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BY ELECTRONIC MAIL

August 1, 2025

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

Re: Puerto Rico Energy, LLC (PUMA)

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 Puerto Rico Energy, 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: 8/1/2025

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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 Amendment.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

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GENERA PR, LLC – PUERTO RICO ENERGY, LLC

Fiscal Plan Alignment

This review covers the Proposed Amendment to the contract between Genera, as agent to PREPA, and Puerto Rico Energy, LLC (the “Supplier”) for the supply of ultra-low sulfur diesel (“ULSD”) to the San Juan, Palo Seco, Aguirre, Costa Sur, Mayagüez and Cambalache Power Plants; the gas turbines located in Costa Sur, Aguirre, Vega Baja, Ceiba, Guayama, Yabucoa Power Plants; and PREPA’s designated storage at the EcoEléctrica Power Plant in Guayanilla.¹

The original contract, which was approved with observations by the Oversight Board on October 25, 2024, stems from competitive procurement process no. RFP 222451 issued on July 31, 2024. It contemplates the supply of 4 million barrels of ULSD. The price to be paid per barrel consists of an escalator (fuel market price) plus a fixed price differential, known as an “add,” which varies depending on the method used for delivering the ULSD. Specifically, the original contract establishes the following adders per barrel:

- For payment 60 days after delivery: \$5.47 if delivered by vessel and \$6.47 if delivered by truck;
- For payment 45 days after delivery: \$4.98 if delivered by vessel and \$5.98 if delivered by truck;
- For payment 30 days after delivery: \$4.49 if delivered by vessel and \$5.49 if delivered by truck;
- For payment 15 days after delivery: \$4.00 if delivered by vessel and \$5.00 if delivered by truck; or
- For payment 5 days after delivery: \$3.67, if delivered by vessel and \$4.67, if delivered by truck.²

It also contemplates an alternate adder structure upon Genera’s request.

The original contract has a maximum payable amount of **\$452,000,000** and a term from its date of execution of November 17, 2024 to **November 16, 2025**, with one-year allowable extension. 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 Proposed Amendment, which constitutes the first amendment to the contract, extends the term to **November 16, 2026**. It also increases the maximum payable amount by **\$500,000,000** to

¹ Pursuant to the original contract, the Supplier shall sell and deliver ULSD to the power generation plants in the quantities and time requested by Genera. Notwithstanding, pursuant to Article I(B) of the original contract, Genera has the right to purchase ULSD from any alternative source for use if (i) Genera identifies a price for ULSD that is lower than the original contract’s price, provided that Genera may not purchase more than 25% of ULSD from such alternate source; (ii) either party has declared a force majeure or other emergency situation that has resulted, or could reasonably result, in a shortage of requested quantities of ULSD; or (iii) the Supplier has failed, or could fail with the passage of time, to deliver requested quantities of fuel, in which case Genera would have the right to purchase from alternate sources any quantities reasonably expected to cover shortages resulting from such failure or expected failure.

² If the delivery of fuel is made by truck, the respective adder is increased by \$1.00.

APPENDIX A

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\$952,000,000 to cover ULSD delivery to additional generation units and to account for projected increases in fuel volumes and prices.

Genera has certified that (i) the cost of the Proposed Amendment is 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. According to the information submitted by Genera, the Proposed Amendment shall be covered entirely with funds allocated in **Account No. 01-2321-23215-000-0000**.

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.