PUERTO RICO
ELECTRIC POWER AUTHORITY
PREPA
GOVERNMENT OF PUERTO RICO

Mary C. Zapata Acosta
Executive Director

August 14, 2026

By Electronic Mail
Robert.mujica@promesa.gov

Mr. Robert F. Mujica, Jr.
Executive Director
Financial Oversight and Management
Board for Puerto Rico

Dear mister Mujica:

Re: Clarification Regarding PREPA's Representation — Temporary Generation Contract; RFP No. 3PPO-0314-20-TPG2

The Puerto Rico Electric Power Authority (PREPA) has recently become aware of the Financial Oversight and Management Board (FOMB) for Puerto Rico's press release, dated August 14, 2026, announcing that the FOMB voted to revoke its approval of the power generation contract between PREPA and Power Expectations LLC, Enchanted Rock LLC, and Reyes Contractor LLC (jointly, the Seller); to direct PREPA to terminate the contract; and to refer matters related to the contract to the relevant law enforcement authorities.

PREPA is awaiting the FOMB's formal written communication regarding this determination. Upon its receipt, PREPA will review it and act accordingly, consistent with its legal and contractual obligations.

In the meantime, PREPA wishes to clarify a separate matter concerning its institutional representation. The FOMB's letter dated August 7, 2026, concerning the temporary generation contract resulting from RFP No. 3PPO-0314-20-TPG2 was addressed to Mr. Osvaldo Carlo Linares, President of Regulatory Compliance Services Corp. (ReComS), who was contracted as the Third-Party Procurement Office (3PPO) by the Public-Private Partnerships Authority (P3A). On August 9, 2026, ReComS submitted a response to the FOMB stating that it was acting on behalf of both PREPA and ReComS.

PREPA hereby clarifies that it did not authorize ReComS to respond to the FOMB's August 7 communication on PREPA's behalf. PREPA did not review or approve the August 9 response before its submission, nor did it authorize ReComS or mister Carlo Linares to represent that the response expressed PREPA's institutional position.

Accordingly, the 3PPO's statements and positions contained in its August 9 response shall not be understood as having been made, approved, or adopted by PREPA. This clarification is not intended to address the merits of the matters discussed in that response. Its purpose is to ensure that PREPA's institutional position is communicated only by PREPA or by representatives expressly authorized to speak on its behalf.

PREPA understands and acknowledges that ReComS, in its capacity as the 3PPO, was the appropriate entity to respond to the FOMB's August 7 communication, as the 3PPO conducted and administered the RFP process. However, any such response should have been submitted by ReComS solely in its own capacity, and not on behalf of PREPA.

Furthermore, PREPA first became aware of the allegations made by Enchanted Rock/ERock on August 7, 2026, when it received a request for information from a TV program. Upon learning of those allegations, PREPA promptly requested 3PPO, the information necessary to evaluate the matter and asked that it be kept informed of all subsequent events, communications, findings, and developments. PREPA continues to gather and evaluate the relevant information and takes the allegations referenced by the FOMB seriously.

In addition, the 3PPO's August 9 response references an official report submitted to P3A on August 8, 2026, which states, among others, that PREPA formally consented the substitution of Enchanted Rock, LLC with Flotek Industries, Inc. (Flotek) on July 31, 2026, based on an understanding that such authorization did not resolve the private controversy between Power Expectations, LLC and Enchanted Rock/ERock. PREPA hereby clarifies that PREPA provided its consent to this substitution solely based on 3PPO's recommendation for approval of the proposed assignment/substitution of Flotek for Enchanted Rock, LLC dated July 30, 2026. PREPA could not based its consent on "an understanding that such authorization did not resolve the private controversy between Power Expectations, LLC and Enchanted Rock/ERock", because PREPA did not have any knowledge of such controversy until August 7, 2026.

Should the FOMB require information, clarification, documentation, or PREPA's position concerning any aspect of this matter, PREPA will respond directly through its duly authorized representatives.

PREPA appreciates the FOMB's attention to this matter and remains available to provide any additional information or clarification that may be required.

Cordially,

Mary C. Zapata Acosta
Executive Director

c: Mr. Fausto J. Hernández, Infrastructure Deputy, FOMB, fausto.hernandez@promesa.gov
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