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### **BY ELECTRONIC MAIL**

May 7, 2025

Mr. Lionel Santa Crispín  
General Counsel  
Puerto Rico Electric Power Authority

**Re: Solar Project San Juan, LLC; Marisol Power, LLC; CS-UR Vega Baja ST, LLC**

Dear Mr. Santa Crispín,

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: (i) the proposed Power Purchase and Operating Agreements between the Puerto Rico Electric Power Authority (“PREPA”) and each of Solar Project San Juan, LLC and Marisol Power, LLC; and (ii) the Energy Storage Services Agreement between PREPA and CS-UR Vega Baja ST, LLC (each a “Proposed Contract” and jointly, the “Proposed Contracts”).

After reviewing the Proposed Contracts, the Oversight Board concludes “Approved with **Conditions**.” Conditions and observations related to the Proposed Contracts are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Contracts 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

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**Recipient:** Mr. Santa Crispín

under the applicable contract. Any material changes to the Proposed Contracts must be submitted to the Oversight Board for review and approval **prior to execution**.

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 the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to PREPA and solely with respect to the Proposed Contracts.

Sincerely,



Jaime A. El Koury  
General Counsel

## APPENDIX A

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### PREPA – TRANCHE 2 RESOURCE PROVIDERS

#### Fiscal Plan Alignment

This review covers the Proposed Contracts between PREPA and Solar Project San Juan, LLC; Marisol Power, LLC; and CS-UR Vega Baja ST, LLC (jointly, the “Resource Providers”), which stem from the Tranche 2 Request for Proposals No. NEPR-0001 issued by the Puerto Rico Energy Bureau (“PREB”) on September 28, 2022.<sup>1</sup>

#### **1. Solar Project San Juan, LLC**

Pursuant to the Proposed Contract, the Resource Provider shall develop and construct a photovoltaic solar energy generation facility with an expected capability of 20 MW. The Proposed Contract has a maximum payable amount of **\$110,375,000** and a **20-year term** from its date of execution, with two consecutive 5-year allowable extensions upon PREB’s approval. We remind PREPA 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.

#### **2. Marisol Power, LLC**

Pursuant to the Proposed Contract, the Resource Provider shall develop and construct a photovoltaic solar energy generation facility with an expected capability of 40 MW. The Proposed Contract has a maximum payable amount of **\$256,952,111** and a **25-year term** from its date of execution, with two consecutive 5-year allowable extensions upon PREB’s approval. We remind PREPA 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.

#### **3. CS-UR Vega Baja ST, LLC**

Pursuant to the Proposed Contract, the Resource Provider shall develop and construct a 60 MW (240 MWh or equivalent) energy storage facility. The Proposed Contract has a maximum payable amount of **\$387,360,000** and a **20-year term** from its date of execution, with two consecutive 5-year allowable extensions upon PREB’s approval. We remind PREPA 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.

PREPA has certified that (i) the Proposed Contracts constitute a pass-through expenditure with no budgetary impact, and (ii) that the funds to pay for the Proposed Contracts are unrestricted, unobligated and available without future encumbrances or restrictions, and will not be obligated except for the payment of the Proposed Contracts. The Proposed Contracts shall be covered entirely with funds allocated in **Account No. 01-4042-54710-050-668-000**.

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<sup>1</sup> PREPA conducted the Tranche 2 procurement process in accordance with Resolution and Order dated October 29, 2021 issued by PREB, which required an independent coordinator (PREB-IC).

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

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

PREPA 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 Contracts should any changes occur.

Finally, the Oversight Board understands that the U.S. Department of Energy's Loan Programs Office ("LPO"), which is tasked with supporting the deployment of clean energy projects, could play a significant role in the financing of the Proposed Contracts. Accordingly, the Oversight Board **approves the Proposed Contracts subject to the following conditions:**<sup>2</sup>

1. The Resource Providers must apply for LPO financing and submit to the Oversight Board and PREB detailed monthly reports on the application process. If the Resource Providers understand that seeking and obtaining LPO financing constitutes an undue burden in relation to the resulting project cost reduction allowed by such financing, they must submit to the Oversight Board a petition for waiver containing a justification memorandum and financial analysis demonstrating that LPO financing would not result in significantly lower project costs and would not provide a material opportunity to pass savings on to ratepayers, or any other compelling reason. The Oversight Board will review any such petition and determine, at its discretion, whether it shall waive LPO financing as a condition for approval.
2. PREPA and the Resource Providers must agree on any necessary amendments to the Proposed Contracts for the Resource Providers to qualify for LPO financing. Similarly, PREPA and the Resource Providers must agree on any necessary amendments to the Proposed Contracts resulting from any approval of the Resource Providers' financing application, including any resulting savings and proportional decreases in consumer rates. PREPA must submit any amendments to the Proposed Contracts for PREB's review and approval and, subsequently, to the Oversight Board for review and approval prior to execution in accordance with the Policy.
3. If the LPO denies the Resource Providers' financing applications, the Resource Providers must demonstrate to the Oversight Board that they made diligent efforts

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<sup>2</sup> The Oversight Board reserves the right to develop and establish parameters to determine whether the Resource Providers comply with the conditions.

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to secure such financing and explain the reasons why they could not comply with the LPO's requirements.

*This review was conducted on the basis of information submitted by PREPA. 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.*