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Executive Director

BY ELECTRONIC MAIL

November 26, 2024

Mr. Juan Rogers
Chief Procurement and Supply Chain Officer
LUMA Energy ServCo, LLC

Re: Tranche 1 Design and Build Point of Interconnection Facilities

Dear Mr. Rogers,

In accordance with the Contract Review Policy (the “Policy”) of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed contract between LUMA Energy ServCo, LLC (“LUMA”), as agent to the Puerto Rico Electric Power Authority, on one side, and (i) LINXON US LLC (the “Prime Contractor”), and (ii) ATKINSREALIS CARIBE LLP (the “Engineer”) on the other side (collectively the “Contractors”) (the “Proposed Contract”).

After reviewing the Proposed Contract, the Oversight Board concludes “Approved with Observations.” Observations related to the Proposed Contract are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Contract with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Contract must be submitted to the Oversight Board for review and approval **prior to execution**.

Date: 11/26/2024

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Recipient: Mr. Rogers

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to LUMA and solely with respect to the Proposed Contract.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jaime A. El Koury', with a stylized flourish at the end.

Jaime A. El Koury
General Counsel

APPENDIX A

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LUMA – LINXON US LLC / ATKINSREALIS CARIBE LLP

Fiscal Plan Alignment

This review covers the Proposed Contract between LUMA and the Contractors, which stems from the same competitive procurement process issued on March 15, 2023 to procure, develop, finance, permit, construct, install, test, and commission the PREPA Interconnection Facilities Works for the Tranche 1 Power Purchase and Operating Agreements (the “Tranche 1 PPOAs”).

The Tranche 1 PPOAs, which have an aggregate capacity of 830 MW in photovoltaic renewable energy generation, were approved with conditions by the Oversight Board on September 14, 2023.¹ The Proposed Contract contemplates the interconnection of Tranche 1 Power Purchase and Operating Agreements, as amended, by and between the Puerto Rico Electric Power Authority (“PREPA”) and 1) Ciro Two Salinas, LLC, 2) Guayama Solar Energy LLC, 3) Convergent Coamo Energy Storage 1 LLC, 4) Clean Flexible LLC (party to two Tranche 1 PPOAs), 5) CS-UR Juncos PV LLC, 6) Go Green USA America Corp., 7) Solaner Puerto Rico One, LLC, 8) Tetris Power LLC, 9) Pattern Barceloneta Solar LLC, 10) YFN Yabucoa Solar LLC (together, the “Resource Providers”) (the “Amendments”) for renewable energy generation.

Under the Proposed Contact, the Prime Contractor shall oversee the project management and coordination for all projects, which includes managing product inputs, providing product inputs to engineering partners, managing the full supply chain and logistics, planning activities such as cutovers and outages, managing all construction aspects, safety, quality, and managing on-site contractors. The Engineer shall be responsible for designing and managing the engineering phase, providing the “Issued for Construction” drawings package, and managing any revisions or modifications of the drawings during construction. Within 10 business days of the date of execution, the Engineer must submit to LUMA and the Project Management Coordinator,² if applicable, a detailed services schedule³ indicating the completion dates for the engineering and design services.

The Proposed Contract has a maximum payable amount of **\$128,024,523** and a term lasting up to **18 months** from its date of execution, with the option to extend upon written agreement. We remind LUMA that any extensions to the Proposed Contract must be submitted to the Oversight Board for review and approval prior to execution in accordance with the Policy. It also includes a warranty period that shall last from the date of execution up to two years following the date of substantial completion or such longer period as may be required by law.

¹ The Oversight Board approved each of the Tranche 1 PPOAs conditioned upon their resubmission to the Puerto Rico Energy Bureau (“PREB”) for approval and resubmission to the Oversight Board after the PREB’s approval and prior to execution.

² Under Article 5(c) of the Proposed Contract, LUMA may, at any time and from time to time, appoint a Project Management Coordinator to support LUMA in (i) the coordination of the work and (ii) with respect to the performance of LUMA’s obligations under the Proposed Contract.

³ The Engineering Services Schedule Form is incorporated into the Proposed Contract as Attachment 1 to Exhibit B-1.

APPENDIX A

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Pursuant to the Proposed Contract, PREPA shall own and have responsibility for the safe and adequate operation and maintenance of the Interconnection Facilities upon final acceptance, as defined therein.

According to the information submitted by LUMA, the Proposed Contract shall be covered entirely from private developer contributions due under the interconnection agreement between the Developer and LUMA, plus amounts charged to the ratepayer under the Power Purchase Cost Adjustment rider which has been duly authorized by PREB. Specifically, PREB, in its Resolution and Orders dated April 4, 2023 and September 15, 2023, stated that discrepancies between the initial interconnection cost estimates provided by LUMA and the final costs will not be borne by the Tranche 1 proponents. Instead, these costs shall be recovered through adjustments to the Power Purchase Charge Adjustment, following PREB's review and approval. LUMA has certified that these funds are allocated in **Account No. 03-1071-T0213-550-340 14N000280000**. As such, the Oversight Board's review indicates that LUMA has sufficient budgeted funds in Fiscal Year 2025 to cover the cost of the Proposed Contract as of the date of this letter.

This determination does not consider the extent to which total available funds will be subsequently encumbered by LUMA throughout the Proposed Contracts' terms. Consequently, we rely on LUMA's budget certification for the purposes of this review. In the event that the Proposed Contract causes LUMA to exceed its budget, it must find savings in other areas to cover any overspent amounts and submit a budget reprogramming request in order to ensure compliance with the Certified Fiscal Year 2025 PREPA Budget.

LUMA is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A to the Policy (Contract Submission Questionnaire) and to request a re-review of the Proposed Contract should any changes occur.

Insofar as the Proposed Contract will be funded with future certified budgets, LUMA must ensure that such budgets incorporate all costs related to the Proposed Contract.

This review was conducted on the basis of information submitted by LUMA. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.