seller for all taxes, duties, and levies, listed or not.	Ongoing	No	Correct. This is consistent with PREPA's past practices including PREPA's agreement with NFE.