mczapata23@outlook.com

From:	Magda Brito-Rivera
Sent:	Wednesday, July 15, 2026 3:30 PM
To:	eechevarria@powerexpectations.com
Cc:	Mary C Zapata-Acosta; Colón Ortiz, Josué A. (AAPP); Lionel E Santa Crispín; Alexis G. Rivera-Medina; lgallagher@powerexpectations.com; carlos.andreucollazo@gtlaw.com
Subject:	Response to Seller's Notice of Delay
Attachments:	PREPA Response to Seller's Notice of Delay.pdf; 07.06.26_Notice of Delay.pdf; POWER EXPECTATIONS-_Response_to_RFI_10.16.25.pdf

Good afternoon, Mr. Echevarría:

Attached is a letter from Mary C. Zapata Acosta, Chief Executive Officer of the Puerto Rico Electric Power Authority, regarding PREPA Response to Seller's Notice of Delay. In addition, we included two annexes as supporting documentation: 07.0626_Notice of Delay and POWER EXPECTATIONS-_Response to RFI_10-16-25.

We would appreciate your confirmation that you have received this communication.

Cordially,

Magda Brito-Rivera
Asesora Ejecutiva

ELECTRIC POW
PRL

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PUERTO RICO
ELECTRIC POWER AUTHORITY
PREPA
GOVERNMENT OF PUERTO RICO

Mary C. Zapata Acosta
Executive Director

July 15, 2026

By Electronic Mail
eechevarria@powerexpectations.com

Mr. Eddie Echevarria
Chief Executive Officer
Power Expectations, LLC
Marginal Villamar 9
Manzana CE Local 1
Carolina, PR 00979

Dear Mr. Echevarria:

Re: Response to Seller's Notice of Delay

Reference is made to your correspondence dated July 6, 2026, submitted by Power Expectations, LLC (Seller), requesting an extension of the milestones established in Exhibit G and the Commercial Operation Date (COD), which under the Agreement is required to occur no later than one hundred fifty (150) days following the Contract Execution Date, pursuant to Section 2.5 of the Power Purchase and Operating Agreement dated June 10, 2026 (Agreement).

PREPA has carefully reviewed the Seller's Notice of Delay, the information submitted in support thereof, and the applicable provisions of the Agreement. Based upon such review, PREPA hereby denies the requested schedule extension.

As an initial matter, PREPA emphasizes that the Agreement was awarded pursuant to a competitive procurement process conducted to address Puerto Rico's urgent and immediate need for temporary emergency generation capacity to support the reliability and resiliency of the electric system. Accordingly, the deployment schedule established in the Request for Proposals (RFP), and subsequently incorporated into Exhibit G of the Agreement, constituted a material element of the procurement and of the evaluation of the Seller's proposal. Time was, and continues to be, of the essence. Any post-award modification of those milestones therefore requires strict compliance with the contractual requirements governing schedule relief.

Moreover, during the competitive procurement process administered by the Puerto Rico Public-Private Partnerships Authority's Third-Party Procurement Office (3PPO), which conducted the Request for Proposals (RFP) for this emergency temporary generation project, the Seller expressly represented and certified that it possessed the technical capability, resources, and readiness necessary to satisfy all RFP requirements within the required deployment schedule. Specifically, in response to the 3PPO's Request for

Information dated October 16, 2025, the Seller certified, among other things, that: (i) its proposed Commercial Operation Date fell within the delivery period established by the RFP; (ii) all milestones leading to COD were achievable within that timeframe; (iii) the Seller was responsible for all interconnection works; and (iv) it would coordinate with LUMA Energy and Genera PR to ensure timely completion of the interconnection process and compliance with all applicable interconnection requirements.

These certifications constituted material representations upon which PREPA relied in evaluating the Seller's proposal and approving the Agreement. Consequently, the Seller cannot now rely upon matters that it expressly represented it was prepared to manage and perform as a basis for obtaining post-award relief from the contractual schedule.

Section 2.5 of the Agreement does not provide for automatic schedule relief upon the submission of a notice of delay. Rather, it establishes a limited contractual mechanism under which any requested schedule adjustment remains subject to PREPA's written approval, exercised in its reasonable discretion. The Seller has failed to demonstrate that it has satisfied the contractual requirements necessary to warrant schedule relief.

Section 2.5 expressly recognizes that timely achievement of the milestones set forth in Exhibit G and timely achievement of COD constitute material obligations of the Seller. The Agreement further provides that obtaining permits, approvals, licenses, authorizations, interconnection coordination, and regulatory compliance necessary for the Project are core obligations of the Seller. Likewise, Section 2.2 requires the Seller to provide all infrastructure necessary to interconnect its generation facilities, obtain and maintain all permits and approvals required for installation and interconnection, and comply with all applicable interconnection requirements established by LUMA.

The circumstances described in the Seller's Notice of Delay relate principally to engineering development, interconnection studies, system coordination, procurement activities, and project execution. These are precisely the types of activities that the Agreement allocates to the Seller as part of its contractual responsibilities and that the Seller affirmatively represented during the procurement process it was capable of completing within the required deployment schedule. The possibility that additional engineering evaluations, System Impact Studies, or Facility Studies may be required does not alter the contractual allocation of responsibilities negotiated by the Parties nor justify modification of the agreed project schedule.

Furthermore, Section 2.5 expressly provides that ordinary permitting timelines, foreseeable regulatory review periods, delays associated with permitting or approvals, deficient applications, failures to timely respond to governmental agencies, or delays resulting from the Seller's own acts, omissions, lack of diligence, or failure to properly manage subcontractors, consultants, or suppliers do not excuse compliance with the Deployment Period and do not constitute grounds for schedule relief.

The information submitted by the Seller does not establish that the requested extension satisfies the contractual requirements. Rather, the Notice of Delay reflects matters that fall

within the Seller's contractual responsibilities and the project execution risks assumed by the Seller under both the RFP and the Agreement.

In light of the foregoing, PREPA does not approve the requested extension of the milestones established in Exhibit G or the Commercial Operation Date.

Nothing contained herein shall be construed as a waiver of any of PREPA's rights, remedies, claims, defenses, or contractual protections under the Agreement or applicable law. PREPA expressly reserves all such rights, including, without limitation, its rights relating to enforcement of the contractual milestones, liquidated damages, events of default, and any other remedies available under the Agreement.

PREPA remains committed to working cooperatively with the Seller toward the successful implementation of the Project. Nevertheless, such cooperation cannot alter or excuse the Seller's contractual obligations or modify the Agreement absent compliance with its express terms.

Cordially,

Mary C. Zapata Acosta
Executive Director

Annex

c Josué A. Colón, Executive Director, P3A; josue.colon@p3.pr.gov
Lionel E. Santa-Crispín, Esq., P3A General Counsel; lionel.santa@p3.pr.gov
Alexis Rivera, Legal Affairs Director, PREPA; alexis.rivera@prepa.pr.gov
Landon Gallagher, Power Expectations, gallagher@powerexpectations.com
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