mczapata23@outlook.com

From:	Magda Brito-Rivera
Sent:	Friday, July 17, 2026 6:24 PM
To:	eechevarria@powerexpectations.com
Cc:	Mary C Zapata-Acosta; Colón Ortiz, Josué A. (AAPP); lionel.santa@p3.pr.gov; Alexis G. Rivera-Medina; lgallagher@powerexpectations.com; carlos.andreucollazo@gtlaw.com; Felix A Hernandez-Caban; Jorge L Cotto-Perez
Subject:	Non-Compliance with Reporting Obligations under Section 2.5 of the PPOA
Attachments:	7.17.26 Letter to Power Expectations - Reporting.pdf; Reyes Contractor Email 07-13-2026.pdf; Daily Project Update 07-16-2026.pdf; Daily Project Update 07-15-2026.pdf

Good evening, Mr. Echevarría:

Attached is a letter from Mary C. Zapata Acosta, Chief Executive Officer of the Puerto Rico Electric Power Authority, regarding Non-Compliance with Reporting Obligations under Section 2.5 of the Power Purchase and Operating Agreement. Also, we include the following attachments: Reyes Contractor-email 07-13-2026, Daily Project Update 07-16-2026 and Daily Project Update 07-2026 as supporting documents.

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

Cordially,

Magda Brito-Rivera
Asesora Ejecutiva

ELECTRIC POW
PREPA

Phone: 787-521-4686
Email: MAGDA.BRITO@prepa
Visit our website: https://aeep
1110 Ave. Ponce de León, San

PUERTO RICO
ELECTRIC POWER AUTHORITY
PREPA
GOVERNMENT OF PUERTO RICO

Mary C. Zapata Acosta
Executive Director

July 17, 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: Non-Compliance with Reporting Obligations under Section 2.5 of the Power Purchase and Operating Agreement

Reference is made to the Power Purchase and Operating Agreement (PPOA) dated June 10, 2026, entered into by and among the Puerto Rico Electric Power Authority (PREPA or Buyer) and Power Expectations, LLC (Power Expectations), Enchanted Rock, LLC (Enchanted Rock), and Reyes Contractor Group, Inc. (Reyes Contractor) (jointly, Seller).

Section 2.5 of the PPOA establishes the Seller's continuing obligation to provide PREPA with daily reports and biweekly Milestone Compliance Reports throughout the deployment period to enable PREPA to monitor the progress of this emergency temporary generation project and evaluate the Seller's compliance with the contractual milestones established in Exhibit G of the PPOA.

To date, PREPA has received only one bi-weekly report required under Section 2.5 of the PPOA. This biweekly report, dated July 9, 2026, was transmitted via email from Reyes Contractor to PREPA on July 13, 2026, and covers the period from June 22 through July 6, 2026 (July 9 Report). In addition to the July 9 Report, PREPA has only received two Daily Project Update reports, transmitted by Reyes Contractor via emails received on July 15 and 16, 2026 (July 15&16 Reports). It is noted that the July 9 Report includes copy of several Daily Project Update reports with missing transmittal dates, which were not sent to PREPA.

Considering the reports received by PREPA to date, it is noted that these submittals do not conform the PPOA's reporting requirements. Under the PPOA, the first biweekly report should have been submitted on June 24, 2026, the second on July 8, 2026, and

the third is due on July 22, 2026. Accordingly, the Seller is presently not in compliance with its reporting obligations under Section 2.5 of the PPOA.

Regarding the July 15&16 Reports, PREPA hereby clarifies some of their statements:

1. July 15th Daily Project Update: Among others, this update email states that "this project continues to be recognized as an emergency initiative. Although we are still assessing the practical implications of that designation, it is important for our team to understand how it may influence project execution, permitting, agency coordination, procurement timelines, and the availability or prioritization of resources that could facilitate successful project delivery". It is very concerning that the project contractor is "still assessing the practical implications" of the emergency designation of the project, as this project is the direct result of a request for proposals (RFP) process with the main and only purpose of installing and interconnecting emergency generation capacity with Puerto Rico's electrical grid. It is clarified that the PPOA's Project is and always has been an emergency project to be executed in a term from 90 to 150 days from the PPOA's execution date and, therefore, its commercial operation date shall not be later than November 7, 2026.

2. July 16th Daily Project Update: This update email states, among others, that "Our team continues to work diligently with all stakeholders involved—including LUMA, Genera, PREPA, our engineering consultants, insurance providers, and project partners—to coordinate the numerous technical, administrative, and logistical components necessary to successfully mobilize the project… Establishing a clear and mutually agreed-upon NTP will allow all parties to align expectations and ensure that the contractual 150-day performance period begins only after all prerequisites have been satisfied, providing the project with the greatest opportunity for successful and timely completion". First, it is clarified that it is not correct to state that the Reyes Contractor team is working diligently with PREPA, as PREPA has not been included in any meeting nor has it received any communication but the July 9 Report and the July 15&16 Reports. Furthermore, it is very concerning that the project contractor states that the 150-day term has not yet started, when, according to the PPOA, the performance period started the PPOA execution date on June 10, 2026. Therefore, it is clarified that the PPOA's Project execution term already started on June 10, 2026, and the 150 days period will end on November 7, 2026.

Moreover, PREPA has carefully reviewed the July 9 Report and has determined that it does not satisfy the requirements of Section 2.5 of the PPOA. Although the submission includes a substantial volume of documents, correspondence, technical information, and corporate records, it is not, in substance, the Milestone Compliance Report contemplated by the PPOA. Rather than providing an assessment of the Project's progress against the contractual milestones, the submission merely compiles documents generated without demonstrating compliance with the reporting requirements established by the PPOA.

The PPOA specifically requires the Seller to submit "Milestone Compliance Reports in accordance with Exhibit G, demonstrating compliance with each milestone set forth therein and identifying any deviations, delays, risks, or anticipated impacts together with the corrective and mitigation measures being implemented." The report submitted by the Seller does not provide this required analysis. It does not evaluate compliance with each contractual milestone, identify whether individual milestones have been achieved or remain on schedule, explain any deviations from the contractual schedule, assess the effect of such deviations on subsequent milestones or the contractual Commercial Operation Date, identify existing project risks, or describe the corrective actions and mitigation measures being implemented to maintain compliance with the deployment schedule.

Accordingly, PREPA hereby requires that, on or before July 20, 2026, the Seller submit all outstanding daily reports required under Section 2.5 of the PPOA and provide complete and compliant biweekly Milestone Compliance Reports for each reporting period due to date, including those that should have been submitted on June 24, 2026 and July 8, 2026. Those reports shall fully comply with the requirements of Section 2.5 and Exhibit G by providing a detailed evaluation of each contractual milestone, identifying any delays, deviations, risks, anticipated impacts, and the corrective and mitigation measures being implemented.

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In addition, PREPA requires the Seller to provide a detailed written explanation, supported by an updated project schedule, demonstrating how it intends to achieve the contractual Full Commercial Operation Date of November 7, 2026, notwithstanding the matters identified in its recent Notice of Delay and the status reflected in the information submitted to date. Such explanation should specifically address the current status of every milestone established in Exhibit G, identify any milestone that has not been timely achieved, explain the effect of any delays on the overall Project schedule, and describe the specific recovery measures that will be implemented to ensure timely completion of the Project.

PREPA emphasizes that these reporting obligations constitute material contractual requirements. Timely and complete reporting is essential to enable PREPA to monitor the progress of this emergency temporary generation project, evaluate compliance with the contractual schedule, assess emerging risks, and determine whether the Project remains capable of achieving the contractual milestones and the Full Commercial Operation Date established in the PPOA.

Nothing contained in this correspondence shall be construed as PREPA's acceptance of the report submitted on July 9, 2026, as satisfying the requirements of Section 2.5 of the PPOA, nor shall it constitute a waiver of any rights or remedies arising from the Seller's failure to comply with its contractual reporting obligations. PREPA expressly reserves all rights, remedies, claims, and defenses available under the PPOA and applicable law.

Finally, while Article XXV requires that these reports be submitted to PREPA's Executive Director, PREPA requests that all future daily reports and biweekly reports, and related correspondence also be copied to the following PREPA representatives, in order to facilitate PREPA's review and coordination of matters relating to the Project:

- Alexis G. Rivera Medina, Esq., alexis.rivera@prepa.pr.gov
- Félix A. Hernández Cabán, Esq., felix.hernandez@prepa.pr.gov
- Eng. Jorge L. Cotto Pérez, jorge.cotto@prepa.pr.gov

PREPA expects the Seller's prompt compliance with these contractual obligations and anticipates receiving the required reports and supporting information no later than July 20, 2026.

Cordially,

Mary C. Zapata Acosta
Executive Director

c Josué A. Colón, Executive Director, P3A; josue.colon@p3.pr.gov
Lionel Santa, P3A; Lionel.Santa@p3.pr.gov
Alexis G. Rivera, PREPA, alexis.rivera@prepa.pr.gov
Landon Gallagher, Power Expectations, gallagher@powerexpectations.com
Carlos Andreu Collazo, Power Expectations, Carlos.andreucollazo@gtlaw.com

Mary C Zapata-Acosta

From: Reyes Contractor <reyescontractorgroup@gmail.com>
Sent: Monday, July 13, 2026 3:54 PM
To: Mary C Zapata-Acosta
Cc: Carlos.AndreuCollazo@gtlaw.com; eechevarria@powerexpectations.com; Landongallagher@yahoo.com
Subject: Project Milestones Compliance Report - June 22-Jul 6 2026

External (reyescontractorgroup@gmail.com)

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Dear Team,

Please find attached our Project Milestones Compliance Report for Contract No. 2026-P00107 (Project: Emergency Temporary Power Generation – RFP 3PPO-0314-20-TPG2) covering the reporting period of June 22, 2026, through July 6, 2026.

Should you have any questions or require additional information, please do not hesitate to contact us.

Cordially,

2026-07-12 MILESTONES COMPLIANCE REPORT PREPA.pdf

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REYES CONTRACTOR GROUP, INC.
reyescontractorgroup@gmail.com

finanza.rcg@gmail.com

Tel. 939-336-1927

Cel. 787-216-4006 / *787-220-1032*

Mary C Zapata-Acosta

From: Reyes Contractor <reyescontractorgroup@gmail.com>
Sent: Wednesday, July 15, 2026 9:38 AM
To: fvelez@recomspr.net; mgarcia@recomspr.net; mquinones@recomspr.net
Cc: Alfonso Baretty Huertas; JaniceS.LopezRodrigu@lumapr.com; eechevarria@powerexpectations.com; Landongallagher@yahoo.com; Mary C Zapata-Acosta
Subject: Daily Project Update

External (reyescontractorgroup@gmail.com)

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Hi Team,

Today our primary focus is completing the coordination necessary to execute the required Non-Disclosure Agreements (NDAs) with GENERA. We are working directly with Christian Torres, our designated Point of Contact (POC), to obtain the agreements for both parties. Once fully executed, these NDAs will enable the formal exchange of technical information and documentation, allowing us to begin working collaboratively on the RFIs, engineering evaluations, and the proposal that will be submitted as part of the project's design development and technical coordination process.

Following yesterday's meetings with both LUMA and GENERA, we continue to capitalize on the momentum generated during those discussions. The meetings were highly productive and resulted in meaningful progress toward resolving several outstanding technical and administrative matters. Equally important, they established a direct and collaborative communication channel between our team and GENERA, strengthening coordination among all project stakeholders and creating a more efficient framework for addressing upcoming engineering, operational, and scheduling activities.

As we continue advancing the project, we are also following up on several action items identified during the meetings, including pending responses to previously submitted RFIs, confirmation of technical information required to support the System Impact and Facilities Studies, and continued coordination regarding the project's interconnection strategy and site development requirements.

One point that was reiterated during yesterday's discussions was that this project continues to be recognized as an emergency initiative. Although we are still assessing the practical implications of that designation, it is important for our team to understand how it may influence project execution, permitting, agency coordination, procurement timelines, and the availability or prioritization of resources

that could facilitate successful project delivery. We will continue evaluating these opportunities as coordination progresses.

Overall, the project continues moving in a positive direction. The level of engagement demonstrated by all participating agencies reflects a shared commitment to advancing the project efficiently while maintaining the technical rigor required for a successful implementation. We will continue providing timely updates as additional information is received and key milestones are achieved.

Thank you all for your continued dedication, professionalism, and commitment to this important project's success.

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REYES CONTRACTOR GROUP, INC.
reyescontractorgroup@gmail.com

finanza.rcg@gmail.com

Tel. 939-336-1927

Cel. 787-216-4006 / *787-220-1032*

Mary C Zapata-Acosta

From: Reyes Contractor <reyescontractorgroup@gmail.com>
Sent: Thursday, July 16, 2026 5:14 PM
To: fvelez@recomspr.net; mgarcia@recomspr.net; mquinones@recomspr.net
Cc: Alfonso Baretty Huertas; JaniceS.LopezRodrigu@lumapr.com; eechevarria@powerexpectations.com; Landongallagher@yahoo.com; Mary C Zapata-Acosta
Subject: Daily Project Update

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Hi Team,

We have received your acknowledgment and recommendation regarding the reassignment of Flotek to PREPA. Thank you for your continued support and coordination. We will keep you informed of any developments as they arise, including any additional information, documentation, or technical requests that PREPA may require throughout this process.

At the same time, we continue awaiting Genera's response to our request for the Non-Disclosure Agreement (NDA), which is necessary to facilitate the exchange of technical information and continue advancing the engineering effort. In parallel, our engineering and design teams remain actively engaged in further developing the project, refining equipment layouts, interconnection diagrams, site configurations, and other critical design elements to ensure we are fully prepared once all required approvals and coordination efforts are completed.

Our team continues to work diligently with all stakeholders involved—including LUMA, Genera, PREPA, our engineering consultants, insurance providers, and project partners—to coordinate the numerous technical, administrative, and logistical components necessary to successfully mobilize the project. In addition to resolving the remaining studies, demarcation site matters, and other outstanding project requirements, it is imperative that a formal Notice to Proceed (NTP) be established once these items have been completed. Establishing a clear and mutually agreed-upon NTP will allow all parties to align expectations and ensure that the contractual 150-day performance period begins only after all prerequisites have been satisfied, providing the project with the greatest opportunity for successful and timely completion.

Additionally, we continue evaluating potential resource allocation strategies, procurement alternatives, and execution methodologies that may help accelerate the project schedule. Given the project's designation as an emergency initiative, we remain committed to identifying every available opportunity to streamline permitting, coordination, material procurement, and construction activities while maintaining the highest standards of quality, safety, and regulatory compliance.

We appreciate everyone’s continued collaboration and support and will continue providing regular status updates as key milestones are achieved.

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REYES CONTRACTOR GROUP, INC.
reyescontractorgroup@gmail.com

finanza.rcg@gmail.com

Tel. 939-336-1927

Cel. 787-216-4006 / *787-220-1032*