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BY ELECTRONIC MAIL

July 9, 2025

Mr. Ricardo Pallens Cruz
Vice President EEHS & Regulatory
Genera PR, LLC

Re: NF Energía, LLC

Dear Mr. Pallens Cruz,

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 amendment to the contract between Genera PR, LLC (“Genera”), as agent to the Puerto Rico Electric Power Authority (“PREPA”), and NF Energía, LLC (the “Proposed Amendment”).

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

Our review is solely limited to compliance of the Proposed Amendment 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 Amendment or the original contract must be submitted to the Oversight Board for review and approval **prior to execution**.

Date: 7/9/2025

Page: 2

Recipient: Mr. Pallens Cruz

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 Genera and solely with respect to the Proposed Amendment.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

(Page A-1)

GENERA PR, LLC – NF ENERGÍA, LLC

Fiscal Plan Alignment

This review covers the Proposed Amendment to the contract between Genera, as agent to PREPA, and NF Energía, LLC for the provision of liquified natural gas for the Palo Seco and San Juan Temporary Generation Facilities.

The original contract, which was approved with observations by the Oversight Board on March 15, 2024, stems from competitive procurement process no. RFP 3PPO-0118-04-FA issued on February 17, 2024 by the Third-Party Procurement Office (the “3PPO”).¹ NF Energía, LLC was the only proponent.

The original contract contemplates the purchase of up to 80 trillion British Thermal Units at a price determined by the formula $(1-0.27) \times \text{Diesel price}/5.8$. It has a one-year term from its date of execution to March 15, 2025, with three allowable one-year extensions upon written agreement. We remind Genera that any extensions to the original contract must be submitted to the Oversight Board for review and approval prior to execution in accordance with the Policy.

The first amendment to the contract extended the term by 100 days to **June 23, 2025**. It was approved by the Oversight Board on March 15, 2025, conditioned upon the 3PPO initiating a new Request for Proposals (“RFP”) process on behalf of Genera for the long-term acquisition of liquified natural gas for the Palo Seco and San Juan Power Plants within the 100-day extension. The 3PPO informed the Oversight Board that it had established a timeline to meet the 100-day benchmark and to complete the RFP process.

On June 20, 2025, three calendar days before the expiration of the 100-day extension, the 3PPO informed the Oversight Board that the RFP had not yet been awarded. The second amendment to the contract, which was approved with observations by the Oversight Board on June 23, 2025, extended the term by four days, through **June 27, 2025**, to allow the 3PPO to finalize the RFP process. The 3PPO and P3A committed to submitting the proposed contract resulting from the RFP, along with all required documentation under the Policy, to the Oversight Board for review and approval **on or before June 23, 2025**. However, such proposed contract was not submitted to the Oversight Board until June 26, 2026 at 11:00PM, **24 hours before the expiration of the then-current term**.²

The third amendment to the contract, which was approved with observations by the Oversight Board on June 27, 2025, extended the contract’s term through **July 9, 2025**. We note that the third amendment was also submitted to the Oversight Board for review and approval less than 24 hours before the expiration of the contract’s term.

¹ The 3PPO is the entity authorized to manage and oversee procurements related to public-private partnerships, specifically in relation to PREPA, in cases of potential conflicts of interest in the procurement process.

² The proposed contract resulting from the RFP, submitted on June 26, 2025, shall be the subject of a separate letter from the Oversight Board.

APPENDIX A

(Page A-2)

The Proposed Amendment, which constitutes the fourth amendment to the contract, was submitted to the Oversight Board for review and approval on **July 9, 2025 at 9:30PM, less than three hours before the expiration of the current term**. It extends the contract's term through **July 11, 2025**, without modifying any other term or condition.

The Oversight Board reiterates its concerns regarding the parties' continued non-compliance with the timeframes and requirements established in the Policy as well as the conditions set forth in prior amendment approval letters. This practice continually puts at risk critical and essential services for the people of Puerto Rico. The parties' non-compliance with the Policy and their own procurement timelines denote a lack of internal controls that require immediate remediation.

Genera has certified that (i) fuel expenses are a pass-through expenditure with no budgetary impact, and (ii) the funds to pay for the Proposed Amendment are unrestricted, unobligated and available without future encumbrances or restrictions, and will not be obligated except for the payment of the Proposed Amendment.

Genera 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 Amendment should any changes occur.

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