



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
October 29, 2020
4:00 P.M.

Members Present:

Efran Paredes, PREPA
Ralph Kreil, PREPA
Omar Marrero, FAFAA
Edison Avilés, PREB
Gerardo Lorán, FAFAA

Administration:

Fermín Fontánes, P3A
Melissa Marchany, P3A

Other Attendees:

Marco García, CPM
Edwin Gonzalez, CPM
Ellen Smith, FTI (via teleconference)
John Cochrane, FTI (via teleconference)
Antonio Pietrantonio, PMA
Chantal Kordula, Cleary Gottlieb (via teleconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 4:11 p.m.

DISCUSSION ON THE REQUEST FOR PROPOSALS (“RFP”) DRAFT:

Fermín Fontánes indicated that the draft RFP was distributed to the members of the Partnership Committee (the “Committee”) and that the Public-Private Partnerships Authority (“P3 Authority”) has already sent the notification to the shortlisted proponents. He noted that the P3 Authority has received Non-Disclosure Agreements (“NDAs”) from 7 of the 8 proponents. The expectation is to send the RFP to the shortlisted proponents by no later than November 4, 2020.

The advisors indicated that the Legacy Generation Assets Project (the “Project”) will be structured as an Operations and Maintenance Agreement (“O&M Agreement”). The private party will assume all responsibility to manage the assets. The term of the contract will be tied to the useful life of each asset. At the end of the term, the private partner will decommission the assets. The private partner would also be responsible for the fuel procurement.

Omar Marrero asked whether the fuel procurement would be done separately. The advisors indicated that



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proponents have not pushed back on this issue yet. The 8 shortlisted proponents are fully qualified to manage fuel purchases. The advisors explained that, at this stage, it makes sense to keep the fuel procurement part of the RFP.

In terms of the RFP evaluation criteria, compliance with the RFP is very straight forward and very similar to the Transmission and Distribution Project (the "T&D Project"). There will be a mobilization period but not as long as that of the T&D Project. Decommissioning is also a big component of each proponent's skills and capabilities. There will be a recruitment and staffing plan. Financial and operational proposals will be very similar to those of the T&D Project. There will be a management fee and an incentive for decommissioning. There will also be operational proposals, proposed liquidated damages, proposed caps, indemnification, and a proposed target service commencement date.

The advisors indicated that the data room is being finalized. Based on the proposed timeline for the Project, proposals are due on March 2021 and the notification of the selected proponent is expected to occur on May 2021. Qualified respondents will have access to the data room after the issuance of the RFP. The white papers and the financial model will be included in the data room. The contract should be presented by late to mid November 2020.

F. Fontánes asked that comments to the RFP be sent to FTI and Cleary by Monday for their review. A revised version of the RFP will be distributed to the Committee members for their review and approval by referendum.

With no other issues to discuss, the meeting was adjourned at 4:46 p.m. by motion duly made, seconded and approved.

4833-1967-7918v1



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MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
February 12, 2021
11:00 A.M.

Members Present:

Efran Paredes, PREPA
Ralph Kreil, PREPA
Omar Marrero, FAFAA
Edison Avilés, PREB
Gerardo Lorán, FAFAA

Administration:

Fermín Fontánes, P3A
Isis Pérez, P3A
Shylene de Jesús, P3A

Other Attendees:

Marco García, CPM
Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Richard Cooper, Cleary Gottlieb (via videoconference)
Alejandro Figueroa, FOMB
David Owens, PREPA Board of Directors (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 11:38 a.m.

DISCUSSION OF THE DRAFT OF THE OPERATIONS AND MAINTENANCE AGREEMENT
("O&M AGREEMENT")

Fermín Fontánes indicated that the purpose of the meeting was to review the draft of the O&M Agreement. The Partnership Committee (the "Committee") went over the presentation prepared by the advisors. The advisors explained that the RFP was issued on November 10, 2020 and that the data room is currently open for the 8 qualified proponents to review. The target is to publish a draft of the O&M Agreement by early March and give proponents time to provide comments. The advisors recommend that the proponents each provide a presentation on their respective proposals to the Committee in the upcoming months.

The advisors explained that the draft of the O&M Agreement is largely based on the contract for the Transmission and Distribution Project (the "T&D Project") with LUMA Energy, LLC ("LUMA") but



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includes modifications based on the Public-Private Partnerships Authority's ("P3 Authority") experience administering the T&D Project contract with LUMA and to address certain particularities of the generation assets. The Puerto Rico Electric Power Authority ("PREPA") is the owner and will maintain ownership of the generation assets. The P3 Authority will be the administrator of the contract. In addition, there is an option to extend the O&M Agreement at the end of the term if the useful life for the assets is extended and if all parties agree.

The advisors further explained that the O&M Agreement includes events for failures to perform under the contract, which would allow for the termination of the O&M Agreement. To the extent there are force majeure events, the O&M Agreement contains language providing justification to the operator for not performing certain of the obligations of the contract for a period of time, as further provided in the O&M Agreement. The O&M Agreement also includes provisions that cover changes in the PREPA Fiscal Plan, the Integrated Resource Plan ("IRP") and applicable law. The advisors expect a shorter transition period than the one provided for LUMA.

Regarding the budget, the advisors explained that LUMA will be filing the initial budget with the Puerto Rico Energy Bureau ("PREB"), which will include the generation assets. The operator will prepare an O&M Agreement budget that may not exceed what has been established by LUMA and PREB.

With regards to compensation, the operator is guaranteed a fixed fee for the first 5 years. The fee gets adjusted starting on year 6. The operator will be given a fixed budget. If it exceeds the budget, the operator must cover the additional costs. If the operator goes under the budget, the O&M Agreement provides for a sharing mechanism between the operator and PREPA. The operator will pay penalties if it does not meet the budget metrics. The goal is to establish a compensation mechanism that incentivizes the operator to meet the metrics established by PREB.

On labor and employment, the setup of the O&M Agreement is similar to that with LUMA. The operator will interview all the PREPA generation employees and will give priority to these employees in accordance with Act 120-2018.

The advisors also discussed environmental matters provided in the O&M Agreement. They also noted that there is limited ability for the operator to terminate or reduce the contract. If there is a change in law that affects the operator's ability to perform under the O&M Agreement, that would be the only way for the operator to terminate the contract. There are very limited circumstances where PREPA would have to pay the operator a termination fee.

F. Fontánes indicated that the next step will be for the Committee to review and provide comments to the O&M Agreement. The Committee will have one week to provide comments.

With no other issues to discuss, the meeting was adjourned at 12:55 p.m. by motion duly made, seconded and approved.



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MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

March 3, 2021
3:00 P.M.

Members Present:

Efran Paredes, PREPA
Ralph Kreil, PREPA
Omar Marrero, FAFAA
Edison Avilés, PREB
Gerardo Lorán, FAFAA

Administration:

Fermín Fontánes, P3A
Isis Pérez, P3A
Angie González, P3A

Other Attendees:

Marco García, CPM
Ellen Smith, FTI (videoconference)
Frederic Chapados (videoconference)
John Cochrane, FTI (videoconference)
Chantal Kordula, Cleary Gottlieb (videoconference)
Richard Cooper, Cleary Gottlieb (videoconference)
Alejandro Figueroa, FOMB
David Owens, PREPA Board of Directors (videoconference)
Frances Vallejo, FAFAA

QUORUM

Having constituted the necessary quorum, the meeting started at 3:39 p.m.

DISCUSSION OF COMMENTS OF THE PARTNERSHIP COMMITTEE MEMBERS TO THE DRAFT OF THE O&M AGREEMENT

Fermín Fontánes indicated that the purpose of the meeting was to review the comments of the members of the Partnership Committee (the "Committee") to the draft of the Operations and Maintenance Agreement (the "O&M Agreement").



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The advisors stated that there were multiple comments regarding the Puerto Rico Electric Power Authority's ("PREPA") limited oversight over the contract monitoring process. They explained that the O&M Agreement was written to comply with Act 120-2018, as amended ("Act 120"), Act 17-2019, as amended ("Act 17") and the Certified PREPA Fiscal Plan (the "Fiscal Plan"), which envisioned a reduced footprint for PREPA. Accordingly, the Public-Private Partnerships Authority (the "P3 Authority") will provide oversight of the O&M Agreement as its administrator. This is consistent with the comments received from the private sector during the Transmission & Distribution ("T&D") transaction process. Overall supervision will be subject to the Puerto Rico Energy Bureau (the "PREB").

The advisors further explained that the accountability of the legacy generation assets operator (the "Operator") will be structured differently from the T&D agreement. Here, the budget is fixed for the Operator and, if the Operator exceeds the budget, it shall assume such additional costs. Additionally, the O&M Agreement also includes an availability clause and a gradual incentive formula. If the Operator is below the formula, it would have to pay penalties. The O&M Agreement also includes contract standards that the Operator must abide. The Operator will have to pay any fine that results from noncompliance with the contract standards.

Gerardo Lorán asked if there are any requirements in the O&M Agreement for a performance bond or corporate guarantee. The advisors explained that the O&M Agreement contemplates a performance bond to be provided by a credit worthy entity. With regards to the budget, the advisors stated that the 2022 budget will be prepared and filed by LUMA Energy LLC ("LUMA") for the approval of PREB. Going forward, the operator will submit information to LUMA and LUMA will prepare the budget and submit it for approval to PREB. Therefore, the advisors understand that the first three years of the O&M Agreement are essentially fixed from a budgeting perspective.

The advisors believe that bidders will want to operate all legacy generation units. However, if it does not turn out that way, the Committee will consider all the proposals and choose the bidder with the most advantageous proposal for Puerto Rico.

With regards to compensation, the Operator is guaranteed a minimum fixed operation and maintenance fee for the first five years of the O&M Agreement, which is the industry standard. During this period, the Operator will not get paid the decommission fee. As for the incentive fee, its rate has not yet been determined but will be available for bidders to bid on.

The Partnership Committee members also requested clarification on the evaluation process for PREPA employees. The advisors indicated that the O&M Agreement will include a schedule with specific requirements for the interview process that will take place during the first sixty days of the contract term. It should be noted that this term is much shorter than that in the T&D transaction. The advisors indicated they want the O&M Agreement to address what will happen to the employees at the end of the sixty-day term and determine what kind of protections and assurances they will have.



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Ralph Kreil asked about the logistics regarding shutdown maintenance work in the generation plants. The advisors indicated that the bidders will provide a strategy to address this issue, which they expect will include the participation of contractors to assist during the maintenance process.

The O&M Agreement term is ten years, which can be extended. There is flexibility within the O&M Agreement to handle a scenario where some units may be decommissioned while others remain in operation. The bidders participated on a virtual visit to the facilities. The advisors believe that an on-site visit may be needed at some point, just not now.

F. Fontánes indicated that the next step will be to share the approved initial draft of the O&M Agreement with the 8 qualified proponents of the project for comments. The advisors will then discuss the motivation for these comments with each of the proponents.

G. Lorán presented a motion to vote and approve the initial draft of the O&M Agreement. The motion was duly seconded and approved by the Committee.

With no other issues to discuss, the meeting was adjourned at 4:42 p.m. by motion duly made, seconded and approved.

4815-4175-5632v2



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MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

June 21, 2021
9:00 A.M.

Members Present:

Efran Paredes, PREPA
Ralph Kreil, PREPA
Omar Marrero, FAFAA
Edison Avilés, PREB
Gerardo Lorán, FAFAA

Administration:

Fermín Fontánes, P3A
Angie González, P3A
Isis Pérez, P3A

Other Attendees:

Alejandro Figueroa, FOMB
Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Zaida Roshandel, CPM
David Owens, PREPA Board of Directors (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 9:20 a.m.

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontánes explained that the purpose of the meeting was to (a) discuss the status of the discussions between the Public Private Partnerships Authority (the "P3A") and the qualified proponents for the Legacy Generation Assets Project (the "Project").

Fermín Fontánes informed the Partnership Committee (the "Committee") that, during April and May 2021, the P3A held various calls with the proponents to discuss the draft Operation and Maintenance Agreement ("O&M Agreement") mark-ups and issues list. The P3A plans to distribute a revised draft of the O&M Agreement, the baseline evaluation criteria and the Proposal Submission Guidelines for the Project to the qualified proponents in early July, with the expectation of receiving binding proposals in September. After that, another meeting will be held



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to inform the Committee about the information submitted by the qualified proponents. The P3A expects to have additional Committee meetings in September and October, and to issue a notification by the end of October.

Fermín Fontánes further informed the Committee that the management presentation was conducted virtually, and that questions and answers (“Q&A”) sessions are currently being coordinated with each of the qualified proponents. After the Q&A sessions, the P3A expects to conduct site visits during July and August.

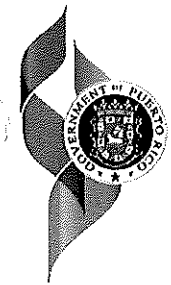
Fermín Fontánes also explained that, upon receiving the proposals, the proponents will make a presentation to the Committee, where the Committee will have an opportunity to engage and hear directly from them and ask questions.

The P3A informed the Committee that it has received comments to the draft O&M Agreement from certain proponents in the form of mark-ups and/or verbal feedback. Based on the feedback received, the proponents can be classified in the following three categories:

- A – proponents who signaled that they are interested in operating all the legacy generation assets;
- B – proponents who only expressed interest in certain legacy generation assets; and
- C – proponents who are no longer interested in participating in the process.

Further, the P3A provided the following summary of proponents’ feedback:

- **NRG** – Clearly interested in operating the entire system. Provided a mark-up and issues list to the draft O&M Agreement.
- **Encanto** - Did not clearly state they are interested in operating all of the legacy generation assets. However, the manner in which they talked about their bid and the O&M Agreement, signaled interested in operating the whole system. They also provided an issues list to the draft O&M Agreement.
- **Ethosenergy** – Have not provided a markup, but signaled they are interested in participating in the process and in operating the whole system.
- **Siemens** – Provided an issues list to the draft O&M Agreement. They have stated that they are only interested in operating San Juan Units 5 & 6. In particular, they stated that references to the Consent Decree (as defined below) in the draft O&M Agreement regarding these 2 units should be removed because they are not subject to the Consent Decree. They suggested the draft O&M Agreement will need revisions to remove references to the Consent Decree.
- **Ecoeléctrica** – Provided mark-up and issues list to the O&M Agreement. They are only interested in operating Costa Sur and Mayagüez.



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- **EGE Haina** - Did not provide a markup or issues list but reached out and sent a letter to the P3A in April indicating they wanted more clarity regarding the Project. They are interested in only operating some assets and would like to have the opportunity to review these assets.
- **NAES** – Indicated that they are no longer interested in the process.
- **ProEnergy** – Indicated that they are no longer interested in the process.

The P3A then proceeded to discuss the structure of the RFP process. Specifically, the P3A discussed whether to allow proponents to submit proposals for certain legacy generation assets only. The P3A indicated that this would represent multiple challenges, including environmental and other operational challenges.

The P3A informed the Committee that some of the legacy generation assets are subject to the 1999 US Department of Justice (“**USDOJ**”) Consent Decree (the “**Consent Decree**”) and that the selected proponent will have to agree to be subject to the terms of the Consent Decree in order to become the operator. If selected proponents are only interested in some of the assets, it will be necessary to split up the Consent Decree. The process to request the USDOJ to split the Consent Decree is a very lengthy one and there is no certainty that it will happen within the timeframe established for the Project. There are portions of the Consent Decree that apply to certain “generation units” but there are other portions that apply to specific “facilities” or “power plants”. In the event there are multiple operators selected, the ability to manage environmental compliance required under the Consent Decree will become more difficult. In addition, there is currently no control or certainty on whether it will be possible to split the Consent Decree.

Concerning the operational challenges of a multiple operators’ scenario, the P3A explained that there would be additional budgeting costs and complexities. Also, there could be stranded assets and complications in fuel delivery logistic, coordination and scheduling, testing and maintenance. Furthermore, multiple operators will require multiple operating agreements between the Puerto Rico Electric Power Authority and its generation subsidiary (GenCo), which could complicate the interfaces and management of the Federal Emergency Management Administration’s funding. In addition, LUMA Energy will have to interface with multiple generation operators. This may create many de-synergies which will add time and costs to the process.

The next stage of the Project is to finalize the revised draft O&M Agreement and send it to the Partnership Committee for approval via referendum. The P3A will communicate proponents that the revised draft O&M Agreement, the evaluation criteria and its weighting will be sent to them early in July.

Fermín Fontanés presented to the Committee a modified Project timeline reflecting the foregoing discussion for its approval. Gerardo Lorán presented a motion to approve the modified timeline. The motion was duly seconded and approved by the Committee.



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MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

October 13, 2021

3:30 p.m.

Members Present:

Efran Paredes, PREPA
Fernando Gil Enseñat, PREPA
Omar Marrero, FAFAA
Edison Avilés, PREB
Gerardo Lorán, FAFAA

Administration:

Fermín Fontánes, P3A
Isis Pérez, P3A
Angie González, P3A
Shylene De Jesús, P3A

Other Attendees:

Wanda I, Benítez, CPM
Ellen Smith, FTI (via teleconference)
John Cochrane, FTI (via teleconference)
Chantal Kordula, Cleary Gottlieb (via teleconference)
Alejandro Figueroa, FOMB
David Owens, PREPA Board of Directors (via teleconference)
Frederic Chapados, Citi (via teleconference)
Joe Iriarte, Citi (via teleconference)
John Gavin, Citi (via teleconference)
Brydne Slattery, Cleary Gottlieb (via teleconference)
Juliette Todd, Cleary Gottlieb (via teleconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 3:50 p.m.

STATUS OF REQUEST FOR PROPOSAL (“RFP”) PROCESS

Ellen Smith went over the proposed timeline for the RFP process and discussed the following upcoming milestones regarding the Legacy Generation Assets Project (the “Project”):

1. Distribution of Baseline Evaluation Criteria – expected to be completed by October 18, 2021;
2. Distribution of submission instructions for binding proposal – expected to be completed by October 18, 2021;



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3. Distribution of Operations and Maintenance Agreement (“O&M Agreement”) forms for binding proposals – expected to be completed by the end of October 2021;
4. Binding Proposal Submission Deadline – expected to be on November 23, 2021;
5. Proponent presentation of binding proposals to the Partnership Committee (the “Committee”) – expected to take place on the week of December 6, 2021; and
6. Notification of Preferred Proponent – expected to be made at the end of December 2021.

Ellen Smith mentioned that EcoEléctrica did not conduct walkthrough site visits. She also explained that some of the potential operators expressed interest in some of the generation plants but not all of them. Based on this interest, the advisors propose to create Legacy Generation Asset “bundles” so that proponents are able to bid on different generation plants. John Cochrane explained the bundle approach as follows:

- 3-Bundle Approach – This bundle was created by splitting up the generation assets into 3 bundles based on geography. This bundle includes assets preferred by EGE Haina and EcoEléctrica.
- 2-Bundle Approach – This one includes splitting up the generation assets into 2 bundles in the northern and southern parts of the island, as a first option, and based on Eco Eléctrica and Haina’s preferences, as a second option.
- Notwithstanding the foregoing, proposers will be asked to bid for the entire system as well.

Efran Paredes expressed concern about the relationship between the integration of renewable energy and the decommissioning of some of the generation assets. Edison Avilés stated that the Project must follow the Integrated Resource Plan regarding the integration of renewable energy and the decommissioning of units.

John Cochrane explained that the scoring of the proposals for this Project will be similar to the scoring of the Transmission and Distribution Project (the “T&D Project”). The technical score and the financial score will each have 50% of the weight. He also explained that some categories of the technical score changed, including mobilization, operations and maintenance services, and decommissioning.

Chantal Kordula indicated that the RFP will be updated to include the bundle approach and the scoring and weighting process discussed in the meeting. Once such changes are made, the Committee may vote to approve the revised RFP via referendum.

DISCUSSION OF O&M AGREEMENT

Chantal Kordula explained that the O&M Agreement is based on the T&D Project documents, which has the benefit of having been previously reviewed by different proponents, including LUMA Energy (“LUMA”). As such, she informed that the proponents are proposing to review the O&M Agreement subject to certain clarifications to avoid similar issues experienced with the T&D Project.

Chantal Kordula then provided a recap of the next steps regarding the Project. She indicated that the Puerto Rico Public-Private Partnerships Authority (“P3A”) and the advisors will meet with proponents on October 19



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and 20, 2021 in Puerto Rico. There is one proponent that could not be in Puerto Rico during those dates, so the P3A will have a Zoom teleconference meeting with this proponent on October 25, 2021. After such meetings, the revised RFP will be submitted to the proponents with the instructions on how to submit their bids. The advisors will be available to answer any questions. A final O&M Agreement will be submitted to the proponents by the end of October and the bid is expected to be due before the Thanksgiving holiday. After the bids are submitted, the Committee will hold meetings with the proponents during the first week of December. The advisors expect the Committee to be ready to select a proponent for the Project by the end of December.

Fermín Fontánes announced that all revised documents will be sent to the Committee members by email. With no other issues to discuss, the meeting was adjourned at 4:46 p.m. by motion duly made, seconded and approved.



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MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
November 9, 2021
9:00 a.m.

Members Present:

Josué Colón, PREPA
Fernando Gil Enseñat, PREPA
Omar Marrero, FAFAA
Edison Avilés, PREB
Gerardo Lorán, FAFAA

Administration:

Fermín Fontánes, P3A
Isis Pérez, P3A
Angie González, P3A
Shylene De Jesús, P3A

Other Attendees:

Wanda I. Benítez, CPM
Ellen Smith, FTI (via teleconference)
Frederic Chapados, Citi (via teleconference)
John Cochrane, FTI (via teleconference)
Chantal Kordula, Cleary Gottlieb (via teleconference)
Alejandro Figueroa, FOMB
David Owens, PREPA Board of Directors (via teleconference)
Joe Iriarte, Citi (via teleconference)
Brydne Slattery, Cleary Gottlieb (via teleconference)
Julliette Todd, Cleary Gottlieb (via teleconference)
Amber Ault, Citi (via teleconference)
Sheila Sterling Torres, P3A (via teleconference)
Amanda Billoch Vázquez, PMA (via teleconference)
Antonio Pietrantoni, PMA (via teleconference)
Manuel Rodríguez, PMA (via teleconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 9:34 a.m.

NEW COMMITTEE MEMBER

Eng. Josué Colón replaced Efran Paredes as a member of the Partnership Committee (the "Committee") in representation of the Puerto Rico Electric Power Authority ("PREPA").



OPERATIONS AND MAINTENANCE AGREEMENT (“O&M AGREEMENT”) DISCUSSION

Ellen Smith explained that in-person meetings were held on October 19, 2021 with the following proponents: EcoEléctrica, NRG & Encanto/NFE. She noted that after such meetings took place, NAES asked to rejoin the bidding process after withdrawing and that EcoEléctrica decided to withdraw from the process. Frederic Chapados indicated that significant milestones related to the Legacy Generation Assets Project (the “Project”), including site visits, meetings with proponents and the distribution of a revised Request for Proposals (“RFP”) have already taken place and discussed the following timeline for next steps:

- Distribution of O&M Agreement – the week of November 8, 2021
- Contract discussions with proponents – the week of November 15, 2021
- Proposal submission deadline – December 9, 2021
- Proponent presentation of binding proposal to Committee – the week of December 13, 2021
- Notification of selected proponent – January 2022

Omar Marrero indicated that he would send Josué Colón the information on the current proponents of the Project for his review and analysis of the proponents’ qualifications.

Chantal Kordula proceeded to discuss the Committee and the advisors’ comments and proposed changes to the O&M Agreement.

- Employment – Josué Colón and David Owens recommended that the O&M Agreement identify critical positions and be clear on the job descriptions that will be offered to employees of the operator. Manuel Rodríguez mentioned that labor laws and the provisions of Act No. 120-2018 protecting basic employee benefits have been considered.
- Communications – The advisors also emphasized the importance of having a Spanish-speaking spokesperson that communicates with employees and the general public regarding the Project.
- Procurement – The advisors also recommended that the procurement manual be submitted by the operator for review and approval by the administrator.
- Invoicing – It was also proposed that the operator submit back up documentation, including relevant confidential information.
- Mobilization – Proponents have asked to bid on this matter, but have also proposed a cap.
- Penalties – There will be a monetary penalty for every 15 days of noncompliance for failure to provide information that has been requested.
- Subcontractor disclosure related to operator affiliates – The O&M Agreement provides that if an operator wants an affiliate to participate in any procurement process, it must provide any information required before engaging the affiliate in the process.
- Commencement Date – The target commencement date will be within 6 months or possibly shorter.

The Committee discussed the importance of coordinating with the Transmission & Distribution operator, establishing an Emergency Response Plan and discussing budget allocations to be included in the O&M Agreement.



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Based on these discussions, Cleary Gottlieb will be making changes to the O&M Agreement and sending the revised document to the Committee. Chantal Kordula indicated that the O&M Agreement must be approved by the Committee by November 12, 2021 to have at least a week ahead before the meetings with the proponents.

With no other issues to discuss, the meeting was adjourned at 11:34 a.m. by motion duly made, seconded and approved.



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MINUTES
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER LEGACY GENERATION SYSTEM
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
JANUARY 27, 2022
8:30 A.M.

Members Present:

Josué Colón, PREPA
Fernando Gil, PREPA Board of Director
Omar Marrero, PR Fiscal Agency and Financial Advisory Authority
Edison Avilés, PR Energy Bureau
Gerardo Lorán, PR Fiscal Agency and Financial Advisory Authority

Administration:

Fermín Fontanés, P3A
Isis Pérez, P3A
Shylene de Jesús, P3A
Sheila Torres, P3A

Other Attendees:

Chantal E. Kordula, CGSH
Brydne Slattery, CGSH
Antonio Pietrantonio, PMA
Manuel Rodríguez, PMA
Fred Chapados, Citigroup
Jorge San Miguel, Ankura
Gerard Gil, Ankura
Alejandro Figueroa, FOMB (via teleconference)
John Cochrane, FTI
Ellen Smith, FTI
Mary C. Zapata, PREPA
Katuska Bolaños, Díaz & Vázquez
David Owens, PREPA Board of Directors (via teleconference)

Quorum

Having constituted the necessary quorum, the meeting started at 9:00 a.m.



Advisors' Initial Reactions to Proposals

The Partnership Committee met with its advisors as well as the FOMB and the FOMB's advisors to discuss their initial reactions to Genera PR's and NAES's proposals. Citigroup, as financial advisor to the FOMB, discussed their initial reactions to the financial proposals of each bidder. FTI, in their capacity as financial advisors to the Partnership Committee, validated Citigroup's financial evaluation of the bidders' proposals. FTI discussed their initial reactions to each proponents' technical proposals and approaches to providing the O&M Services. Then Cleary Gottlieb addressed the legal proposals of each of the proponents. The Partnership Committee discussed with its advisors the questions prepared for the proponents' presentations.

Presentation of NAES to the Partnership Committee

Members of the Partnership Committee expressed their views with respect to the presentation made by NAES. The Partnership Committee discussed (i) the qualifications of NAES, (ii) NAES's approach to transforming the Puerto Rico electric system, and (iii) NAES's previous experience with providing operation and management services for power plants similarly situation to the legacy generation assets. The Partnership Committee then discussed submitting questions for NAES to clarify and provide further detail on certain aspects of their bid.

With no other issues to discuss, the meeting was adjourned at 6:30 p.m. by motion duly made, seconded and approved.



CONFIDENTIAL
DRAFT FOR DISCUSSION PURPOSES

GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTES
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER LEGACY GENERATION SYSTEM
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
JANUARY 28, 2022
9:00 A.M.

Members Present:

Josué Colón, PREPA
Fernando Gil, PREPA Board of Director
Omar Marrero, PR Fiscal Agency and Financial Advisory Authority
Edison Avilés, PR Energy Bureau
Gerardo Lorán, PR Fiscal Agency and Financial Advisory Authority

Administration:

Fermín Fontanés, P3A
Isis Pérez, P3A
Shylene de Jesús, P3A
Sheila Torres, P3A
Angie Gonzalez, P3A
Diego Rivera, P3A

Other Attendees:

Chantal E. Kordula, CGSH
Brydne Slattery, CGSH
Antonio Pietrantonio, PMA
Fred Chapados, Citigroup
Jorge San Miguel, Ankura
Gerard Gil, Ankura
Lucas Porter, Ankura (via teleconference)
John Cochrane, FTI
Ellen Smith, FTI
Mary C. Zapata, PREPA
Katuska Bolaños, Díaz & Vázquez
David Owens, PREPA Board of Directors (via teleconference)



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

Quorum

Having constituted the necessary quorum, the meeting started at 9:45a.m.

Presentation of Genera PR to the Partnership Committee

Members of the Partnership Committee expressed their views with respect to the presentation made by various members of Genera PR's management team. The Partnership Committee Members discussed (i) New Fortress Energy's experience in providing fuel to the San Juan 5 and 6 power generation plants, (ii) gaining further clarity and transparency on the budgets proposed in Genera PR's bid, (iii) New Fortress Energy's previous experience with providing operation and management services for power plants, and (iv) New Fortress Energy's experience in coordinating and supplying fuel for power plants. The Partnership Committee then discussed submitting questions for Genera PR to clarify and provide further detail on certain aspects of their bid.

With no other issues to discuss, the meeting was adjourned at 12:30p.m. by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

March 7, 2022

11:00 A.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontánés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority

Other Attendees:

Alejandro Figueroa, FOMB
David Owens, PREPA Board of Directors (via videoconference)
Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Richard Cooper, Cleary Gottlieb (via videoconference)
Brydne Slattery, Cleary Gottlieb (via videoconference)
John Gavin, Citi (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 11:40 a.m.

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontánés explained that the purpose of the meeting was to (a) discuss the status of the negotiations between the Puerto Rico Public-Private Partnerships Authority (the “P3 Authority”) and the different proponents for the Legacy Generation Assets Project (the “Project”); and, (b) discuss the Partnership Committee’s (the “Committee”) advisors’ evaluation of the technical, financial, legal aspects of the proposals and the markups to the draft Operation and Maintenance Agreement (the “O&M Agreement”) submitted by the proponents.

The P3 Authority informed the Committee that proponents had submitted their definitive proposals on December 22, 2021. On January 11, 2022, the P3 Authority held separate calls with representatives of the proponents to discuss each proposal. Then, on January 27 and January 28, 2022, during the in-person meetings in Puerto Rico, proponents presented and discussed their proposals with the Committee. After that, on February 3, 2022, the Committee and the P3 Authority shared follow-up questions with each proponent regarding the technical, financial and operational aspects of their proposals. The responses to these questions were discussed virtually with each proponent on February 15, 2022.

ADVISORS' EVALUATIONS OF PROPOSALS

The Committee's advisors prepared a presentation regarding their assessment of the proposals received. Ellen Smith discussed FTI's technical assessment; John Cochrane discussed FTI's financial assessment and Richard Cooper provided Cleary Gottlieb's legal assessment as described below:

DISCUSSION OF LEGACY GENERATION PROJECT EVALUATION CRITERIA

Ellen Smith discussed the evaluation criteria and provided the following summary:

- The qualifications, compliance and completeness of the Project Proposals will be evaluated on a pass/fail basis.
- The technical component makes up for 50% of the evaluation weigh. The Operational and financial components make up for the remaining 50% of the evaluation weight.

DISCUSSION OF THE TECHNICAL ASPECTS OF THE PROPOSALS

Ellen Smith informed the Committee that overall, a total of 175 sub elements were evaluated and proceeded to discuss the technical components of each of the proposals received as summarized below:

Mobilization Plan:

- NAES clearly stated their approach to taking over all plants at the same time.
- Genera proposed utilizing PIC Energy's expertise for mobilization.

Approach to O&M Services:

- NAES described engineering-based approaches to operational challenges using their in-house skills.
- Genera proposed an Asset Management Program utilizing PIC Energy.
- NAES has an experienced fuel management partner, Javelin.
- Genera has existing PR on-island fuel experience.

Operator Recruitment & Staffing Plan

- NAES proposed working to establish collaboration with unions.
- Genera discussed specific CBA changes including work rules providing for 12-hour shifts, employment contracts, multi-role job descriptions. All corrective work will be subcontracted.

Approach to Decommissioning and Demobilization:

Both NAES and Genera proposed outsourcing subcontractors for decommissioning work. Both proponents proposed managing demobilization in very similar fashions highlighting ongoing communications with employees and stakeholders.

DISCUSSION OF THE FINANCIAL ASPECTS OF THE PROPOSALS

John Cochrane stated that the financial proposals were discussed in great detail during the meetings held on January 27 and 28, 2022. He explained that NAES proposed a Fixed Service Fee of \$30 million per

Contract Year; adjusted for inflation. Also, NAES envisioned Javelin as its agent taking over the fuel procurement and logistics. NAES also clarified that the proposed parental guarantee would be \$48 million. Genera proposed a Fixed Service Fee of \$54.6 million per Contract Year, for the life of the contract and did not propose a parental guarantee.

DISCUSSION OF THE LEGAL ASPECTS OF THE PROPOSALS AND O&M MARK-UP

Richard Cooper stated that from a contractual perspective, there are a handful of issues with NAES' proposal that, in his opinion, are manageable, the main one being NAES' unwillingness to sign the 1999 Consent Decree. As for the Genera proposal, he explained that their O&M Agreement mark-up was significant, which suggests that negotiations may be more protracted and prolonged, and also appears to allocate greater legal and contractual risk to the Government. Particularly, Genera's proposed treatment of conflict of interest issues may expand the Operator's ability to terminate the O&M Agreement.

RECOMMENDED PATH FORWARD

Ellen Smith discussed the advisors' recommended path forward as summarized below:

1. Request proponents to submit an updated financial proposal incorporating all clarifications, edits, and revisions.
2. Ensure proponents submit a single proposal in which all financial terms match the O&M Agreement mark-up.
3. Request proponents to submit revised mark-ups of the O&M Agreement that reflect the revised financial proposals.
4. Ensure proponents specify explicitly what costs are not covered by the Fixed Fee.
5. Require proponents to specify who will perform the fuel system physical delivery and fuel system O&M activities, including: receiving, testing, delivery to site, oil tank O&M, fuel delivery equipment maintenance, fuel unloading, barge management and any other associated activities.

Omar Marrero requested proponents to submit revised proposals as thoroughly explained by the consultants, including, updating the staffing, recruitment and demobilization plan sections by March 17, 2022, by motion duly made, seconded and approved.

With no other issues to discuss, the meeting was adjourned at 1:35 p.m. by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

May 4th, 2022

1:00 P.M.

Members Present:

Omar Marrero, FAFAA (via videoconference)
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA
Alejandro Figueroa, FOMB

Administration:

Fermín Fontánés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority

Other Attendees:

David Owens, PREPA Board of Directors (via videoconference)
Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
RJ Arsenault, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Richard Cooper, Cleary Gottlieb (via videoconference)
Nicholas Koeppen, Cleary Gottlieb (via videoconference)
Juliette Todd, Cleary Gottlieb (via videoconference)
Fred Chapados, Citi (via videoconference)
John Gavin, Citi (via videoconference)
Amber Ault, Citi (via videoconference)
Sen Sandip, Citi (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 1:44 PM

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontánés explained that the purpose of the meeting was to (a) discuss the status of the process between the Puerto Rico Public-Private Partnerships Authority (the "P3 Authority") and the different proponents for the Legacy Generation Assets Project (the "Project"); and, (b) discuss the Partnership

Committee’s (the “Committee”) advisors’ evaluation of the updated markups to the draft Operation and Maintenance Agreement (the “O&M Agreement”) submitted by the proponents on April 22, 2022.

The P3 Authority informed the Committee that in-person discussions had been held with proponents on April 19, 2022. The next day, proponents were requested additional information. The responses to these requests were received on April 22, 2022.

ADVISORS’ EVALUATIONS OF THE UPDATED PROPOSALS

The Committee’s advisors prepared a presentation regarding their assessment of the updated proposals. Ellen Smith discussed FTI’s technical assessment. She explained that although NAES provided supporting details to their submittal, their score remained the same. She informed that Genera addresses several remaining gaps in their proposal, which translated into a moderately favorable impact to its initial scoring. John Cochrane discussed FTI’s financial assessment. He explained that the updated proposals did not address any financial issues, therefore the scoring remained unchanged. Chantal Kordula provided Cleary Gottlieb’s legal assessment. She explained that the revised mark-up of the O&M Agreement that NAES submitted addressed certain items and proposed compromises as discussed on April 19, 2022. The main issue with NAES’ proposal continues to be their unwillingness to sign PREPA’s Consent Decree, and the fact that Itochu, NAES’ parent company, has not approved the transaction. As for the Genera updated proposal, she explained they addressed most items discussed in the in-person negotiations held on April 19, 2022. However, there still remains uncertainty surrounding the probable conflict of interest situation that may arise regarding San Juan 5 and 6 and their parent company’s existing operations there which may need to be addressed.

The Committee instructed the P3 Authority to notify Genera of the concerns regarding the handling of Organizational Conflict of Interest (“OCI”) that may arise as a result of New Fortress Energy’s operation of San Juan 5 and 6 and other potential future contracts for the sale of natural gas and requested a OCI Avoidance and Mitigation Plan to be incorporated into its draft Procurement Manual. They also directed the P3 Authority to get clarity from NAES regarding Itochu’s approval of the transaction.

With no other issues to discuss, the meeting was adjourned at 1:10 p.m. by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
May 24th, 2022
4:00 P.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA
Alejandro Figueroa, FOMB

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Diego Rivera, P3 Authority
Sheila Torres-Sterling, P3 Authority

Other Attendees:

Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
RJ Arsenault, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Richard Cooper, Cleary Gottlieb (via videoconference)
Nicholas Koeppen, Cleary Gottlieb (via videoconference)
Juliette Todd, Cleary Gottlieb (via videoconference)
Fred Chapados, Citi (via videoconference)
John Gavin, Citi (via videoconference)
Amber Ault, Citi (via videoconference)
Sen Sandip, Citi (via videoconference)
David Owens, PREPA Board of Directors

QUORUM

Having constituted the necessary quorum, the meeting started at 4:30 PM

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontanés explained that the purpose of the meeting was to discuss the status of the process between the Puerto Rico Public-Private Partnerships Authority (the “P3 Authority”) and the different proponents for the Legacy Generation Assets Project (the “Project”); and, (b) discuss the Partnership Committee’s (the

“Committee”) advisors’ evaluation of the updated markups to the draft Operation and Maintenance Agreement (the “O&M Agreement”) received on May 20, 2022 and May 24, 2022.

ADVISORS’ EVALUATIONS OF THE REVISED PROPOSALS

The Committee’s advisors prepared a presentation regarding their assessment of the updated proposals. John Cochrane from FTI explained that there were no significant changes to the financial scoring. Ellen Smith from FTI noted that there were no changes in the technical aspect of the submittals therefore FTI’s technical assessment remained the same.

Chantal Kordula provided Cleary Gottlieb’s legal assessment. She explained that, although NAES submitted a mark-up of the O&M Agreement that addressed some of the issues present in its earlier drafts, the main issues continue unresolved. Primarily, Itochu, NAES’ parent company had yet to approve the transaction and NAES remained unwilling to sign PREPA’s Consent Decree. Regarding the Consent Decree, NAES did agree to abide by its requirements and is prepared to support discussions with the Environmental Protection Agency and U.S. Department of Justice. Additionally, she discussed issues regarding Labor Costs, Employment Offers, Hiring Critical Employees, Limitation of Liability and Responsibility for Decommissioning Costs. She also explained issues pertaining to Account Funding Default, Reserve Account Default and Minimum Performance Default.

As for Genera, Chantal Kordula explained that Genera’s May 20, 2022, revised mark-up of the O&M Agreement addressed the majority of the critical issues that remained from its earlier drafts. She discussed issues related to Fuel Costs Savings, Procurement Manual, Costs and Expenses above Budget, Timing and execution of the GGHOA, Service Commencement Date Conditions Precedent, Limitation of Liability, Insurances and Public Information Disclosures. She also discussed in depth Genera’s proposed OCI avoidance and mitigation policy which was submitted by Genera in response to the Committee’s request.

The Committee further discussed issues related to Environmental Policy and Compliance, Conflicts of Interests and technical and financial capabilities to ensure the Legacy Generation Assets are operated and managed in a safe and efficient manner. Omar Marrero moved to select the preferred proponent and start direct negotiations. It was explained that in order to select the preferred proponent, the Committee needs to fill out the evaluation sheets. The evaluation sheets were provided to each member of the Committee which were asked to turn in the completed sheets by no later than May 27.

With no other issues to discuss, the meeting was adjourned at 5:58 p.m. by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

June 24th, 2022

11:30 A.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Sheila Torres-Sterling, P3 Authority

Other Attendees:

Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
RJ Arsenault, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Richard Cooper, Cleary Gottlieb (via videoconference)
Nicholas Koeppen, Cleary Gottlieb (via videoconference)
Juliette Todd, Cleary Gottlieb (via videoconference)
Amanda Mitchell, Cleary Gottlieb (via videoconference)
Fred Chapados, Citi (via videoconference)
John Gavin, Citi (via videoconference)
Amanda Billoch, PMA (via videoconference)
Manuel Rodriguez, PMA (via videoconference)
Antonio Pietrantoni, PMA (via videoconference)
David Owens, PREPA Board of Directors (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 12:15 PM

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontanés explained that the purpose of the meeting was to discuss the status of the process between the Puerto Rico Public-Private Partnerships Authority (the “P3 Authority”) and the Preferred Proponent for the Legacy Generation Assets Project (the “Project”); and, (b) discuss the Partnership Committee’s (the

“Committee”) comments on the draft Operation and Maintenance Agreement (the “O&M Agreement”) received on May 20, 2022 including the comments submitted by Genera.

UPDATE ON THE STATUS OF THE O&M AGREEMENT

The Committee’s advisors prepared a presentation summarizing the RFP process, the selection of the Preferred Proponent, the negotiation of the O&M Agreement and the Committee’s comments to the O&M Agreement.

Chantal Kordula from Cleary Gottlieb’s explained that pursuant to the Committee’s permission to enter into negotiations with Genera as Preferred Proponent, the latest draft of the O&M Agreement was shared with the Committee in order to get approval to negotiate on the basis of said Agreement. One of the members of the Committee had questions and comments regarding Offers of Employment, the State Implementation Plan and penalties for environmental liability. The three items were discussed in depth with the Committee.

The Committee authorized the P3 Authority to have in person negotiations with Genera during the month of July.

With no other issues to discuss, the meeting was adjourned at 1:07 PM by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

August 15, 2022
10:30 A.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority
Diego Rivera, P3 Authority

Other Attendees:

Alejandro Figueroa, FOMB (via videoconference)
David Owens, PREPA Board of Directors (via videoconference)
Ellen Smith, FTI (via videoconference)
John Cochran, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Amanda Mitchell, Cleary Gottlieb (via videoconference)
Fred Chapados, Citi (via videoconference)
John Gavin, Citi (via videoconference)
Amanda Billoch, PMA (via videoconference)
Manuel Rodríguez, PMA (via videoconference)
Antonio Pietrantonì, PMA (via videoconference)

Members Absent:

Josué Colón, PREPA

QUORUM

Not having constituted the necessary quorum, the informative meeting started at 11:06 AM.

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontanés explained that the purpose of the meeting was to discuss the status of the negotiations of the O&M Agreement with Genera as Preferred Proponent.

UPDATE ON THE STATUS OF THE O&M AGREEMENT

The Partnership Committee's ("Committee") advisors began the discussion summarizing the RFP process, the selection of the Preferred Proponent and the negotiation of the O&M Agreement.

Chantal Kordula from Cleary Gottlieb explained that, as authorized by the Committee, in person negotiations were held between Genera (or "Operator"), the Committee's advisors and the P3 Authority on July 12 & 13, 2022. During the negotiations, the Government was able to ensure that the Operator was required to offer employment to all full-time plant employees who were employed and in good standing as of June 30, 2022. Further, and pursuant to the Committee's concerns, the State Implementation Plan ("SIP") would now be specifically referenced in the definition of Environmental Law to make clear that the Operator must comply or face penalties for Environmental Noncompliance. She also explained that the Operator would have to submit a Fuel Optimization Plan that details all the savings expected. This plan would have to be submitted to the Puerto Rico Energy Bureau for review and approval. Additional items that were negotiated related to the *PREPA, GenCo, HydroCo Operating Agreement*, Employment Offers, Service Fees, Fuel Savings, Conditions Precedent, Tax Decree and Joinders were also discussed.

Chantal Kordula expressed that having resolved all the open issues, the O&M Agreement was ready to be shared with the Committee for their final approval.

After finalizing the negotiations dialogue, the Committee discussed details related to the Approval Process, PIC Group, Mobilization Plan, Cost Benefits, Tax Opinion, Useful Life Study and Conflict of Interests.

With no other issues to discuss, the meeting was adjourned at 12:36 PM.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

August 25, 2022
1:00 P.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority
Diego Rivera, P3 Authority
Angie González, P3 Authority

Other Attendees:

Alejandro Figueroa, FOMB
Ellen Smith, FTI (via videoconference)
John Cochrane, FTI (via videoconference)
Chantal Kordula, Cleary Gottlieb (via videoconference)
Richard Cooper, Cleary Gottlieb (via videoconference)
Juliette Todd, Cleary Gottlieb (via videoconference)
Amanda Mitchell, Cleary Gottlieb (via videoconference)
Fred Chapados, Citi (via videoconference)
John Gavin, Citi (via videoconference)
Amber Ault, Citi (via videoconference)
Amanda Billoch, PMA (via videoconference)
Antonio Pietrantoni, PMA (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 1:55 P.M.

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontanés explained that the purpose of the meeting was to discuss the O&M Agreement as negotiated with Genera as Preferred Proponent and to seek its approval.

UPDATE ON THE STATUS OF THE O&M AGREEMENT

The Partnership Committee's ("Committee") advisors began the discussion summarizing the RFP process, the selection of the Preferred Proponent and the negotiation of the O&M Agreement.

Ellen Smith from FTI Consulting opened the meeting by explaining the benefits of a third-party generation operator. She started by mentioning the current situation, and how poorly and unreliable the generation plants are. She explained that third-party operators have been used successfully in the industry since 1980 to reduce plant down time and optimize generating efficiency. She underscored the fact that services under the O&M Agreement include: (i) safety and compliance programs; (ii) maintenance and operations programs; (iii) plant management; (iv) technical support; (v) training; (vi) procedure writing; (vii) and improved performance, among others. She explained that maintaining plant performance will improve output, efficiency, availability and reliability and that forced outages will be minimized while managing planned and unplanned outages. She also discussed PIC Group, Inc. ("PIC"), Genera's subcontractor. She highlighted that PIC has significant experience in operating, managing, and maintaining generation plants, including in Puerto Rico, and has developed dedicated tools, equipment, system, processes, and personnel to do so.

John Cochrane, from FTI Consulting, discussed the financial and economic benefits of the O&M Agreement. He explained that: (i) the fixed fee will be reduced after year five (5) to reflect decommissioned plants, declining for the remainder of the ten (10) year term; (ii) incentives and penalties are based on O&M budget savings, fuel savings, decommissioning budget savings, availability of plants, safety performance and environmental performance; (iii) Savings are shared 50/50 between Genera and Puerto Rico ratepayers; and, (iv) the maximum annual incentive compensation is capped and will also decline with the decommissioning of plants. He also discussed in detail Genera's estimated O&M savings.

Since Josué Colón was not present at the August 15, 2022 meeting in which the O&M negotiations were discussed, Chantal Kordula, from Cleary Gottlieb gave a detailed explanation of all the items that had been discussed in said meeting for his benefit. Since one of the members was not present during the meeting held on August 15, 2022, the necessary quorum was not constituted, and the meeting became an informative meeting.

Having thoroughly discussed and answered all questions regarding the discussion had during the August 15, 2022 informative meeting, Chantal Kordula explained that the O&M Agreement was revised to specifically address what Josue Colon had raised as matters of concern, to wit: (i) require the Operator to offer employment to all full-time plant Owner Employees who were employed and in good standing as of June 30, 2022. As for all other Owner Employees, Operator must give priority in hiring to any such Owner Employee who meets Operator's stated requirements for employment over other equally qualified applicants for the same job category; (ii) reference the State Implementation Plan ("SIP") in the definition of Environmental Law to make clear that the Operator must comply or face penalties for Environmental Noncompliance thereto; also, to (iii) require the Operator to submit to the Puerto Rico Energy Bureau ("PREB") and to Administrator a Fuel Optimization Plan that details the Fuel Cost Savings Initiatives, expected methods and estimated fuel savings to be achieved during the Term of the Agreement; (iv) provide that, as a condition precedent, Operator must have executed the joinder agreement to the *PREPA, GenCo, HydroCo Operating Agreement* and agreed to the System Operation Principles, and the Agreed Operating Procedures attached thereto; and, (v) reflect that Operator, rather than Administrator, has the right to waive the obligation to have the Tax Decree in place, with the caveat that Operator must be eligible to receive

such tax decree and have provided all required information for such decree to the applicable Governmental Body.

Following the in-depth negotiations dialogue, the Committee discussed details related to the Useful Life Study, Phase I Report, and the Approval Process. The Committee also discussed the process that Operator must comply in order to retain Material Subcontractors, which requires prior Administrator's approval.

After resolving all open issues, clarifying all questions and with no items to discuss, the Partnership Committee voted unanimously to approve the General O&M Agreement and recommend to the P3 Authority Board that General be selected to execute the O&M Agreement for the Puerto Rico Electric Power Legacy Generation Assets Project.

With no other issues to discuss, the meeting was adjourned at 3:25 PM, by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
September 30, 2022
2:00 P.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority
Angie González, P3 Authority

Members Absent:

Josué Colón, PREPA

QUORUM

Not having constituted the necessary quorum, the informative meeting started at 2:25 P.M

DISCUSSION

Fermín Fontanés explained that the purpose of the meeting was to discuss the Partnership Committee's comments on the Partnership Committee Report ("Report") and the Partnership Committee Meeting Minutes ("Minutes").

The Members of the Partnership Committee ("Members") proceeded to discuss their comments to the Minutes. Once the Minutes conversation finalized, the Committee conversed about the Report. Each Member present provided the P3 Authority their comments to the Report and the Minutes. The Committee decided that the Report and the Minutes should be approved during the next meeting.

With no other issues to discuss, the meeting was adjourned at 4:18 P.M.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
October 4, 2022
2:30 P.M.

Members Present:

Omar Marrero, FAFAA (via teleconference)
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontanés, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority
Angie González, P3 Authority

QUORUM

Having constituted the necessary quorum, the meeting started at 2:34 PM

DISCUSSION

Fermín Fontanés explained that the purpose of the meeting was to discuss and approve the Partnership Committee Report (“Report”) and the Partnership Committee Meeting Minutes (“Minutes”).

For the benefit of Josué Colón, the Partnership Committee Members (“Members”) gave a detailed summary of the discussion held on September 30, 2022. Mr. Colón proceeded to share his comments on the Report and the Minutes. Mr. Colón committed to sharing with the P3 Authority additional written comments to the Report by Friday, October 7, 2022. The Partnership Committee decided that the Report and Minutes should be approved in an upcoming meeting, after the P3 Authority was able to incorporate Mr. Colón’s suggestions.

With no other issues to discuss, the meeting was adjourned at 3:56 p.m. by motion duly made, seconded and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
October 17, 2022
5:00 P.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority
Angie González, P3 Authority

QUORUM

Having constituted the necessary quorum, the meeting started at 5:45 PM

DISCUSSION

Fermín Fontanés explained that the purpose of the meeting was to discuss and approve the Partnership Committee Report (“Report”) and the Partnership Committee Meeting Minutes (“Minutes”). He expressed that this was the third meeting the Partnership Committee (“Committee”) has held on this topic.

After summarizing the last two (2) meetings, the P3 Authority confirmed that they were in receipt of Mr. Colón’s written comments and that all pertinent and applicable comments and suggestions were incorporated into the Report.

The P3 Authority proceeded to give each member of the Committee the revised Report and Minutes.¹ Each member reviewed the Report and Minutes and expressed that their comments and suggestions were fully addressed. After the Committee expressed their full agreement, they proceeded to unanimously approve both the Report and Minutes.

With no other issue to discuss, the meeting was adjourned at 6:43 p.m. by motion duly made, seconded and approved.

¹ For ease of review, all changes to the Report and the Minutes were incorporated using “track changes”.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
November 9, 2022
12:00 P.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontanés, P3 Authority
Isis Pérez, P3 Authority
Shylene De Jesús, P3 Authority
Diego Rivera, P3 Authority
Angie González, P3 Authority

Other Attendees:

Richard Cooper, Cleary Gottlieb (via videoconference)
Juliette Todd, Cleary Gottlieb (via videoconference)
Amanda Mitchell, Cleary Gottlieb (via videoconference)
Belen Pironi (via videoconference)

QUORUM

Having constituted the necessary quorum, the meeting started at 1:09 P.M.

DISCUSSION OF LEGACY GENERATION PROJECT STATUS

Fermín Fontanés explained that the purpose of the meeting was to discuss the comments to the O&M Agreement that the Puerto Rico Energy Bureau (“PREB”) has shared.

UPDATE ON THE STATUS OF THE O&M AGREEMENT

The Partnership Committee’s (“Committee”) advisors began the discussion summarizing the RFP process, the selection of the Preferred Proponent and the negotiation of the O&M Agreement.

Belen Pironi, from Cleary Gottlieb, provided a breakdown of all the comments that the PREB has shared about the O&M Agreement . The specific areas of the comments discussed were:

1. Events of Default
2. Penalties
3. Liability
4. Disallowed Costs
5. Force Majeure Events
6. Completion of Decommissioning Services
7. PREB Notice, Review and Approval Rights
8. Procurement Manual
9. Annual Performance Test
10. Capital Improvements
11. Remedial Actions
12. Notification of Incidents and Emergencies
13. Energy Policy
14. PREB Regulatory Charge
15. Decommissioning Plan
16. Facility Contracts

Following the explanation of the comments presented by PREB, the Cleary Gottlieb team proceeded to answer any questions that the Partnership Committee Members had regarding material comments about the O&M Agreement.

Belen Pironi proceeded to discuss with the Partnership Committee the next steps of the procurement process as required by current laws and regulations.

With no further questions regarding the comments made by PREB, Omar Marrero presented a motion to approve the O&M Agreement for subsequent submissions, the motion was duly seconded by Gerardo Lorán, and approved without opposition.

Following the approval of the O&M Agreement, Omar Marrero presented a motion to approve the minutes of the three previous Partnership Committee Meetings (September 30, October 4 and October 17), the motion was duly seconded by Gerardo Lorán and approved without opposition.

With no other issues to discuss, the meeting was adjourned at 2:25 PM, by motion duly made, seconded, and approved.



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

MINUTE
PARTNERSHIP COMMITTEE
PUERTO RICO ELECTRIC POWER AUTHORITY LEGACY ASSETS
PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
January 24, 2023
9:00 A.M.

Members Present:

Omar Marrero, FAFAA
Gerardo Lorán, FAFAA
Edison Avilés, PREB
Fernando Gil Enseñat, PREPA
Josué Colón, PREPA

Administration:

Fermín Fontanés, P3 Authority
Shylene De Jesús, P3 Authority
Sheila Torres-Sterling, P3 Authority
Angie González, P3 Authority
Diego Rivera Alfaro, P3 Authority

QUORUM

Having constituted the necessary quorum, the meeting started at 9:56 AM.

PROPOSERS' CONFIDENTIALITY REQUESTS

Fermín Fontanés explained that the first topic of the meeting is the discussion of the confidentiality requests made by Genera and NAES during the procurement process for the evaluation and selection of and negotiation of the Partnership Agreement. Mr. Fontanés explains that Act. 29-2009 contains provisions mandating the confidentiality of the procurement process until the approval of the public-private partnership transaction by the Governor and execution of the partnership agreement with the preferred proponent. He adds that the procurement record becomes public once the Partnership Agreement is signed but that Act 29 includes provisions allowing proponents to petition that certain material remain confidential even after that event. Mr. Fontanés makes reference to the language in Section 9 (i) of Act 29 which provides, in relevant, that the information regarding the procurement process, as well as the information submitted by the proponents shall be disclosed upon approval of the Partnership Contract by the Governor or the executive official onto whom he/she delegates, except for such information which constitutes (1) a trade secret, (2) proprietary information or (3) privileged or confidential information of either

the Proponents who participated or the Authority. He adds that the referenced Section of Act 29 provides that “In cases in which there is the intent to have any information considered as a trade secret or as privileged information, Proponents must identify and mark such information in their proposals as “confidential,” and shall present a request together with the proposal in order for the Partnership Committee to make a determination of confidentiality”, adding that “Once the Partnership Committee determines that such information meets the criteria of this Section, such information shall be deemed to be confidential under the provisions of Act 29 and such special laws which protect trade secrets and proprietary, privileged or confidential information, and such information may not be disclosed to other Proponents or to third parties....”

Mr. Fontanés presents the confidentiality petitions filed by Genera and NAES in connection with the information and material they submitted to the Authority throughout the process and explains that it has been the Authority’s practice to concede confidentiality requests, as presented by the Proponents for various reasons: First, it shields the Partnership Committee and the Authority from the liability that would arise in the event the Authority decided to disclose information subject to a confidentiality claim, adding that there is always the risk that the Proponent (owner of the trade secret or confidential information) could sue the Authority for unauthorized disclosure of the information. Second, by acknowledging a Proponent’s confidentiality request, the Authority’s credibility in the market is preserved as we give that confidence to the market that the Authority and the Partnership Committee respect information that the Proponent deems to be confidential. Lastly, Mr. Fontanés adds that such course of action also provides for uniformity in all the public private partnership procurement processes and that nothing precludes a third party interested in certain information classified as confidential by a Proponent from demanding the information directly from that Proponent.

Omar Marrero briefly summarizes the topics covered by the confidentiality requests made by the proponents, covering pricing and fee information; plants managed by the Proponent, and other financial information.

Josué Colón presented a motion to, pursuant to applicable law, grant the confidentiality requests made by Genera and NAES, as presented. The motion was duly seconded by Fernando Gil and approved without opposition.

APPROVAL OF MINUTE OF PC MEETING OF NOVEMBER 9, 2022

Gerardo Lorán presented a motion to approve the minute of the previous Partnership Committee Meeting, held on November 9, 2022. The motion was duly seconded by Omar Marrero and approved without opposition.

After a brief recess, the members of the Partnership Committee were presented with a draft of the minute of the instant meeting for review and approval. Following the review of the draft minute, Fernando Gil presented a motion to approve the minute of the instant meeting. The motion was duly seconded by Omar Marrero and approved without opposition.

With no other issues to discuss, the meeting was adjourned at 10:44 AM, by motion duly made, seconded, and approved.