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BY ELECTRONIC MAIL

July 17, 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 contract between Genera PR, LLC (“Genera”), as agent to the Puerto Rico Electric Power Authority (“PREPA”), and NF Energía, LLC (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: 7/17/2025

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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 Contract.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

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GENERA PR, LLC – NF ENERGÍA, LLC

Fiscal Plan Alignment

This review covers the Proposed Contract between Genera, as agent to PREPA, and NF Energía, LLC for the provision of liquefied natural gas (“LNG”) for the Palo Seco and San Juan Temporary Generation Facilities.

The Proposed Contract stems from an Exigency¹ declared by Genera on July 16, 2025 due to an emergency need for the provision of LNG. Genera indicated the Exigency was prompted by delays in the Request for Proposal processes for a provider of LNG, the current reserve margin, the risk posed by hurricane season, and the need for immediate action to alleviate and/or avoid serious harm, financial or otherwise.

The Proposed Contract has the same terms and conditions as the previous contract for the provision of LNG, which expired on July 11, 2025.² It contemplates the purchase of up to \$9,792,800 worth of British Thermal Units at a price determined by the formula $(1-0.27) \times \text{Diesel price}/5.8$. It has a term from its date of execution to July 25, 2025 at 5:00 p.m., subject to a possible extension. We remind Genera 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.

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

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 Contract should any changes occur.

Finally, we note that the Proposed Contract was submitted to the Oversight Board for review and approval on the same day it was intended to be executed, per the exigency circumstances explained above. As such, the regular process stated in the Policy that requires the Commonwealth or covered instrumentality, as applicable, to submit proposed contracts and the required documentation within a minimum of **15 business days** prior to the contract’s proposed execution date is not applicable in this situation.

¹ Genera’s Procurement Manual defines “exigency” as “a situation that demands immediate aid or action, where there is a need to avoid, prevent, or alleviate serious harm or injury, financial or otherwise, and use of competitive procurement proposals would prevent the urgent action required to address the situation.”

² The previous contract, contract 2024-G00284, stemmed from competitive procurement process no. RFP 3PPO-0118-04-FA issued on February 17, 2024 by the Third-Party Procurement Office. NF Energía, LLC was the only proponent. It had a maximum payable amount of \$1,147,000,000 and a one-year term from its date of execution on March 15, 2024 to March 15, 2025, with the option to extend for three additional one-year periods upon written agreement. The contract was amended four times, extending the term to July 11, 2025.

APPENDIX A

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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.