BY ELECTRONIC MAIL

February 13, 2026

Mr. Osvaldo Carlo Linares
President
Third-Party Procurement Office

Re: RFP No. 3PPO-0314-20-TPG2

Dear Mr. Carlo Linares,

The Oversight Board acknowledges receipt of the letter dated January 28, 2026 from the Third-Party Procurement Office ("3PPO") concerning the proposed power generation contract (the "Proposed Contract") between the Puerto Rico Electric Power Authority ("PREPA") and Power Expectations, LLC,[1] which stems from RFP No. 3PPO-0314-20-TPG2 (the "RFP").[2] The letter was issued following the Oversight Board's request for information to PREPA dated January 21, 2026 related to the procurement process that led to the Proposed Contract (the "RFI").[3]

The Oversight Board's RFI is a necessary exercise of its statutory mandate under PROMESA. The position advanced by the 3PPO in its letter and public statements—that the Oversight Board is exceeding its powers by requesting information in connection with the Proposed Contract—is inconsistent with PROMESA's plain language and purpose.

PROMESA Section 104(c)(2) grants the Oversight Board broad powers to secure documentation "necessary to enable [it] to carry out its responsibilities under [PROMESA]." Pursuant to PROMESA Section 204(b)(2), such responsibilities include ensuring that "proposed contracts

[1] Power Expectations, LLC, along with Reyes Contracting, LLC and Enchanted Rock, are each referred to in the Proposed Contract as the "Seller."

[2] A copy of the 3PPO letter is attached hereto as **Exhibit A**.

[3] A copy of the RFI is attached hereto as **Exhibit B**. PREPA provided documentation in response to the RFI on January 28, 2026.

promote market competition and are not inconsistent with the approved Fiscal Plan." The Oversight Board issued the RFI precisely to carry out that responsibility.[4]

The requests for information issued by the Oversight Board are made to assist in the review of proposed contracts and constitute an essential part of its oversight function. The 3PPO is thoroughly aware of this practice, as it recently engaged with and responded to multiple requests for information from the Oversight Board in connection with the proposed Gas Sale Agreement (the "GSA") among its client, the Puerto Rico-Public Private Partnerships Authority ("P3A"), PREPA, and NF Energía, LLC.

Like the GSA, the Proposed Contract will impact energy reliability and dependency, and potentially create long-term obligations for Puerto Rico, underscoring the need for the Oversight Board's RFI. Although the 3PPO letter mentions that the Proposed Contract represents no risk to the people of Puerto Rico, the documentation already provided by the 3PPO shows that Power Expectations, LLC has limited financial capacity and limited experience with large-scale energy projects of the kind that it will be responsible for delivering under the Proposed Contract. The documentation further raises concerns regarding the company's principal, including background issues that the 3PPO indicates were not disclosed during the procurement process.

Materials submitted to the Oversight Board include a letter from the P3A acknowledging that it did not engage "in any due diligence or background check with respect to the parties involved in the RFP."[5] They also include a Resolution and Order from the Puerto Rico Energy Bureau ("PREB") indicating that its authority over the Proposed Contract is "strictly limited" to "a regulatory review focused solely on ensuring adherence to the legal and regulatory framework governing public utilities."[6]

Separately, the Proposed Contract contemplates the potential use of federal funding for project interconnection costs. Questions remain regarding the availability and eligibility of such federal funding, whether any request for federal funds has been submitted or approved, and how the potential use of federal funds could affect the Proposed Contract's pricing and schedule. To the extent federal funds are implicated, it is also necessary to assess whether the procurement process for the Proposed Contract is consistent with applicable federal procurement requirements, including those set forth in Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200).

U.S. mainland and local reporting reinforce the need for the Oversight Board's RFI. On July 1, 2025, a Florida news outlet characterized the Proposed Contract as "Whitefish 2.0," referencing the widely criticized post-Hurricane María contracting experience involving Whitefish Energy

[4] Pursuant to the Oversight Board's Contract Review Policy, established pursuant to PROMESA Section 204(b)(2), the Oversight Board may also in its sole discretion require access to procurement processes, after which the Oversight Board shall be granted access to the pertinent documentation.

[5] *See* P3A Recommendation for 3PPO-RFP-0314-20-TPG2 dated September 10, 2025.

[6] *See* PREB's Resolution and Order dated December 11, 2025 in case no. NEPR-MI-2024-0005.

Holdings.[7] The Oversight Board makes no finding regarding that characterization but notes that such reporting heightens the need for transparency and documentation to mitigate any risks associated with the Proposed Contract and to ensure that it leads to increased energy reliability in Puerto Rico.

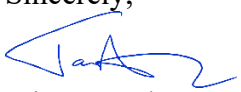
The 3PPO's suggestion that the Oversight Board is somehow relying on arguments advanced by unsuccessful proponents is unfounded. The Oversight Board's review and actions are independent of any arguments raised in any court proceedings in connection with the procurement of the Proposed Contract.

Additionally, the Oversight Board rejects the implication that a personal relationship between the Oversight Board's Economic Growth and Revitalization Coordinator and a partner at a law firm representing a company that participated in the RFP, by itself, constitutes a conflict of interest. The Oversight Board took appropriate measures to avoid actual or perceived conflicts of interest when the Economic Growth and Revitalization Coordinator began his employment with the Oversight Board. He is also in compliance with the Oversight Board's own disclosure requirements and policies and procedures to prevent conflicts of interest, which are overseen by an Independent Ethics Advisor.

We clarify that, in exercising its authority to obtain information in connection with the Proposed Contract, the Oversight Board is not seeking to replace existing mechanisms for procurement challenges. The Oversight Board is simply advancing Congress' intent, as reflected in PROMESA, to increase the public's faith in government contracting, and carrying out its mandate under PROMESA to ensure that proposed contracts promote market competition and are not inconsistent with the approved Fiscal Plan.

The Oversight Board reserves the right to issue additional requests for information in connection with the Proposed Contract, including the request to PREPA transmitted concurrently with this letter (attached hereto as **Exhibit C**). The Oversight Board also reserves the right to take such actions as it considers necessary to ensure that the Proposed Contract does not adversely affect compliance with PROMESA, the Oversight Board's Contract Review Policy and the Fiscal Plan, including by preventing the execution or enforcement of the Proposed Contract. We hope such actions will not be necessary.

Sincerely,



Jaime A. El Koury
General Counsel

---

[7] *See* In repeat of Hurricane Maria aftermath, Puerto Rico is again spending big on infrastructure contractor with little history. The 3PPO submitted a document titled "Background Analysis on Power Expectations LLC and Entities and Individuals Related" dated August 14, 2025, in which it indicates that "Power Expectations has been widely compared to the post-hurricane "Whitefish" contracting scandal, due to the firm's small size and political connections." *See also* Puerto Rico Energy Bureau's temporary response to electric grid woes is problematic at best, corrupt at worst.

CC. Ms. Mary Zapata Acosta
Mr. Josué Colón Ortiz

Exhibit A

3PPO
Third-Party Procurement Office

January 28, 2026

Hon. Members of the Financial Oversight and Management Board
San Juan, Puerto Rico

Re: Jurisdictional Clarification and Urgent Need to Proceed with Execution of TPG2

Members of the Board:

The Third-Party Procurement Office ("3PPO") issues this communication to formally clarify the scope, posture, and practical consequences of the Board's recent and escalating involvement in the Temporary Power Generation procurement identified as RFP No. 3PPO-0314-20-TPG2 ("TPG2"). This communication is not submitted as a response to the Request for Information dated January 21, 2026, but rather to establish the legal and operational boundaries within which that request must be evaluated.

The TPG2 procurement is a completed, competitive Request for Proposals process conducted under procurement standards that meet and exceed federal requirements, including those set forth in 2 C.F.R. Part 200, and under a procurement manual that is more restrictive than the federal baseline. The process has been reviewed by the Puerto Rico Energy Bureau ("PREB"), the competent regulatory authority for energy matters in Puerto Rico, and no violation of law, regulation, or certified fiscal plan has been identified. At present, there is no pending regulatory defect, no unresolved procedural deficiency, and no fiscal plan inconsistency associated with the TPG2 Process.

Despite this, the Board's recent actions reflect a level of operational scrutiny that goes materially beyond fiscal oversight and into the realm of procurement administration, technical evaluation, negotiation conduct, and award judgment. PROMESA does not confer upon the Board general supervisory authority over compliant competitive procurements, nor does it authorize the Board to re-litigate evaluation outcomes, negotiation decisions, or contract structures that have already been vetted by the designated regulatory body. The Board's statutory mandate is fiscal oversight, not operational substitution.

That limitation is reflected in the statute itself. PROMESA, enacted as Public Law 114-187 and codified at 48 U.S.C. §§ 2101 et seq., establishes the Oversight Board as a fiscal oversight entity, not an operating or procurement authority. The Board's review powers are expressly tied to ensuring consistency with the Certified Fiscal Plan and preventing actions that create unauthorized or excessive fiscal obligations. See, e.g., 48 U.S.C. §§ 2121, 2141, and 2144(b). Nothing in PROMESA authorizes the Board to supervise procurement administration, re-evaluate proposal scoring, revisit negotiation conduct, or function as an alternative forum for bid protests in the absence of a demonstrated fiscal plan inconsistency.

It is particularly concerning that the current posture appears to rely on allegations, narratives, or characterizations advanced by unsuccessful or dissatisfied market participants, rather than on any independent finding of fiscal harm or legal noncompliance. Competitive procurements, especially those addressing emergency or reliability-critical services, inevitably generate disagreement among proponents. Such disagreement, standing alone, does not constitute a defect, nor does it justify open-ended investigative involvement that delays execution of urgently needed infrastructure solutions.

To be clear, all proponents that advanced past the qualification phase were duly selected through the competitive process and afforded the opportunity to participate in negotiations on equal footing. No proponent was excluded from consideration. Those proponents that did not advance to final execution did so solely because they elected not to commit to the non-negotiable commercial, legal, and operational terms established by the stakeholder agencies and disclosed in the solicitation and negotiation framework. These terms were uniformly applied and were expressly designed to protect the public interest and the people of Puerto Rico. Other proponents were willing to accept those same terms, which materially benefit the public by limiting fiscal exposure, allocating risk to private counterparties, and ensuring timely delivery of urgently needed generation resources.

The urgency underlying the TPG2 procurement cannot be overstated. Puerto Rico continues to face critical system fragility, limited reserve margins, and exposure to cascading outages during peak demand and contingency events. The Governor of Puerto Rico has issued emergency declarations recognizing the ongoing energy crisis. Federal policy, including directives and funding programs administered through the U.S. Department of Energy, emphasizes speed, resilience, and execution in addressing grid reliability risks. PREB has likewise acted within this context, approving structures that limit ratepayer exposure while enabling rapid deployment of temporary generation capacity.

The procurement and negotiation flexibility exercised in the TPG2 process is further grounded in valid and operative Executive Orders issued by the Governor of Puerto Rico in response to the ongoing energy emergency. Those Executive Orders expressly authorize streamlined procedures, accelerated timelines, and adaptive procurement mechanisms where necessary to address urgent threats to system reliability and public safety. The use of such flexibility is not discretionary improvisation, but a lawful and necessary response to extraordinary conditions, particularly for temporary generation resources intended to support emergency and contingency operations. In this context, adherence to rigid, non-emergency procurement timelines would have been inconsistent with both the Executive directives and the critical need to stabilize the electric system.

Any delay in execution undermines the very emergency objectives those Executive Orders were issued to address.

The TPG2 contract structure is expressly designed to protect the public fisc. The Government of Puerto Rico assumes no obligation beyond payment for energy actually delivered. There are no take-or-pay commitments, no minimum dispatch guarantees, no capacity payments, and no capital recovery obligations borne by the government. The financial and performance risks rest with the private counterparties, not the public. From a fiscal oversight perspective, this structure represents a risk-reducing outcome, not a fiscal threat.

Equally important, the TPG2 solicitation expressly anticipated and governed any process of challenge, protest, or reconsideration. All proponents were afforded due process under the RFP, including defined mechanisms and timelines for raising objections. Those processes were followed, and the existence of disputes or filings does not equate to a finding of impropriety. PROMESA does not authorize the Board to supplant those agreed-upon protest mechanisms or to function as an alternative forum for procurement challenges.

The cumulative effect of repeated and expanding information demands at this stage is not benign. Each delay in execution increases operational risk, undermines system reliability planning, and exposes PREPA and the people of Puerto Rico to avoidable outages and emergency conditions. Absent a clear, articulated finding that the TPG2 procurement violates the certified fiscal plan or creates unmitigated fiscal exposure, continued intervention is inconsistent with the Board's statutory role and counterproductive to federally and locally mandated energy reliability objectives.

For these reasons, the 3PPO respectfully but firmly urges the Board to recalibrate its involvement, recognize the limits of its oversight authority in this context, and allow the execution of the TPG2 contracts to proceed without further delay. The public interest in restoring and stabilizing Puerto Rico's electric system demands timely action, not prolonged procedural entanglement driven by conjecture or market dissatisfaction.

Finally, we bring to your attention that José R Perez-Riera, an official at the FOMB, holds a family relationship with Marcos Rodríguez Ema, a capital member of the law firm McConnell Valdés, LLC. Different publications describe said family relationship as one of uncle and nephew.

McConell Valdés, LLC is the firm that represents Javelin Global Commodities US Holdings Inc., in Puerto Rico. Coincidentally, Javelin is one of the proponents that participated TPG2". In fact, the firm appears as attorneys for the petitioner Javelin in motions before the Puerto Rico Energy Bureau.

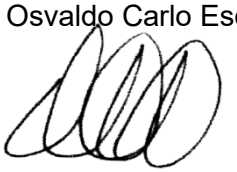
On July 4, 2025, Javelin moved to vacate and set aside the Energy's Bureau's July 4, 2025 *Resolution and Order* that approved the contract that PREPA awarded to Power Expectations, LLC which, precisely, is the contract subject of the present communication.

Javelin has adequate administrative and judicial forums where it can seek review of the award made to Power Expectations. The FOMB is not one of them.

This communication is issued to preserve the institutional record and to ensure clarity regarding jurisdiction, urgency, and responsibility.

Respectfully,

Osvaldo Carlo Esq.



President
Third-Party Procurement Office (3PPO)

EXHIBIT B
(Page A-1)

The Oversight Board issued the following RFI to PREPA on January 21, 2026 via email.

Upon initial review of the documentation submitted in connection with the proposed contract between PREPA and Power Expectations, LLC and competitive procurement process no. 3PPO-0314-20-TPG2 (the "TPG2 Process"), we have the following request for information. Please submit the requested information on or before **January 28, 2026.**

A. Competitive Procurement Process Issued Prior to the TPG2 Process (the "Original TPG Process")

Please provide the following:

1. A copy of the solicitation, RFP, or procurement document issued in connection with the Original TPG Process, including all amendments.
2. The procurement method applicable to the Original TPG Process (e.g., competitive, emergency, sole source, or other).
3. All proposals received.
4. The evaluation criteria, scoring matrix, and methodology applied.
5. Record references indicating that only one proponent was deemed viable.
6. Documentation of negotiations conducted, including meeting minutes, term sheets, correspondence, or negotiation memoranda.
7. Identification of any non-negotiable terms introduced during negotiations under the Original TPG Process.
8. A written justification explaining:
    a. why such non-negotiable terms were introduced,
    b. by whom, and
    c. under what procurement authority.
9. Formal documentation regarding the decision to cancel, suspend, or reissue the Original TPG Process.
10. Formal documentation establishing the legal, regulatory, or procurement basis for issuing the TPG2 Process, and clarification as to whether it constituted:
    a. a new procurement, or
    b. a reissuance / relaunch of the solicitation of the Original TPG Process.
11. If the TPG2 Process was a new procurement, provide documentation evidencing the formal cancellation or closure of the Original TPG Process.
12. Copies of all administrative challenges or judicial actions related to the Original TPG Process, including:
    a. corresponding administrative and/or judicial determinations;
    b. documentation indicating whether any court order, injunction, or legal action affected the Original TPG Process timeline, cancellation, reissuance, or award execution; and

B. Independent Cost Estimate ("ICE"), Cost Analysis, and Price Reasonableness

13. Please provide a copy of the ICE prepared for the TPG2 Process, including:
    a. scope, assumptions, and period of performance;
    b. sites included (Aguirre, Costa Sur, and/or others);

c. pricing benchmarks or historical data relied upon; and
d. all supporting calculations or worksheets.

14. If no ICE was prepared, explain the rationale for proceeding without an ICE and the alternative method used to establish price reasonableness, including:
    a. comparison of pricing components evaluated (e.g. energy charges, fuel assumptions, capacity payments, mobilization/demobilization, interconnection-related costs),
    b. reconciliation of pricing evaluated in the scorecards with pricing reflected in the proposed contract, and
    c. the basis for concluding that the proposed pricing was fair and reasonable.
15. Explain in detail how total cost exposure and lifecycle cost risk were evaluated in light of deployment timelines, contract durations, and risk mitigation measures that may materially affect cost. Provide any supporting documentation.

C. Financial Capacity, Evaluation Results, and Award Determination

16. Explain how financial capacity risk was evaluated and weighed against technical, price, and schedule factors.
17. Provide a comparative analysis supporting the award to Power Expectations, notwithstanding its identification as both (i) presenting the highest financial capacity risk and (ii) receiving the lowest overall evaluation score among the proponents.
18. Explain how the identified financial and performance risks associated with Power Expectations were weighed and accepted as part of the award determination.

D. Bid Bond Compliance

Please provide the following:

19. A copy of the original bid bond submitted by Power Expectations and identify specific deficiencies relative to RFP requirements.
20. Documentation authorizing Power Expectations to cure or resubmit its bid bond after proposal submission.
21. The procurement or legal basis relied upon to permit such correction.
22. Clarification as to whether similar cure opportunities were offered to other proponents. Provide supporting documentation.
23. A detailed explanation of why the bid bond deficiency did not render the proposal non-responsive, particularly in light of the identified financial and performance risks.

E. Award Structure and Contract Execution

24. Explain the methodology used to classify proponents as “Primary / Backup / Optional,” including why this structure does not appear in the TPG2 Process solicitation.
25. Provide any internal memoranda, approvals, or guidance supporting the adoption of a multi-award or tiered award structure.
26. Clarify whether the TPG2 Process contemplated a single award or multiple awards and provide the supporting documentation.
27. Confirm whether PREPA has proceeded with contract execution with other successful proponents identified in the Notice to Award.

F. Contract Structure and Multi-Seller Arrangement

28. Explain the rationale for executing a contract listing Power Expectations, LLC; Enchanted Rock; and Reyes Contractor, LLC collectively as "Seller."
29. Provide the documentation evidencing that this multi-entity structure was:
    a. evaluated during the technical and financial review; and
    b. approved as part of the award determination.
30. Please clarify whether this structure constitutes a joint venture, consortium, or prime contractor with subcontractors, and how responsibility, liability, and performance accountability are allocated.

G. Challenge, Reconsideration, and Litigation Status

31. Please confirm whether the TPG2 Process was contested. If so:
    a. Please provide copies of any administrative challenges or judicial actions; and
    b. Confirm the status of any pending administrative or judicial proceedings.

***

EXHIBIT C
(Page A-1)

PREPA AND POWER EXPECTATIONS, LLC

The following request for information ("RFI") pertains to the Proposed Contract between PREPA, as "Buyer", and Power Expectations, LLC as "Seller", for the development, fueling, interconnection, and operation of up to 400 MW of temporary emergency generation at the Aguirre Power Plant, with potential supplemental capacity at the Costa Sur Power Plant.[1]

Upon review of the Proposed Contract and the documentation submitted by PREPA in response to our previous RFI, the Oversight Board notes several inconsistencies between competitive procurement process no. 3PPO-0314-20-TPG2 issued by the 3PPO on July 15, 2025 (the "RFP"),[2] the Proposed Contract, and the supporting documentation. Specifically, it appears that Power Expectations did not meet several RFP requirements as it failed to demonstrate prior similar experience or adequate financial capacity to perform the procured services. In addition, it appears Power Expectation's proposal fails to provide all-inclusive pricing or binding supplier agreements.

Moreover, considering that temporary emergency generation is an immediate need for Puerto Rico's energy system reliability, lack of clarity on pricing, project schedule, and logistics raises concerns about the Proposed Contract's terms and the viability of implementation in the near term. Accordingly, further information and documentation is required in order for the Oversight Board to continue its review process of the Proposed Contract.

Please submit the following information to the Oversight Board at **Contracts@promesa.gov** **on or before February 28, 2026:**

Please answer each question individually.

I. Contract Terms

A. Economic Dispatch

1. Clarify whether the Equivalent Availability Factor ("EAF") of 95% would be impacted in circumstances where the Buyer elects not to dispatch or purchase energy from the Facility.
2. Explain whether non-dispatch driven by economic merit order (i.e., lower-priced generation sources clearing ahead of the Facility) affects availability, performance, or payment obligations.
3. Provide dispatch projections for the entire contract term, including the supporting assumptions (e.g., run hours per year).

---

[1] The Puerto Rico Energy Bureau's ("PREB") Resolution and Order dated December 11, 2025 in Case No. NEPR-MI-2024-0005 grants approval of the Proposed Contract for 400MW at the Aguirre site and allows for approximately 201 MW of supplemental capacity at the Costa Sur facility, consistent with the Power Expectations' proposal for supplemental capacity, if upon conclusion of the procurement process, the 3PPO determines that the remaining proponents do not submit pricing terms that are more favorable to ratepayers.

[2] On July 4, 2025, PREB conditionally approved a contract between PREPA and Power Expectations that resulted from a previous competitive procurement process issued by the 3PPO for the same services, subject to the parties agreeing on certain technical, pricing, and regulatory modifications. That procurement did not conclude and the 3PPO subsequently re-launched the RFP, which resulted in the Proposed Contract.

B. Performance Obligations

1. Considering that the Seller is expected to provide emergency temporary generation, explain how the Proposed Contract ensures that the Seller will meet the 95% EAF or otherwise remain readily available when needed, particularly in the absence of penalties for failure to meet such EAF or any incentive payments for availability or performance.
2. Indicate whether the use of Liquefied Natural Gas ("LNG") is incentivized over the term of the Proposed Contract.
    a. If so, explain how the Proposed Contract's structure incentivizes the continued use of LNG throughout the term. If LNG is not incentivized, please explain why.

C. Fuel Supply and Cost Structuring

1. According to the RFP requirements, the cost proposal related to power generation must include fuel, established on a price-per-kWh basis. However, pursuant to Section 2.4 of the Proposed Contract (Fuel Responsibilities and Fuel Options), while the Seller shall be responsible for LNG delivery, storage, regasification, and associated infrastructure; in case the Buyer elects to operate the TM2500 units using diesel fuel, the Buyer shall supply the diesel fuel and its delivery infrastructure.
    a. Explain why the Buyer would be responsible for the diesel fuel supply and delivery infrastructure and how price of diesel is considered in the price.
    b. Please confirm whether the price per kWh using diesel will be $0.224 plus the cost of diesel.
    c. Indicate who bears the cost of fuel in the event that Seller operates the generation units with diesel.
    d. Indicate the estimated cost of the fuel delivery infrastructure and who bears such costs.
    e. RFP No. 236096 for the acquisition of No. 6 Fuel Oil, awarded by Genera PR, LLC ("Genera") in October 2025 required proponents to assume responsibilities related to logistics, port, and vessel coordination, due to ongoing issues with the San Juan dock. Explain why, despite these issues, PREPA and Genera opted to be responsible for the supply and delivery of diesel for the project under the Proposed Contract.
2. The RFP required proponents to demonstrate immediate mobilization through fully executed and binding agreements with key suppliers and partners. However, the submitted documentation does not clearly identify the primary fuel provider(s).[3]
    a. Identify the designated primary and backup fuel provider(s) for LNG and/or diesel, as applicable, and provide copies of any agreements, term sheets, or other

[3] We note that Appendix C (Contractor Certification Requirement) required by the Contract Review Policy identifies Sapphire Gas Solutions, LLC ("Sapphire Gas") as a subcontractor responsible for assembling the gasification plant and supplying gas.

documentation evidencing the availability and commercial terms of such fuel supply arrangements. Provide an updated Appendix C (Contractor Certification Requirement) to reflect any additional disclosure, as applicable.

3. Please provide a copy of any executed diesel fuel supply agreements that the Buyer will be utilizing. If the Buyer has not entered into any agreement, indicate the procurement timeline and proposed commercial terms.

D. Contract Price and Value

1. Provide a detailed financial model with the key assumptions and forecasts to determine the estimated maximum contract value of $5,886,720,000.
2. Exhibit B – Price Proposal and Rate Schedule of the Proposed Contract reflect a single pricing structure of $0.224/kWh for LNG and any other alternative fuel. However, the RFP price comparison documentation shows that Power Expectations' price proposal included $0.224/kWh, subject to 600MW and 6,000-8,000hrs yearly commitment, and $0.324/kWh for diesel.
    a. Please explain why the proposal prices and the Proposed Contract price are different.
    b. Please confirm whether Exhibit B of the Proposed Contract, as submitted, is the final execution version.
    c. The Proposed Contract does not mention any guaranteed runtime hours. Please confirm whether the Proposed Contract's price contemplates such guarantees, as considered in Power Expectations' proposal and evaluation reports.
    d. It is unclear what Power Expectations' final price proposal is. Please identify it in the procurement file.
    e. Please confirm whether the final price proposal per kWh includes: 1) providing 400MWs of emergency generation; 2) delivery, storage, regasification, associated infrastructure and environmental and safety compliance for LNG; and 3) all infrastructure required to interconnect the generation systems, including all associated equipment.
    f. Indicate the price that will apply to any additional generation site that could be included in the Proposed Contract. If applicable, include the expected generation output within the answer.

E. Interconnection Costs

1. The Proposed Contract indicates that federal funds from the Federal Emergency Management Agency ("FEMA") may be used to cover interconnection costs for Aguirre or any additional site.
    a. Please provide any FEMA Project Worksheets or other federal funding requests for the Aguirre site related to interconnection costs, including any eligibility determinations issued to date.

b. Detail how any federal funding approval would affect the Proposed Contract's pricing and the funding source of the 10% local cost share.
c. Explain how FEMA eligibility would affect the project schedule or Commercial Operation Date.
d. If such funding is denied, please confirm the following: (i) alternative funding mechanisms, (ii) the party responsible for bearing the interconnection costs, (iii) the total projected cost exposure, and (iv) the expected impact on ratepayers, including the applicable cost recovery mechanism.

F. Alternate Site

The Proposed Contract and PREB Resolution and Order dated December 11, 2025 identifies the additional site as the Municipality of Yabucoa. However, the proposals submitted by Power Expectations reference only the Aguirre and Costa Sur sites.

1. Please clarify whether Power Expectations submitted a separate proposal for the Yabucoa site. If so, provide such proposal, including location, interconnection plans, logistics, permitting status, operational requirements, and the development and deployment timeline.

G. Project Schedule/Deployment

1. The RFP requires full commercial operation within 60-90 days from contract execution, while the Power Expectations proposal and the Proposed Contract establish a deployment period of 90-150 days following contract execution. Explain this variance.
2. According to the document titled *Aguirre_400MW_Installation_Schedule*, turbine shipment was scheduled to arrive in Puerto Rico by January 5, 2026, with overall project completion anticipated by July 3, 2026.
    a. Please indicate the turbine supplier, the number of turbines to be installed, and their respective capacities.
    b. Additionally, please confirm whether the shipment has occurred and whether the projected completion date remains unchanged.
3. Indicate the projected Commercial Operation Date.
4. According to Power Expectations' proposal, Phase I operations are expected to rely on diesel.
    a. Indicate the projected duration of diesel-based operation and explain why it is not defined in the Proposed Contract.
    b. Considering that the Aguirre site lacks both diesel storage capacity, permits, storage, and regasification infrastructure, please detail how the Seller will implement the LNG based operation including documentation of the status of any required permits and equipment.
5. The RFP Final Evaluation of Power Expectation's proposal states: *"Fuel supply logistics will be managed by [Sapphire Gas], leveraging a preliminary contract at the Port of*

Ponce, trucking solutions to serve Aguirre, and the existing Naturgy pipeline for Costa Sur, with trucking available as a contingency if required."

a. Please provide any contracts with the Port of Ponce and/or Sapphire Gas in connection with the scope under Proposed Contract.
b. Please clarify the specific role Sapphire Gas will have in connection with the Proposed Contract and provide a detailed schedule and implementation plan.
c. Confirm when the LNG-based operation is expected to begin after the Commercial Operation Date and explain why the Proposed Contract lacks a timeline for implementation or any incentives to guarantee the Seller's implementation.
d. Confirm what LNG regassification and storage equipment the Seller intends to utilize. In addition, identify such assets and explain the associated logistics and operational risks.

II. RFP Evaluation Process

A. Contractor Responsibility Determination

1. Please provide PREPA's affirmative written responsibility determination concluding that Power Expectations qualified as a responsible contractor under federal procurement standards, notwithstanding limited operating history at the proposed scale; cash reserves and revenues materially disproportionate to the projected contract magnitude; and the absence of audited consolidated financial statements demonstrating capacity to perform a multi-year obligation.
2. Explain how PREPA assessed responsibility in light of the Government Accountability Office's precedent requiring affirmative evidence of financial capacity prior to award.

B. Financial Capacity, Scale, and Cost Reasonableness

In the August 28, 2025 letter titled "*Financial Capacity and Liquidity Comparison*", the 3PPO noted that Power Expectations' proposal did not provide adequate evidence of organizational or financial capacity to sustain performance over a ten-year contract term and that the proposed annual award value is approximately 100 times its current reported annual revenues (i.e., reported revenues of $17 million, on this contract estimated at $1.2 billion), raising concerns regarding scalability and long-term sustainability.[4] The 3PPO considered this to be a capacity risk that warranted further clarification and supporting documentation before a final determination.

1. Specify whether any changes occurred between the issuance of 3PPO's above referenced letter and the contract award that may have impacted this assessment.
2. Explain the rationale for awarding the Proposed Contract to Power Expectations despite 3PPO's concerns regarding Power Expectations' organizational and financial capacity to perform the scope within the required timeframe and operational needs.

[4] *See* 3PPO's letter dated August 28, 2025 regarding Power Expectations' financial capacity and liquidity comparison.

3. Confirm whether 3PPO relied on Letters of Intent (LOIs") from investors or partners in assessing Power Expectations' financial capacity.
    a. If so, explain how the 3PPO determined that such LOIs satisfied federal standards for contractor responsibility and risk mitigation.
4. 3PPO's Evaluation and Recommendation Report, also dated August 28, 2025, notes that Power Expectations does not have independent financial capacity to support the project and poses dependency risk as it relies on external investors. 3PPO includes the following observation under Power Expectations (and Reyes Contractor) Fuel Logistics and Financing assessment: "*They depend on Nistar Consulting Group, Global Project Development Group, Apollo and Blackrock to secure financing of the project, and as part of the security arrangement, these investors are requiring an estimated guarantee runtime between 6,000 to 8,000 hours*".
    a. Indicate whether the LOIs or other evidence of financial commitments that 3PPO relied on are consistent with the aforementioned list of investors and 6,000-8,000 hours run time guarantee requirement.
    b. If so, explain why the 3PPO recommended Power Expectations to be awarded for a contract that lacks such guarantees.

C. Background Checks

1. According to the background checks issued by the 3PPO, *"Power Expectations has been widely compared to the post-hurricane 'Whitefish' contracting scandal, due to the firm's small size and reported political connections*," as well as an apparent lack of demonstrated energy-sector expertise.
    1. Explain the rationale for awarding the Proposed Contract to Power Expectations and describe how, if at all, these concerns were mitigated.

D. Evaluation Results and Award Advancement

1. 3PPO's Evaluation and Recommendation dated August 28, 2025 ranks the scored proponents as follows: Gotham in first position, Javelin in second, and Power Expectations in third and states that none could be recommended due to lack of strict adherence to the RFP guidelines unless stakeholders were willing to negotiate terms. Later, on September 8, 2025, the 3PPO announced that Gotham and Power Expectations manifested their willingness to comply with the RFP specifications, while Javelin maintained that the Government should consider an alternative to address the issue of capacity payments. Further, on September 10, 2025, a third Evaluation and Recommendation Report was issued by the 3PPO, recommending negotiations to continue with all three proponents with site-specific, non-overlapping scopes.
    a. Considering that the submitted documentation reflects that the final request for information from proponents was issued on August 22, 2025, prior to the issuance of the first Evaluation and Recommendation report, please explain what led to the

issuance of subsequent revisions of the 3PPO's Evaluation and Recommendation report.

2. Explain the basis for the decision to award Power Expectations notwithstanding its identification as the proponent presenting both the highest financial capacity risk and lowest overall score among qualified proponents.

E. Authorization Processes from the Puerto Rico Public-Private Partnerships Authority ("P3A") and PREPA

1. On September 10, 2025, P3A sent a letter to PREPA stating: *"For the avoidance of doubt, the report prepared by P3A does not present a review of the procurement package documentation nor has P3A engaged in any due diligence or background check with respect to the parties involved in the RFP."*
    a. Please explain in detail P3A's role in the RFP.
    b. Confirm whether P3A approved the Proposed Contract prior to PREPA submitting it to the Oversight Board for review and approval.
2. PREPA's Resolution 5213 dated October 25, 2025 reflects that PREPA Governing Board authorized the 3PPO to commence negotiations with the selected proponents and authorized the Executive Director to formalize and execute the resulting contract, subject to resubmission to the PREPA Governing Board in the event of material modifications.
    a. Please confirm whether the PREPA Governing Board approved the final execution version of the Proposed Contract and provide the corresponding Board approval resolution.
3. Please confirm whether the Proposed Contract, as submitted to the Oversight Board, is the final execution version agreed upon by the parties.
4. Please indicate which is the entity responsible for recommending that the Proposed Contract be advanced and submitted to the Oversight Board.

F. Bond Requirements

Per 3PPO's Memorandum "Due Diligence – Verification of Bid Bonds" dated August 3, 2025, relating specifically to Power Expectations, the 3PPO stated: "*Upon receipt and review of this information, a concern was identified. At first glance, a bid bond calculated at 5% of a $6,000,000.00 contract amount appears potentially insufficient when evaluated in the context of the scope, magnitude, technical complexity, planning requirements, and overall costs associated with the proposal submitted by Power Expectations under [the] RFP.*" Later, as part of the non-negotiable terms outlined in 3PPO's letter dated September 5, 2025, no letter of credit, surety bond, or other form of financial guarantee was required as a condition precedent to contract execution.

1. Provide the methodology, inputs, and assumptions used to calculate each proponent's project bid amount and corresponding bid bond values, including how such amounts compare across all qualified proponents.

2. Considering that the other recommended proponents fully complied with the bid guarantee requirement, explain the rationale for waving the above-mentioned financial guarantees as a condition precedent to contract execution.
3. Explain how the payment and performance bond requirement will be calculated and implemented, as Exhibit C of the Proposed Contract appears to be incomplete.

G. Expert Review

1. Explain how the ten-year term and the approximately 800 MW scope contemplated under the Proposed Contract reconcile with the broader 3,000 MW RFP.
2. Confirm whether Aguirre, Costa Sur and San Juan Generation sites are part of the 3,000 MWs procurement process.
3. Indicate how the temporary power generation projects will operate during the integration of new generation sources procured during the Proposed Contact's ten-year term.
4. Please provide a complete copy of the contract that was reviewed and approved by PREB as a result of the first Temporary Generation RFP (i.e., RFP no. 3PPO-0314-20-TPG), including all exhibits and supporting documentation, as approved in PREB Resolution and Order dated December 11, 2025.
    a. Confirm the final $/kWh rates approved by PREB and identify any pricing not disclosed in such Resolution and Order.
    b. Provide any record of requests for information issued by PREB to assess reasonableness of pricing in relation to the current cost of generation, duration of diesel-based operation, cost implications of Buyer being responsible for diesel under the Proposed Contract, implementation of LNG based operation and evaluation of how the project schedule satisfies PREB's requirements for emergency temporary generation needs.

H. RFP Challenges

1. Confirm that no procurement or administrative challenge, other than the proceedings referenced in PREB Case No. NEPR-MI-2024-0005, has been filed contesting the RFP.