BY ELECTRONIC MAIL

November 28, 2025

Ms. Mary Zapata Acosta
Executive Director
Puerto Rico Electric Power Authority

Mr. Winnie Irizarry Velázquez
Chief Executive Officer
Genera PR, LLC

Mr. Josué A. Colón Ortiz
Executive Director
Puerto Rico Public-Private Partnerships Authority

Re: NF Energía, LLC – Multisite LNG Supply

Dear Ms. Zapata Acosta and Messrs. Irizarry Velázquez and Colón Ortiz,

The Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") has reviewed the proposed Gas Sales Agreement among the Puerto Rico Electric Power Authority ("PREPA"), as buyer, the Puerto Rico Public-Private Partnerships Authority ("P3A"), as contract administrator, and NF Energía, LLC, ("NFE" or the "Supplier"), as seller (the "Proposed Contract"), in accordance with the Oversight Board's Contract Review Policy (the "Policy") established pursuant to Section 204(b)(2) of PROMESA.

On June 26, 2025, the Third-Party Procurement Office ("3PPO") submitted to the Oversight Board, on behalf of PREPA, an initial proposed contract (the "Original Proposed Contract"). **The Original Proposed Contract contemplated a 15-year term and an estimated value of approximately $20 billion,** making it the largest contract ever submitted to the Oversight Board for review and approval pursuant to the Policy.

During its review of the Original Proposed Contract, the Oversight Board **identified significant concerns, including: (i) inconsistencies between the Request for Proposals ("RFP") and the**

proposed terms; (ii) lack of market competition; (iii) noncompliance with the PREPA Fiscal Plan; (iv) existence of a material **conflict of interest** given Genera PR, LLC ("Genera") was to be PREPA's exclusive representative administering the contract; and (v) several contractual provisions that were unfavorable to PREPA and ratepayers. **More specifically, these concerns included:**[1]

- **the lease agreement executed between the Puerto Rico Ports Authority and NFE (the "Ports Lease Agreement"),** which grants NFE exclusive rights during a 20-year term (through 2038) over specific areas at the Puerto Nuevo Port in San Juan, where it constructed liquefied natural gas ("LNG") import and handling facilities exclusively for its use, subject only to PREPA's "first-preference" right;
- a proposed **15-year term** inconsistent with the RFP;
- the granting of **exclusive supply rights** to NFE for all existing and future delivery points and generation units, except Mayagüez, limiting competitive access to Puerto Rico's LNG market;
- the exclusion from the RFP of any requirement for the selected supplier to install the **regasification infrastructure** necessary for gas consumption at generation units;
- an **annual contracted LNG quantity** under a Take-or-Pay ("ToP") structure that was inconsistent with forecasted LNG demand that exposed PREPA to the risk of paying for higher incremental volumes of LNG regardless of the actual consumption; and
- an uneven **allocation of risk** between ToP and NFE's Deliver-or-Pay ("DoP") liability that limited NFE's responsibility in key scenarios (including its intentional breach of supply obligations), exposing PREPA and ratepayers to significant financial and operational risks.

After the **Oversight Board raised these concerns,** particularly those arising from the unique competitive advantage that NFE holds over other competitors, **no government party was able to justify or explain** the rationale underlying the more problematic proposed terms. Subsequently, on July 8, 2025, the **3PPO withdrew the Original Proposed Contract** from the Oversight Board's review.

On September 12, 2025, the 3PPO submitted to the Oversight Board a **new Proposed Contract** for the multisite supply of LNG. Upon review, the Oversight Board noted that, although **certain concerns had been addressed, several remained unresolved.** The Oversight Board held several meetings with the relevant stakeholders and issued additional requests for information ("RFIs")[2] to address, among others, the following outstanding concerns:

- the risk that the Annual **ToP Quantity could increase** from 40 to 50 million MMBtu as a result of a single unit-conversion event, thereby triggering the higher obligation immediately, rather than through a gradual ramp-up aligned with system-planned conversions;
- the continued **lack of open access to the San Juan terminal** due to NFE's exclusive control under the Ports Lease Agreement, which essentially limited third-party use of NFE's regasification facilities; and

[1] *See* the Oversight Board's letters dated July 9, 2025 and July 22, 2025.
[2] *See* the RFIs from the Oversight Board dated September 24, 2025 and October 10, 2025.

- the Supplier's prior invocation of Force Majeure under its existing gas supply agreements to avoid payment of liquidated damages for non-delivery, resulting in significant unpaid amounts and raising concerns regarding enforceability under the Proposed Contract.

Nearly all of the above concerns raised in the Original and new Proposed Contracts have now been addressed. The critical exception is the issue of port access. And while the port access issue may under limited circumstances be mitigated by the tolling agreement required under the new Proposed Contract, it remains a barrier to open competition in Puerto Rico's fuel supply.

During the Oversight Board's contract review, we consulted the government, energy industry participants, and industry experts. After reviewing the Proposed Contract, the Oversight Board concludes the Proposed Contract is "Approved with **Conditions and Observations.**"

The Oversight Board's approval of the Proposed Contract is conditioned upon the Government revising the LNG Tolling Term Sheet (the "Tolling Term Sheet") attached to the Proposed Contract to ensure that it accurately reflects the operational requirements for third-party LNG tolling. **Specifically, the Tolling Term Sheet must (i) incorporate regasification at the Palo Seco site into the tolling framework to establish a defined path for third-party LNG delivery to the Palo Seco generation units; and (ii) clearly define the roles and responsibilities of all parties to the tolling agreement** (the LNG supplier, LNG buyer, and terminal operator), to ensure a viable chain of custody and ownership for LNG delivered to both San Juan and Palo Seco delivery points.[3] **The Government must submit an updated Tolling Term Sheet to the Oversight Board incorporating the requirements set forth herein prior to the execution of the Proposed Contract.**

Further, the Oversight Board approves the Proposed Contract with the expectation that **the Government will undertake a prompt and thorough assessment of the Ports Lease Agreement and applicable law** to develop alternatives to the current construct to afford more competition for future LNG supply.[4] First, alternatives should be developed that allow for more competition for future LNG supply contracts to San Juan and Palo Seco sites after the end of the Proposed Contract. And second, the Government should develop alternatives during the term of the Proposed Contract should NFE fail to perform reliably during the term of this contract. The Ports Lease Agreement grants NFE a long-term lease, which provides exclusive rights over specific spaces at the Puerto Nuevo Port of San Juan Harbor immediately adjacent to the San Juan Power Station, where it has constructed LNG import and handling facilities that NFE controls and operates. As raised by the

[3] As currently drafted, the Tolling Term Sheet limits regasification and LNG delivery to the San Juan Terminal and does not address the regasification required at the Palo Seco site. Further, it identifies a single 'Terminal User' without defining the distinct roles of the LNG supplier and LNG buyer, which are essential for LNG chain of custody and transfer.

[4] *See* Contract No. 2018-000089, which was executed on May 3, 2018. The Ports Lease Agreement was not submitted to the Oversight Board for review and approval. According to the Puerto Rico Ports Authority, the contract's aggregate value is below the $10 million threshold established in the Policy. On July 22, 2025, the Oversight Board requested that the Puerto Rico Ports Authority submit the contract for review, considering it a fundamental component of the evaluation framework for any proposed contract related to the provision of LNG, as the Puerto Nuevo Port in San Juan is the sole entry point for delivering LNG to the San Juan generation units.

Oversight Board throughout its review of the Proposed Contract, such exclusivity restricts open and market competition for LNG supply to the Puerto Nuevo Port of San Juan Harbor and renders Puerto Rico dependent on NFE for LNG supply to the San Juan generation units during the term of the Ports Lease Agreement. This lack of competition impacts the energy system's reliability, prices, and Puerto Rico's overall economic competitiveness. The current lease agreement reserves certain rights to the Ports Authority on behalf of the people of Puerto Rico.

The critical issue for Puerto Rico's vital supply of fuel necessary to generate electricity is access to the San Juan port terminal equipped to receive LNG deliveries. **Given the Ports Lease Agreement and the failed attempts to identify alternative LNG suppliers, a rejection of the Proposed Contract from the Oversight Board would leave the Island with no LNG supply** to the San Juan generation units, and consequently, with less available power generation. For residents of Puerto Rico, this would be disastrous. The Oversight Board evaluated and determined to conditionally approve the Proposed Contract in recognition of this circumstance.

In addition, the Oversight Board expects **the Government to complete the evaluation of the amounts of liquidated damages that should be returned to the people of Puerto Rico** to compensate them for diesel expenses incurred as a result of NFE's delivery failures under existing contracts and **will formally enforce collection of all outstanding liquidated damages owed by NFE. The Government must submit a report to the Oversight Board detailing its findings and the measures to be implemented in connection with the observations and required government actions by March 2026.** Additional observations related to the Proposed Contract are set forth in Appendix A attached hereto.

The conditions for approval aside, the Oversight Board's extensive scrutiny of the Original Proposed Contract and several interim drafts of the current Proposed Contract submitted thereafter, substantially improved the terms to ensure it complies with the Oversight Board's mandate of achieving fiscal responsibility. During its review of the Original Proposed Contract, the Oversight Board identified concerns regarding lack of market competition and several contractual provisions that were unfavorable to PREPA and its customers, the people and businesses of Puerto Rico. The subsequent revisions resulted in changes that will save the people of Puerto Rico more than $4 billion in fuel costs and promote continuity of gas supply should NFE fail to meet its supply obligations during the Proposed Contract term. The Proposed Contract (i) requires NFE to allow third-party LNG delivery through its facilities when NFE is unable to supply, whereas the Original Proposed Contract did not allow for any third-party access to NFE's LNG facilities; (ii) has a shorter duration; (iii) lowers minimum purchase volumes, (iv) mitigates concerns regarding conflicts of interest between NFE and Genera, as PREPA's agent under the Proposed Contract, and (v) revises limitations on NFE's DoP obligations, among other significant improvements.

This review, as with all Oversight Board contract reviews, is limited to compliance of the Proposed Contract and its procurement 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 Proposed Contract. Any material changes to the Proposed Contract 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 Genera and solely with respect to the Proposed Contract.

Sincerely,

Jaime A. El Koury
General Counsel

CC: Hon. Jenniffer A. González Colón
Mr. Francisco J. Domenech Fernández
Mr. Ricardo Pallens Cruz
Mr. Norberto Negrón Díaz
Mr. Osvaldo Carlo Linares

PUERTO RICO ELECTRIC POWER AUTHORITY – NF ENERGÍA, LLC

Fiscal Plan Alignment

This review covers the Proposed Contract among PREPA, the P3A, as contract administrator, and NFE, for the provision of LNG to the San Juan and Palo Seco TM2500 units, as well as to other PREPA generation units as they become operational on natural gas and a written notification by PREPA is sent to NFE, each in accordance with the terms of the Proposed Contract.

The Proposed Contract stems from RFP no. 3PPO-1125-17-MSIN[5] issued on April 11, 2025 by the 3PPO.[6] It contemplates the purchase of British Thermal Units (MMBtu) of LNG at a price determined by the formula **1.15 × Henry Hub + $X per MMBtu,** where X is a fixed component equal to:

- **$7.95/MMBtu** for deliveries to the San Juan and Palo Seco TM2500s units and all other generation units;
- **$7.60/MMBtu** in the event that a pipeline is built connecting San Juan and Palo Seco, for generation units located at the Palo Seco or San Juan Power Plants once they are receiving gas through a newly constructed pipeline connecting the Supplier's facilities to those sites; and
- **$6.50/MMBtu** for San Juan Units 5 & 6, when those units are incorporated into the Proposed Contract.[7]

Pursuant to the Proposed Contract, LNG supply shall begin on the Supply Start Date for the San Juan and Palo Seco TM2500 units. Supply to additional generation units shall begin on a unit-by-unit basis once PREPA provides written notice confirming that (i) each additional unit is ready for commissioning on natural gas, (ii) all required permits and authorizations for gas delivery have been obtained, and (iii) LUMA and Genera have certified the unit as commercially operable and available for dispatch. Deliveries to such units must begin 30 days after PREPA's notice. Further, upon the expiration of contract no. 2019-P00079 for the supply of LNG to San Juan Units 5 & 6 on July 31, 2026, those units will be automatically incorporated into the Proposed Contract.

The Proposed Contract establishes a ToP structure under which PREPA must either take delivery of, or pay for if not taken, a minimum annual quantity of LNG. Specifically, pursuant to the Proposed Contract, PREPA must purchase a **minimum of 40 million MMBtu** per contract year, which may increase to up to 50 million MMBtu if additional gas generation units are brought

[5] During the RFP process, 13 entities requested the solicitation documents. Of these, only two submitted a proposal: NFE, which bid to supply all relevant generation plants, and Crowley LNG Puerto Rico, LLC, which submitted a bid limited to the Mayagüez generation plant.
[6] 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. In this case, NFE is the parent company of Genera, which serves as PREPA's representative with respect to the Proposed Contract except in the event of a conflict of interest with NFE, in which case the P3A will serve as PREPA's representative, in accordance with Section 22.13 of the Proposed Contract.
[7] The Proposed Contract further establishes a $250 delivery fee per ISO container, payable by PREPA to the Supplier for LNG delivered in ISO containers, in addition to the applicable gas price.

online, or decrease if units are permanently decommissioned, subject in all cases to a minimum requirement of 40 million MMBtu.[8]

The Proposed Contract has an estimated value of **$3,179,750,000** for the Annual ToP Quantity and **a 7-year term** from its date of execution, with an allowable 3-year extension to be notified by either party on or before the sixth year from the Supply Start Date. We remind PREPA and P3A that any extensions or amendments to the Proposed Contract must be submitted to the Oversight Board for review and approval prior to execution in accordance with the Policy.

Further, the Proposed Contract establishes a DoP mechanism, under which NFE must either deliver the scheduled gas volumes or compensate PREPA for any unexcused delivery shortfalls through liquidated damages equal to the cost difference between the contract price and the price of the Replacement Fuel, ensuring financial protection if NFE fails to deliver. In addition, pursuant to the Proposed Contract, each party's liability is **capped at $40 million per contract year and $200 million in the aggregate** over the Proposed Contract's term.[9]

Background and Procedural History

On June 26, 2025, the Third-Party Procurement Office ("3PPO") submitted to the Oversight Board, on behalf of PREPA, the Original Proposed Contract. The Original Proposed Contract contemplated a 15-year term and an estimated value of approximately $20 billion, making it the largest contract ever submitted to the Oversight Board for review and approval pursuant to the Policy.

During its review of the Original Proposed Contract, the Oversight Board identified significant concerns, including: (i) inconsistencies between the RFP and the proposed terms; (ii) lack of market competition; (iii) noncompliance with the PREPA Fiscal Plan; (iv) a material conflict of interest given Genera was to be PREPA's exclusive representative administering the contract; and (v) several contractual provisions that were unfavorable to PREPA and ratepayers. These concerns included:[10]

- the Ports Lease Agreement with NFE, which grants NFE exclusive rights during a 20-year term (through 2038) over specific areas at the Puerto Nuevo Port in San Juan, where it constructed LNG import and handling facilities exclusively for its use, subject only to PREPA's "first-preference" right;
- a proposed 15-year term inconsistent with the RFP;
- the conferral of exclusive supply rights to NFE for all existing and future delivery points and generation units, except Mayagüez, limiting competitive access to Puerto Rico's LNG market;

[8] To ensure the Proposed Contract is based on accurate LNG consumption, the Oversight Board required LUMA and Genera to submit volume projections on ToP levels, which were reconciled by the Energy Czar and certified by the 3PPO on November 21, 2025.
[9] The liability caps shall not apply to (i) liabilities arising from a party's willful misconduct or fraud; (ii) PREPA's obligations to pay the gas price, ToP payments, or ISO container delivery fee, and (iii) any DoP payment arising from the Supplier willfully abandonment of its obligation to deliver LNG.
[10] *See* the Oversight Board's letters dated July 9, 2025 and July 22, 2025.

- the exclusion from the RFP of any requirement for the selected supplier to install the re-gasification infrastructure necessary for gas consumption at generation units;
- an inflated annual contracted LNG quantity under a ToP structure that was inconsistent with forecasted LNG demand that exposed PREPA to the risk of paying for higher incremental volumes of LNG regardless of the actual consumption; and
- an uneven allocation of risk between ToP and NFE's DoP liability that limited NFE's responsibility in key scenarios (including its intentional breach of supply obligations), exposing PREPA and ratepayers to significant financial and operational risks.

After the Oversight Board raised these concerns, particularly those arising from the unique competitive advantage that NFE holds over other competitors, no government party was able to justify or explain the rationale underlying the more problematic proposed terms. Subsequently, on July 8, 2025, the 3PPO withdrew the Original Proposed Contract from the Oversight Board's review.

On September 12, 2025, the 3PPO submitted a new Proposed Contract for the multisite supply of LNG. Upon review, the Oversight Board noted that, although certain concerns had been addressed, several remained unresolved. The Oversight Board held several meetings with the relevant stakeholders and issued additional RFIs to address, among others, the following outstanding concerns:

- the risk that the Annual ToP Quantity could increase from 40 to 50 million MMBtu as a result of a single unit-conversion event, thereby triggering the higher obligation immediately rather than through a gradual ramp-up aligned with system-planned conversions;
- the continued lack of open access to the San Juan terminal due to NFE's exclusive control under the Ports Lease Agreement, which essentially limited third-party use of NFE's re-gasification facilities; and
- the Supplier's prior invocation of Force Majeure under its existing gas supply agreements to avoid payment of liquidated damages for non-delivery, resulting in significant unpaid amounts and raising concerns regarding enforceability under the Proposed Contract.

Subsequently, and following the submission of several modifications to the Proposed Contract, the 3PPO submitted to the Oversight Board the final execution version of the Proposed Contract on November 21, 2025 addressing key concerns raised by the Oversight Board.

Observations and Required Government Actions

The Oversight Board acknowledges that the Proposed Contract presents more favorable terms and conditions than those included in previous versions. Notwithstanding, several issues raised by the Oversight Board during the review process have not been fully addressed. Accordingly, the following observations and conditions must be taken into consideration throughout the execution and implementation of the Proposed Contract to address the most critical outstanding issues. These measures are necessary to ensure the effective enforcement of NFE's performance obligations and to promote adequate market competition for the supply of fuel to PREPA's natural gas-fueled plants when the Proposed Contract terminates, in accordance with PROMESA and the Policy.

A. Improving Access to the Terminal and Market Competition

Throughout its review of the Proposed Contract, the Oversight Board has strongly emphasized the need to ensure uninterrupted access to the San Juan terminal in the event of NFE's failure to deliver LNG for any reason. Pursuant to the Ports Lease Agreement, NFE holds exclusive rights over specific open areas, warehouses, berthing spaces, and operational zones at the Puerto Nuevo Port in San Juan, where it has constructed LNG import and handling facilities that NFE controls and operate. This physical exclusivity has created an operational monopoly over LNG import and handling infrastructure at the Puerto Nuevo Port of San Juan Harbor, resulting in a non-competitive, single-supplier market structure that leaves Puerto Rico dependent on NFE for LNG supply to the San Juan generation units during the term of the Ports Lease Agreement. Because the Puerto Nuevo Port is the sole entry point for delivering LNG to these units, any disruption in access would pose a direct and immediate risk to the reliability of Puerto Rico's electric system.

The Proposed Contract therefore requires NFE to allow third-party LNG delivery through its facilities when NFE is unable to supply or declares Force Majeure. In such circumstances, NFE must enter into a **bilateral tolling agreement with a third-party supplier at a fee of $0.50 per MMBtu.** The Tolling Term Sheet attached to the Proposed Contract will serve as the basis for any definitive tolling agreement. Outside these limited circumstances, the Proposed Contract provides no right for PREPA or the Government to introduce third-party LNG or to access the San Juan terminal. This limitation presents a material operational risk, particularly because several San Juan generation units cannot operate on alternative fuels and depend entirely on uninterrupted LNG supply to operate and maintain system reliability. Although the Proposed Contract includes financial remedies, such as DoP payments, to compensate PREPA for non-delivery, these provisions do not resolve the main issue of securing continuous fuel availability for units that cannot operate on alternative fuels. Consequently, the people of Puerto Rico remain without a standing operational safeguard against fuel-supply disruptions.

It is important to note that the Tolling Term Sheet, as submitted to the Oversight Board for review, limits regasification and LNG delivery to the San Juan terminal and does not address the regasification required at the Palo Seco site. As drafted, this may leave the Island without LNG supply to the Palo Seco generation units, and consequently, with less available power generation, if NFE is unable to supply or declares Force Majeure. In addition, the Tolling Term Sheet, as drafted, lacks a clear distinction between the roles of the LNG supplier and LNG buyer, which requires attention prior to the execution of the Proposed Contract to ensure a viable chain of custody and ownership for LNG delivered to both San Juan and Palo Seco delivery points. Further, the Tolling Term Sheet specifies that NFE's responsibilities will not include ISO containers or logistics support to the third-LNG suppliers' ISO truck loading operations, which could restrict participation to third-LNG suppliers that already have these assets.

The Oversight Board understands that establishing open and reliable access to the San Juan Terminal remains a critical, unresolved issue that impedes fostering competition in Puerto Rico's LNG supply market. As long as the Ports Lease Agreement remains in place without modification, the Government has limited options for introducing competing suppliers or guaranteeing access to LNG in the event of a disruption. As such, until the Government secures such access, competitive procurement processes for LNG will continue to yield limited participation and constrained market dynamics.

B. Ensuring Effective Enforcement of Contractual Remedies Upon Supply Failure

The Oversight Board notes that, at its request, the Proposed Contract appoints P3A, or its designee, as the oversight authority responsible for ensuring the effective enforcement of contractual provisions in the event NFE fails to meet its obligations. This independent governance structure is essential given (a) Genera, a subsidiary of NFE, is designated as PREPA's exclusive representative under the Proposed Contract and (b) NFE's repeated delivery failures under other active agreements with the Government, which has required PREPA to procure higher-cost replacement fuels, such as diesel. Notably, although these agreements contain provisions that entitle PREPA to liquidated damages in the event of a delivery failure, NFE has frequently invoked Force Majeure terms to avoid payment.

The unresolved issues regarding limited functional access to the terminal, the Supplier's operational monopoly over LNG infrastructure, and the recurrent non-delivery and unpaid liquidated damages emphasize the urgency for structural safeguards in addition to the Proposed Contract's provisions. The Oversight Board therefore emphasizes that open third-party access to the terminal and a robust enforcement framework are essential to protecting Puerto Rico's energy security and the interests of its ratepayers.

Accordingly, the Oversight Board's approval of the Proposed Contract is conditioned upon the Government revising the Tolling Term Sheet attached to the Proposed Contract to ensure that it accurately reflects the operational requirements for third-party LNG tolling. **Specifically, the Tolling Term Sheet must (i) incorporate regasification at the Palo Seco site into the tolling framework to establish a defined path for third-LNG delivery to the Palo Seco generation units; and (ii) clearly define the roles and responsibilities of all parties to the tolling agreement, including the LNG supplier, LNG buyer, and terminal operator,** to ensure a viable chain of custody and ownership for LNG delivered to both San Juan and Palo Seco delivery points. **The Government must submit an updated Tolling Term Sheet to the Oversight Board incorporating the requirements set forth herein prior to the execution of the Proposed Contract.**

In addition, the Oversight Board approves the Proposed Contract with the expectation that (i) the Government, in coordination with the Puerto Rico Ports Authority, the Energy Czar, Genera, and PREPA, **will conduct a prompt and thorough assessment of the Ports Lease Agreement and relevant applicable law in order to develop alternatives to the current construct to afford more competition for future LNG supply;** and that (ii) PREPA will **complete the evaluation of the amounts that should be returned to the people of Puerto Rico** to compensate them for diesel expenses incurred as a result of NFE's delivery failures under existing contracts and **will formally enforce collection of all outstanding liquidated damages owed by NFE.**

Further, the Oversight Board advises P3A to implement a structured plan to diligently execute its oversight and enforcement duties throughout the term of the Proposed Contract to ensure that NFE's performance obligations are strictly upheld. **The Government must submit a report to**

the Oversight Board detailing its findings and the measures to be implemented in connection with these observations by March 2026.

Genera has certified that (i) the cost of the Proposed Contract is 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.

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.