



GOVERNMENT OF PUERTO RICO  
Puerto Rico Public-Private Partnerships Authority

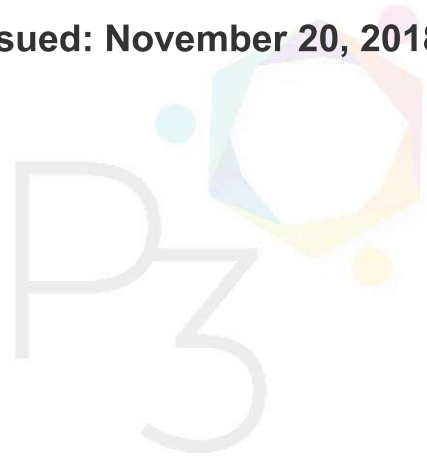


# RESPONSES TO REQUESTS FOR CLARIFICATION

Puerto Rico Electric Power  
Transmission and Distribution System

RFQ 2018-2

**Date Issued: November 20, 2018**





*The following are responses to certain Requests for Clarification (“RFC”) received in connection with the Request for Qualifications (“RFQ”) for the Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority (the “Authority”) on October 31, 2018. The Authority has summarized below selected questions based on the RFCs that it received and provided its responses in bold. These responses are subject to the terms and conditions of the RFQ in all respects. Capitalized terms used but not otherwise defined herein have the meanings set forth in the RFQ.*

1. What is the anticipated schedule for the complete procurement of the Project?

**Response: A more complete schedule of the procurement process will be provided as part of the RFP Process.**

2. What will be the key terms of the PPP Contract? How many years will the PPP Contract be in effect?

**Response: The terms and conditions of the PPP Contract, including its duration, will be provided during the RFP Process.**

3. What is Puerto Rico’s existing electric power generating capacity?

**Response: As noted in the PREPA Fiscal Plan certified on August 1, 2018, Puerto Rico’s total generating capacity is 6,085 MW (PREPA represents 4,892 MW and third-party generators represent 1,193 MW). Further technical and operational details will be provided during the RFP Process.**

4. What are the types of “performance standards” that will be linked to the performance payments under the contemplated compensation structure for the Private Partner?

**Response: Further details regarding the compensation structure will be provided during the RFP Process, including in the term sheet of the PPP Contract that will be part of the RFP and the draft PPP Contract that is expected to be made available following publication of the RFP. However, the Authority anticipates the performance standards metrics will be consistent with widely-understood metrics tracked by U.S. electric utilities.**

5. Will the federal disaster recovery funding available in connection with the Project be known before the RFP is released? How will adjustments to the scope of work of the Private Partner based on the availability of federal funding be addressed in the PPP Contract?

**Response: It is unlikely that specific amount of FEMA and other federal disaster recovery grant funding will be known by the time the RFP is released. Accordingly, contractual details relating to this funding are expected to be made available after the RFP is published, but before bids are due.**

6. What is the status of the PPP Committee for the Project?

**Response: The PPP Committee for the Project was formed prior to publishing the RFQ.**

7. What will be PREPA’s role following the transition of responsibilities to the Private Partner?

**Response: As described in the RFQ, PREPA will be the counterparty to the long-term PPP Contract that will be entered into with the Private Partner. It is anticipated that the Government will continue to own and have title to all of the T&D assets. Although the**



**Private Partner will assist in the management and deployment of federal funds, it is anticipated that PREPA will be the applicant / sub-grantee of these funds. Further details will be provided during the RFP Process.**

8. What actions are expected to be taken to provide the Private Partner assurances regarding payment certainty?

**Response: The Authority and its advisors understand the importance of payment certainty to the Private Partner and are evaluating various mechanisms to provide assurances. Further details will be provided during the RFP Process.**

9. What assurances will a Private Partner have that the regulator (including commissioners and staff) will be independent and have appropriate experience in the electric utility sector?

**Response: The Puerto Rico Electric System Transformation Act (“Act 120”) expressly recognizes the importance of having an independent regulator for the electric sector that is able to carry out its functions in a firm and efficient manner. Among other things, Act 120 provides that the Puerto Rico Energy Bureau (“PREB”), the regulator that will be principally responsible for overseeing the Private Partner, must be composed of commissioners that meet the independence and experience requirements set forth therein (e.g., no direct or indirect interest in entities subject to PREB’s jurisdiction, licensed engineers in Puerto Rico, at least five years of experience in energy matters). PREB commissioners may only be removed from their positions for cause.**