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BY ELECTRONIC MAIL

December 4, 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,

On November 28, 2025 the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) provided its conditional approval of 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.

Pursuant to the Proposed Contract, NFE is required to allow third-party LNG delivery through its facilities **when NFE fails to supply gas as required by the Proposed Contract or declares Force Majeure**. In such circumstances, NFE must enter into a tolling agreement with a third-party supplier at a fee of \$0.50 per MMBtu and otherwise in accordance with the terms set forth in the tolling sheet attached as Schedule 5 to the Proposed Contract (the “Tolling Term Sheet”), which will serve as the basis for any definitive tolling agreement.

Date: 12/4/2025

Page: 2

Recipient: Ms. Zapata Acosta and Messrs. Irizarry Velázquez and Colón Ortiz

Given the critical importance of ensuring reliable and continuous LNG supply to the San Juan and Palo Seco delivery points, **the Oversight Board's approval of the Proposed Contract was conditioned upon the Government revising the LNG Tolling Term Sheet to ensure that it accurately reflects the operational requirements for third-party LNG tolling.** Specifically, the Oversight Board required that the Tolling Term Sheet (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.¹ These revisions are essential to ensure that the tolling structure can operate as intended and that PREPA retains access to LNG from alternative suppliers in the event NFE fails to supply as required by the Proposed Contract or declares Force Majeure.

On December 2, 2025, the Third-Party Procurement Office (the "3PPO") submitted to the Oversight Board, on behalf of PREPA, an updated Tolling Term Sheet addressing the concerns outlined in the Oversight Board's approval letter, the resolution of which was a condition to Oversight Board approval of the Proposed Contract. The **updated Tolling Term Sheet now incorporates regasification at the Palo Seco site, as required by the Oversight Board,** establishing a clear path for third-party LNG to reach the Palo Seco generation units. In addition, **the updated Tolling Term Sheet adequately defines the respective roles of the third-party LNG supplier and NFE as terminal operator to ensure a viable chain of custody, control, risk of loss, and title for LNG delivered to both San Juan and Palo Seco delivery points. It also specifies that NFE will use commercially reasonable efforts, upon request of the third-party LNG supplier, to provide ISO containers, trucks, and or logistics support to the third-party LNG suppliers' ISO truck loading operations, which is important to enhance the practical feasibility of third-party tolling.**²

After reviewing the updated Tolling Term Sheet, the Oversight Board concludes that the condition for approval of the Proposed Contract **has been satisfied.**

The Oversight Board understands that, with the updated Tolling Term Sheet, **and on the basis that NFE and any third-party LNG supplier would negotiate in good faith the remaining terms of a definitive tolling agreement,** the tolling mechanism now aligns with the Oversight Board's and the Government's objectives of ensuring continuity of LNG supply under the circumstances provided in the Proposed Contract.

¹ As previously drafted, the Tolling Term Sheet (i) limited regasification and LNG delivery to the San Juan Terminal and did not address the regasification required at the Palo Seco site, (ii) lacked a clear distinction in the roles of the LNG supplier and LNG buyer, which are essential for LNG chain of custody and transfer, and (iii) specified that NFE's responsibilities would not include ISO containers or logistics support to the third-party LNG suppliers' ISO truck loading operations, which could restrict participation to third-party LNG suppliers that already have these assets. **These issues required correction prior to execution of the Proposed Contract to ensure third-party LNG delivery to Palo Seco and a viable and enforceable chain of custody and title for LNG delivered to both the San Juan and Palo Seco delivery points.**

² The Tolling Term Sheet will serve as the basis for any definitive bilateral tolling agreement between a third-party LNG supplier and NFE. Terms and conditions regarding title and custody of regasified LNG will be governed by the corresponding Gas Sales Agreement between PREPA and the third-party LNG supplier, not by the tolling agreement.

Date: 12/4/2025

Page: 3

Recipient: Ms. Zapata Acosta and Messrs. Irizarry Velázquez and Colón Ortiz

In addition, notwithstanding its approval of the Proposed Contract, the Oversight Board reiterates that the port access issue remains a barrier to open competition in Puerto Rico's fuel supply.³

Accordingly, **the parties may proceed with the execution of the Proposed Contract.**

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.

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

³ See the Oversight Board's letter dated November 28, 2025 for a complete review of the Proposed Contract and **further observations and required government actions that are expected to be taken into consideration throughout the execution and implementation of the Proposed Contract to address the most critical outstanding issues.**