

**GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

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IN RE: PETITION FOR LEAVE TO
CREATE THREE (3) PREPA
SUBSIDIARIES (PREPA GENCO, LLC,
PREPA HYDROCO, LLC AND PREPA
PROPERTYCO, LLC) AND FOR
APPROVAL OF THE PUERTO RICO
PREPA – GENCO - HYDROCO
OPERATING AGREEMENT

CASE NO.: NEPR-____-2022-____

SUBJECT: Petition for Approval of PREPA
Subsidiaries and the PGHOA

**PETITION FOR LEAVE TO CREATE SUBSIDIARIES AND FOR APPROVAL OF THE
PUERTO RICO PREPA – GENCO - HYDROCO OPERATING AGREEMENT**

TO THE HONORABLE ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority (PREPA), through its counsel
of record, respectfully submits and requests as follows:

I. INTRODUCTION

PREPA is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941.¹ PREPA was established to provide reliable electric energy service to contribute to a more sustainable future for the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. Since then, the PREPA has been tasked with providing affordable, fair, reasonable, and nondiscriminatory costs that contribute to its consumers' general welfare.

Numerous events have recently struck Puerto Rico in such a manner that its economy, population, and infrastructure have been significantly affected. Undoubtedly, a few changed the course of the island's history. In 2015, the Government of Puerto Rico ("Government") announced

¹ *Puerto Rico Electric Power Authority Act*, Act No. 83 of May 12, 1941, as amended ("Act-83-1941") (22 LPRA §191-218).

that Puerto Rico was facing insurmountable debt, described as “unpayable,” which exceeded \$70 billion and prompted it to call on the Federal Government for aid. In response, and per the powers granted by the U.S. Constitution, in 2016, U.S. Congress enacted the *Puerto Rico Oversight, Management, and Economic Stability Act* (PROMESA)², which in turn, created the Financial Oversight and Management Board for Puerto Rico (“Oversight Board” or FOMB). PROMESA conferred the Government and stakeholders with viable mechanisms to restructure the debt. Also, the Government identified a need to transform Puerto Rico’s energy sector, for which PREPA was obliged to face and address its over-a-decade-long financial and operational challenges head-on. On September 30, 2016, the FOMB designated PREPA as a “covered territorial instrumentality,” as per section 101(d) of PROMESA. 48 USCA § 2121. Then, on June 29, 2017, the Oversight Board issued a restructuring certificate per sections 104(j) and 206 of PROMESA. Soon after, on July 2, 2017, the Oversight Board submitted a voluntary petition to adjust PREPA’s debts PREPA per section 304(a) of PROMESA (*Id.* at § 2164.) and initiated a financial restructuring case³ in accordance with Title III. *Id.* at §§ 2161-2178. The Title III case is pending before the United States District Court for the District of Puerto Rico.

However, in September 2017, the entire reorganization had to be set aside. All efforts focused on addressing the impact of hurricanes Irma and María, which caused unparalleled devastation to Puerto Rico. For the first time in history, an entire jurisdiction of the United States of America was left without power upon the ravaging devastation brought on by Hurricane María’s landfall, which held the island hostage with its intense winds and rain, which ultimately gravely damaged PREPA’s already outdated and debilitated electric power system. Inarguably, along with its

² Pub. L. 114–187, title VII, § 701, June 30, 2016, 130 Stat. 610 (48 USC §§ 2101-2241).

³ *In re Fin. Oversight & Mgmt. Bd. for Puerto Rico*, No. 17- 04780-LTS (DPR).

passing, Hurricane María drastically altered the course of the Island’s future. Such impact weighed heavily upon Puerto Rico’s already burdened economy.

Aside from these trailblazing events that served as a prelude to PREPA’s transformation, Puerto Rico’s legislature determined that to achieve a comprehensive transformation of Puerto Rico’s energy sector and aid PREPA in overcoming its financial and operational challenges, a change in the instrumentality’s historical roles and responsibilities was warranted. Consequently, the reassignment of such through multiple entities was imperative. In June 2018, the *Puerto Rico Electric Power System Transformation Act* (“Act 120-2018”)⁴ was created to authorize and pave the legal framework required for the sale, disposition, or transfer of PREPA’s assets, operations, functions, and services. Act 120-2018 also provides for the applicability of Act No. 29-2009, known as the *Public-Private Partnership Act, to the Authority*⁵ to carry out the transactions that Act 120-2018 authorized. Additionally, in 2019, through the *Puerto Rico Energy Public Policy Act* (“Act 17-2019”),⁶ the Legislature of Puerto Rico declared that Puerto Rico’s power system is essential to achieve the competitiveness and economic development of Puerto Rico and thus ordered its transformation and restructuring. Thus, Act 17-2019 provides for a concerted transition from the current vertically integrated PREPA structure to one in which the roles and responsibilities that have historically been concentrated within PREPA be reallocated across multiple entities.

The Oversight Board enabled a second vehicle to complete PREPA’s transformation. Under PROMESA, the responsibilities of the Oversight Board encompass the process for the submission,

⁴ *Puerto Rico Electric Power System Transformation Act*, Act. No. 120 of June 21, 2018, (22 LPRA §§ 111-1125), as amended.

⁵ *Public-Private Partnership Authority Act*, Act No. 29 of June 8, 2009, as amended (“Act 29-2009”).

⁶ *Puerto Rico Energy Public Policy Act*, Act. No. 17 of April 11, 2019, 22 L.P.R.A. §§ 1141-1141f, as amended (“Act 17-2019”).

approval, and certification of fiscal plans and budgets for Puerto Rico and its instrumentalities, including PREPA. In accordance with those vested powers, the Oversight Board has certified multiple fiscal plans for PREPA; the first was approved on April 28, 2017,⁷ and the most recent and operative was certified on June 28, 2022.⁸

To what is relevant to this Petition, on June 27, 2019, the Oversight Board certified the 2019 Fiscal Plan for PREPA. The 2019 Fiscal Plan includes reorganizing PREPA and requires disarticulating its vertically integrated operations into GenCo and GridCo. GenCo, a wholly owned subsidiary of PREPA, would hold the generation assets and carry out the responsibilities of producing electricity to be exported to the transmission system, which in turn, together with the distribution system, would be transformed into a second subsidiary identified as GridCo.

Following the legislative mandate and the Oversight Board's policy of disintegrating PREPA's roles, the Puerto Rico Public-Private Partnerships Authority (P3A) issues a request for proposals (RFP) to identify one or more proponents to transfer responsibilities for the operation and maintenance of PREPA's transmission and distribution system ("T&D") to a private operator. LUMA Energy, LLC was selected as the operator. On June 22, 2020, PREPA, P3A, LUMA Energy, LLC, and LUMA Energy ServCo., LLC⁹ entered into the *Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* and the *Puerto Rico Transmission*

⁷ Puerto Rico Electric Power Authority Fiscal Plan, as certified by the Financial Oversight and Management Board for Puerto Rico on June 28, 2022, available at <https://drive.google.com/file/d/13lij1bNoa7IRUANLtuHS67scYa7cj4ZN/view> (Last visited on September 14, 2022).

⁸ The 2022 Certified Fiscal Plan for the Puerto Rico Electric Power Authority, as certified by the Financial Oversight and Management Board for Puerto Rico on June 28, 2022, available at <https://drive.google.com/file/d/1f6VCpY8sWmshvshWLNlJn52LFAvLABgk/view> (Last visited on September 14, 2022).

⁹ LUMA Energy LLC and LUMA Energy ServCo, LLC, hereinafter referred to as "LUMA" or "T&D Operator," and PREPA, P3A and LUMA together are referred to as the "Parties."

and Distribution System Supplemental Terms Agreement (the “T&D OMA”),¹⁰ a contract by which PREPA assigned LUMA the responsibility to operate and maintain¹¹ PREPA’s T&D System¹² and delegated on P3A the responsibility of administering and overseeing compliance with its terms and conditions. In the OMA, the Parties agreed to reorganize PREPA into two subsidiaries, GenCo and Gridco.

The OMA provided that the Parties were to complete a series of tasks and documentation before the Service Commencement Date (SCD)¹³. Amongst these tasks was the approval of the corresponding Government entities of a final plan for the unbundling of PREPA into GenCo and GridCo and the approval of a power and purchase operating agreement between GridCo and GenCo. T&D OMA at sec. 4.5(q). Although the Parties were diligent in their efforts since the effective date of the OMA, the completion of such documents was not achieved before the date that the Parties had agreed to set as the conditions precedent to the SCD, which was June 1st, 2021.¹⁴ In response, on June 1, 2021, the Parties executed the *Limited Waiver*, by which they expressly manifested that the Parties had accepted that the lack of such documentation did not hinder LUMA from delivering the services according to the OMA and that the Parties would move forward with June 1, 2021, as the ISCD (ISCD). In this regard, LUMA would be able to commence implementing its emergency response plan for the T&D System in preparation for the 2021

¹⁰ Available for review at <https://www.p3.pr.gov/wp-content/uploads/2020/06/executed-consolidated-om-agreement-td.pdf> (Last visited on September 14, 2022).

¹¹ Additional details on the roles and responsibilities of LUMA are listed in Annex I of the T&D OMA.

¹² T&D System is PREPA’s transmission and distribution system, and related facilities, equipment and other assets related to the transmission and distribution system in which PREPA has an ownership or leasehold interest. *See* T&M OMA at p. 1, [¶ 2].

¹³ The SCD is defined in section 4.7(b) of the OMA as the date on which a handover to LUMA of the O&M Services occurs, which shall be (i) the first (1st) Business Day of a calendar month that is at least three (3) Business Days following the date on which Administrator delivers a certificate to Operator confirming that all Service Commencement Date Conditions have been met or (ii) such other date as the Parties may agree. The satisfaction or waiver of all the Service Commencement Date Conditions is required for the achievement of the Service Commencement Date.

¹⁴ The SCD conditions are defined in section 4.5 of the T&D OMA.

Atlantic hurricane season. Among the conditions waived was the completion of a final plan for reorganizing PREPA into GenCo and GridCo and the completion and approval of the power and purchase operating agreement between GridCo and GenCo. *See* Limited Waiver at p. 2, sec. 1(d). The Parties agreed to work actively to assure that the conditions required before the SCD would be satisfied.

This Petition is in furtherance of the agreements reached by the Parties in the Limited Waiver and also, in compliance with the T&D OMA provisions, to ask the Puerto Rico Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) to grant leave to PREPA to create three (3) subsidiaries and also, to request that Energy Bureau approve the *Puerto Rico PREPA-Genco-Hydroco Operating Agreement*, which, per an agreement by the Parties, will be executed in place of the GridCo-Genco PPOA.

II. APPLICABLE LAW AND POLICIES

A. The Puerto Rico Electric Power System Transformation Act

On June 20, 2018, the *Puerto Rico Electric Power System Transformation Act* was enacted. With its approval, Puerto Rico established the legal authority and mechanisms to enable the sale, disposition and/or transfer of the T&D System and generation assets, operations, functions and services through public-private partnerships.

Section 4 of Act 120-2018 established the applicability of Act No. 29-2009, which regulates the establishment of public-private partnerships in Puerto Rico, to PREPA transactions to take advantage of its strict transparency and flexibility processes as a basis for conducting negotiations that would lead to a financially feasible electric power system focused on the welfare of consumers. Act 29-2009 modified the existing regulatory structure and established a working group to design

a new regulatory framework and energy public policy for a private sector-based energy system.

Section 5 of Act 120-2018 set P3A as the sole Government entity to be responsible for:

- (1) implementing the public policy on PREPA Transactions conducted in accordance with this Act;
- (2) determining the Functions, Services, or Facilities for which such Partnerships shall be established, subject to the priorities, objectives, and principles established in the energy policy and the regulatory framework to be developed pursuant to Section 9 of this Act; and
- (3) determining which PREPA Assets related to electric power generation shall be sold or transferred through Sales Contracts. If the Authority [P3A] determines that a Partnership shall not be established for a Function, Service, Facility, or other PREPA Asset, said PREPA may develop Function, Service, Facility, or PREPA Asset as provided by Act No. 83 or any other applicable law and it shall not be considered a PREPA Transaction.

According to Act 120-2018, a PREPA Transaction is defined as “any and all transactions pursuant to which PREPA or the Government of Puerto Rico enters into one or more Partnerships with respect to any function, service or facility of PREPA or a Sale Agreement of the assets of PREPA related to energy generation that is carried out pursuant to the provisions of Act 29-2009.”

B. The Puerto Rico Energy Public Policy Act

On April 11, 2019, the Governor signed the Puerto Rico Energy Public Policy Act to establish, among other things, the regulatory framework for Puerto Rico’s energy sector and the Authority’s transformation. Considering the importance of Puerto Rico’s power system in the economic development of the island and its competitiveness in capital markets, it establishes a regulatory framework to attract private investment and ensure independent, professional oversight of the energy market participants. As a spearhead, it ordered the transformation and restructuring of the Authority. Moreover, Act 17-2019 specifically prohibits PREPA from continuing to operate as a vertical monopoly, mandating the unbundling of the T&D System and generation operations into separate and distinct entities.

Section 1.8. of Act 17-2019 also directs PREPA to:

- (i) execute one or various partnership contracts, through which it shall transfer the transmission and distribution functions, the sale of electric power, the operation of the Energy Control Center, and all those activities related to such functions and
- (ii) to transfer the operating, administrative, and/or maintenance functions in connection with PREPA's legacy power generation assets.

Act 17-2019 at sec. 1.8.

Consistent with such an energy policy, after P3A conducted an RFP process to select one or more private operators for the T&D System, on June 22, 2020, PREPA, P3A and LUMA signed the T&D OMA by which PREPA transferred day-to-day roles and responsibilities over the operation of the T&D system to LUMA and the administrative function of overseeing compliance with the T&D OMA to P3A. On June 1, 2021, the transition to LUMA of the responsibility for the management, operation, maintenance, repairs, restoration, and replacement of the T&D System took place.

Under the T&D OMA, PREPA must create GridCo, a subsidiary that will hold the assets and responsibilities of the T&D System and GenCo, a subsidiary that will hold the thermal generation plants and fuel contracts and the assets and personnel related to it ("Legacy Thermal Generation Assets").

C. Certified Fiscal Plans

Since the enactment of PROMESA, PREPA has been subject to the supervision of the Oversight Board. The Oversight Board generates certified fiscal plans for PREPA to serve as a roadmap of the estimated revenues and expenses and to outline the strategy for the utility to complete the operational and financial reorganization of the PREPA and the successful completion of the transformation of Puerto Rico's energy sector.

On June 29, 2020, the Oversight Board certified PREPA's 2020 Fiscal Plan ("2020 Fiscal Plan"). The 2020 Fiscal Plan required PREPA's vertically integrated operations to be "disaggregated into Generation and T&D utility functions – GenCo and GridCo, respectively." 2020 Fiscal Plan at p. 53. The 2020 Fiscal Plan also provided that the transformation of the energy sector required, among other things: (i) the improvement of existing PREPA operations and transfer of responsibilities for the operation and maintenance of its T&D System to a qualified, professional, and experienced private operator; and (ii) improvement of PREPA generation operations and transfer of the responsibilities for the operation and maintenance of PREPA's existing generation assets to one or more qualified, professional, and experienced private operators. *Id.* at p. 27. This is consistent with the intent of Act 120-2018 and Act 17-2019.

Additionally, on May 27, 2021, the Oversight Board certified PREPA's 2021 Fiscal Plan ("2021 Fiscal Plan"). The 2021 Fiscal Plan provides and emphasizes that PREPA must modify its roles and responsibilities and reallocate these through multiple entities to transform Puerto Rico's energy system truly. 2021 Fiscal Plan at p. 45. The 2021 Fiscal Plan further establishes that PREPA must complete its operational and financial reorganization by distributing its responsibilities and assets in different subsidiaries. *Id.* at p. 111.

On June 28, 2022, the Oversight Board certified PREPA's 2022 Fiscal Plan (the "2022 Fiscal Plan"). The 2022 PREPA Fiscal Plan is the most current and operative fiscal plan. It reiterates that as required by Act 17-2019 and as outlined in PREPA's 2020 and 2021 fiscal plans, PREPA's transformation must proceed with the unbundling of the electric system from a vertically integrated monopoly structure into one in which roles and responsibilities are reallocated across multiple entities and are operated by different parties. Per the 2022 Fiscal Plan, the focus in the coming months shall be to; (i) create PREPA GenCo, PREPA GridCo, PREPA HydroCo, and PREPA

PropertyCo; and (ii) assign separate PREPA's assets, roles, and responsibilities to each of the subsidiaries. 2021 Fiscal Plan at p .46, ¶ 1.

Lastly, the 2022 Fiscal Plan expresses that PREPA's existing day-to-day roles and responsibilities will be limited to those strictly necessary to ensure compliance with federally funded capital investment requirements, short- and long-term financing, financial disclosure, and auditing requirements, recordkeeping, and other obligations established by federal and Commonwealth laws.

D. The Puerto Rico Energy Bureau

The Energy Bureau was established in 2014, according to Act 57-2014, known as the *Puerto Rico Energy Transformation and RELIEF Act*¹⁵, as an independent and specialized regulatory body to promote and enable transparent implementation of the energy transformation. The Energy Bureau was created with broad powers to regulate the energy sector. Section 6.3 establishes the powers and duties of the Energy Bureau, which, among others, include overseeing and ensuring the execution and implementation of the public policy on the electric power service in Puerto Rico. Thus, the Energy Bureau has a significant role in transforming PREPA.

Also, section 5(u) of Act 83-1941 expressly asserts that PREPA must obtain prior approval of the Energy Bureau to create, whether in Puerto Rico or a different jurisdiction, or contract with companies, partnerships, or subsidiary corporations, whether for profit or nonprofit, affiliated or associated, to, among others:

separate or divide into one or more subsidiaries the [PREPA]'s generation, transmission, and distribution functions and (ii) participate in Private-Public Partnerships [(hereinafter "P3A")] in accordance with Act No. 29-2009, as amended, and Act No. 120-2018, as amended.

¹⁵ *Puerto Rico Energy Transformation and RELIEF Act*, Act No. 57 of May 27, 2014, as amended ("Act 57-2014").

Act 83-1941 at sec. 5(u)(i).

Therefore, PREPA, in compliance with the applicable laws, hereby requests the Energy Bureau to grant leave to create three (3) new subsidiaries. It is further requested that the Energy Bureau reviews and approve the PGHOA, which was approved by the Parties instead of T&D OMA's GridCo-GenCo PPOA, and which will rule some of the relationships between PREPA, new subsidiaries and private operators of these subsidiaries or assets and operations that will remain under PREPA's name, ownership, or responsibility.

III. PREPA REORGANIZATION

PREPA's Enabling Act¹⁶ established PREPA as a government instrumentality subject to its governing board's control. Act 83-1941 states explicitly that the powers of the Authority shall be exercised, and its general policy and strategic management shall be determined by its Governing Board.

Following the mandate of Act 120-2018 and Act 17-2019 and several fiscal plans approved by the Oversight Board, P3A opened a competitive procurement process to award an operation and maintenance agreement of PREPA's T&D System to one or more private operators. After completing the competitive process, the T&D OMA was awarded to LUMA. One of the covenants that the Parties entered when the T&D OMA was signed was to complete the reorganization of PREPA into GenCo and GridCo and the effectiveness of the GridCo-GenCo PPOA. T&D OMA at Sec. 4.5(q). These two (2) events were part of a series of documentation and tasks that had to be completed before SCD. Although the Parties were diligent in their efforts since the effective

¹⁶ Act 83-1941.

date of the OMA, the completion of such documents was not achieved before the date that the Parties had agreed to set as the SCD, which was June 1st, 2021.

In response, on June 1, 2021, the Parties executed the *Limited Waiver*, by which they expressly manifested that the Parties had accepted that the lack of such documentation did not hinder LUMA from delivering the services according to the OMA and that the Parties would move forward with June 1, 2021, as the ISCD, rather than SCD. In this regard, LUMA would be able to commence implementing its emergency response plan for the T&D System in preparation for the 2021 Atlantic hurricane season. Among the conditions waived was the completion of a final plan for reorganizing PREPA into GenCo and GridCo and the completion and approval of the GridCo-GenCo PPOA. Limited Waiver at p. 2, Sec. 1(d). The Parties further agreed to work actively to assure that the conditions required before the SCD would be satisfied.

Therefore, in compliance with the agreements outlined in Act 17-2019, PREPA's fiscal plans, the T&D OMA and the Limited Waiver, the Parties continued working diligently to complete the PREPA Reorganization.

A. Creation of three (3) new subsidiaries

In compliance with the mandates outlined in Act 17-2019, and the agreements outlined in the T&D OMA, PREPA has completed the initial process to create three (3) new subsidiaries: PREPA GenCo, LLC, PREPA HydroCo, LLC and PREPA PropertyCo, LLC. Each subsidiary is further described below.

i. PREPA GenCo, LLC

On December 15, 2021, by its vested powers under Act 83-1941, as reflected in *Resolution 4939 Approval for the Creation of the PREPA GenCo, LLC subsidiary* ("Resolution 4939"), the

PREPA Governing Board approved the legal documents to formalize the organization of PREPA GenCo, LLC (“GenCo”). Exhibit A.

Draft copies of the *PREPA GenCo, LLC Limited Liability Company Agreement and Single Member Declaration* (“GenCo Agreement”), with the relevant annexes, including the Capital Contribution Agreement, are included in this petition for the evaluation and approval of the Energy Bureau. Exhibit B. GenCo is proposed as the legal entity that will own and operate (or delegate the operation of) the PREPA’s Legacy Thermal Generation Assets. PREPA will contribute specific capital to GenCo, including, among others, the thermal generation assets, employees, vehicles, software, and contracts. Any assets used in connection with the T&D System *and* the Legacy Thermal Generation Assets shall remain under PREPA and will not be transferred to GenCo unless PREPA and GenCo determine after its creation that any such assets shall be transferred through a written instrument executed by PREPA and GenCo.

GenCo shall have a Board of Managers managing its affairs, property, and business. The GenCo Board of Managers shall have members of the PREPA Governing Board as members. The Chairman and Vice Chairman of the GenCo Board of Managers will be the Chairman and Vice Chairman of the PREPA Governing Board. Also, the Executive Director and the Sub-Director of Operations of PREPA shall be the Executive Director and Sub-Director of Operations of GenCo, respectively- unless otherwise determined by the GenCo Board of Managers.

Also, Resolution 4939 authorizes PREPA’s Executive Director to execute and submit, whenever necessary, documentation in furtherance of the corresponding approval and creation of the GenCo Agreement and annexes, including, but not limited to, public deeds of transfer to reflect the transfer of GenCo of the real properties per the capital contribution agreement and any other real property pertaining to the GenCo assets and to enforce such agreements once approved by the

corresponding governmental agencies, including but not limited to the Energy Bureau and the Oversight Board.

ii. PREPA HydroCo, LLC

On December 15, 2021, by its vested powers under Act 83-1941, as reflected in *Resolution 4940 Approval for the Creation of the PREPA HydroCo, LLC Subsidiary* (“Resolution 4940”), the PREPA Governing Board approved the legal documents to formalize the organization of PREPA HydroCo, LLC (“HydroCo”). Exhibit C.

Draft copies of the *PREPA HydroCo, LLC Limited Liability Company Agreement and Single Member Declaration* (“HydroCo Agreement”), with the relevant annexes, including the Capital Contribution Agreement, are included in this petition for the evaluation and approval of the Energy Bureau. Exhibit D. HydroCo is proposed as the legal entity that will own and operate (or delegate the operation of) hydroelectric and irrigation assets, employees, vehicles, software, and contracts and assets related to it (“Hydropower Assets”). PREPA will contribute specific capital to HydroCo, including the Hydropower Assets. Any assets used in connection with the T&D System and the Hydropower Assets shall remain under PREPA and will not be transferred to HydroCo unless PREPA and HydroCo determine after its creation that any such assets shall be transferred through a written instrument executed by PREPA and HydroCo.

HydroCo shall have a Board of Managers managing its affairs, property, and business. The HydroCo Board of Managers shall have the members of the PREPA Governing Board as members. The Chairman and Vice Chairman of the HydroCo Board of Managers will be the Chairman and Vice Chairman of the PREPA Governing Board. Also, the Executive Director and the Sub-Director of Operations of PREPA shall be the Executive Director and Sub-Director of Operations of HydroCo, respectively, unless otherwise determined by the HydroCo Board of Managers.

Resolution 4940 also authorizes PREPA’s Executive Director to execute and submit, whenever necessary, documentation in furtherance of the corresponding approval and creation of the HydroCo Agreement and annexes, Including, but not limited to, public deeds of transfer as required to reflect the transfer of HydroCo of the real properties per the capital contribution agreement and any other real property pertaining to the HydroCo assets and to enforce such agreements once approved by the corresponding governmental agencies, including but not limited to the Energy Bureau and the Oversight Board.

iii. PREPA PropertyCo, LLC

On December 15, 2021, under its vested powers under Act 83-1941, as reflected in *Resolution 4941 Approval for the Creation of the PREPA PropertyCo, LLC Subsidiary* (“Resolution 4941”), the PREPA Governing Board approved the legal documents to formalize the organization of PREPA PropertyCo, LLC. Exhibit E.

Draft copies of the *PREPA PropertyCo, LLC Limited Liability Company Agreement and Single Member Declaration* (“PropertyCo Agreement”), with the relevant annexes, including the capital contribution agreement, are included in this petition for the evaluation and approval of the Energy Bureau. Exhibit F. The draft PropertyCo Agreement and Capital Contribution Agreement state that PropertyCo is the legal entity that will own and operate (or delegate the operation of) the PREPA assets not related to the T&D System, the Legacy Thermal Generation Assets or the Hydropower Assets. The sole member of PropertyCo will be PREPA. PREPA will contribute certain capital to PropertyCo, including, among others, assets not related to T&D System, the Legacy Thermal Generation Assets or the Hydropower Assets.

PropertyCo shall have a Board of Managers managing its affairs, property, and business. PREPA’s Governing Board shall be members of PropertyCo’s Board of Managers. The Chairman

and Vice-Chairman of the PREPA Governing Board shall be the Chairman and Vice-Chairman of the PropertyCo Board of Managers, respectively. Also, PREPA's Executive Director and the Sub-Director of Operations of PREPA shall be the Executive Director and Sub-Director of Operations of PropertyCo, respectively- unless otherwise determined by the PropertyCo's Board of Managers.

Any assets used in connection with PREPA's assets not related to the T&D System or the legacy generation and irrigation facilities shall remain under PREPA and will not be transferred to PropertyCo, unless LUMA, PREPA, and PropertyCo determine after the date of its creation that any such assets shall be transferred through a written instrument executed by PREPA and PropertyCo.

The draft PropertyCo Agreement and Capital Contribution Agreement also authorizes PREPA's Executive Director to execute and submit, whenever necessary, documentation in furtherance of the corresponding approval and creation of the PropertyCo Agreement and Capital Contribution Agreement, including, but not limited to, public deeds of transfer as per required to reflect the transfer of PropertyCo of the real properties per the Capital Contribution Agreement and any other real property pertaining to the PropertyCo assets and to enforce such agreements once approved by the corresponding governmental agencies, including but not limited to the Energy Bureau and the Oversight Board.

B. Approval of the PGHOA

As discussed in section III(A)(i), *supra*, Genco will continue to be responsible for the operation and maintenance of the Legacy Generation Assets, and HydroCo will be responsible for the operation and maintenance of the Hydropower Assets. After the Energy Bureau grant PREPA leave to move forward with these subsidiaries, the Legacy Generation Assets and the Hydropower Assets will have been split from the T&D System and also, and each of the T&D System assets,

the Legacy Generation Assets and the Hydropower Assets will be owned by separate corporate entities. Also, each of the T&D System assets, the Legacy Generation Assets and the Hydropower Assets will be operated and maintained by separate corporate entities. The Parties, together with GenCo and HydroCo, have agreed to enter into the *Puerto Rico PREPA-Genco-Hydroco Operating Agreement* (PGHOA) to coordinate certain matters concerning the Legacy Generation Assets, the Hydropower Assets and the T&D System assets. A draft of the PGHOA is at this moment submitted as Exhibit G. The Parties have agreed to submit the instead of the GridCo-GenCo PPOA mentioned and required by the T&D OMA.

The PGHOA includes mainly (1) the steps and process to be followed by the Parties, GenCo and HydroCo to prepare and amend each of the parties' budgets; how each of the T&D Operator, GenCo and HydroCo's accounts will be funded, (3) the form of Interconnection Agreement to be entered into on or about the effective date between PREPA and GenCo concerning the interconnection of the T&D System and the legacy generation assets) (PGHOA at Annex I), (4) the Agreed Operating Procedures (*Id.* at Annex II), (5) the interconnection facilities operations and maintenance procedure, (6) dispatch, (7) metering of the electricity delivered or made available by GenCo or HydroCo, and (8) decommissioning of the Legacy Thermal Generation Assets, among other matters.

The draft PGHOA submitted herein for the Energy Bureau's review and approval has been reviewed and approved by the PREPA Governing Board in accordance with Resolution no. 4995.¹⁷

The PGHOA shall become effective once the Energy Bureau approves the creation of GenCo and

¹⁷ Pursuant to the provisions of Resolution no. 4995, *Authorize the Executive Director to Execute the Puerto Rico PREPA-GenCo, HydroCo Operating Agreement, the Agreed Operating Procedures, and the Interconnection Agreement*, on August 31, 2022, the Executive Director of PREPA, with the consent of the Chairman of the PREPA Governing Board, approved the submittal of the attached draft PGHOA for the consideration and approval of the Energy Bureau.

HydroCo; it approves the PGHOA and its annexes; and the P3A board of directors authorizes the execution, delivery and performance by P3A under the PGHOA and the transactions contemplated thereby.

The PGHOA includes the draft Agreed Operating Procedures (AOP) (*Id.* at Annex II). The AOP is intended as a set of procedures to assist GenCo, as owner and operator of the Legacy Thermal Generation Assets, and T&D Operator, according to the T&D OMA, in the day-to-day management of each generation facility, including scheduling and dispatch. The AOP attached to the PGHOA shall serve as a template that will be evaluated with the relevant GenCo and T&D Operator after being approved and adapted to each of the generating facilities.

The PGHOA includes a second annex, the draft Legacy Generation Assets Interconnection Agreement (“LGA Interconnection Agreement”). Once PREPA and GenCo, as the interconnection customer, enter into the LGA Interconnection Agreement, it will govern the terms and conditions under which the Legacy Generation Assets interconnect with and operate in parallel with the T&D System. According to the T&D OMA, the T&D Operator will act as an agent of PREPA under the LGA Interconnection Agreement. Once the Generation O&M is executed and becomes effective, Genco Operator will serve as the agent for Genco under the LGA Interconnection Agreement in accordance with the Generation O&M Agreement.

III. CONCLUSION

The petition for leave to move forward with the creation of GenCo, HydroCo and PropertyCo is made following the Puerto Rico energy public policy, fiscal plans approved by the Oversight Board and the T&D OMA. WHEREFORE, PREPA requests the Energy Bureau to grant leave to continue with the steps required to create GenCo, HydroCo and PropertyCo and, consequently, the

transformation of PREPA, which is for the benefit of the people of Puerto Rico. Further, PREPA requests the Energy Bureau to approve the PGHOA submitted in compliance with the T&D OMA.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, September 14, 2022.

/s Katiuska Bolaños-Lugo

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TSPR 18,888

/s Joannely Marrero-Cruz

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Exhibit A



GOVERNMENT OF PUERTO RICO

PUERTO RICO ELECTRIC POWER AUTHORITY

Governing Board | jgob@prepa.com

RESOLUTION 4939

APPROVAL FOR THE CREATION OF THE PREPA GENCO, LLC SUBSIDIARY

WHEREAS: The Puerto Rico Electric Power Authority ("**PREPA**") is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended ("**Act 83**"). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, it provides a service based on affordable, fair, reasonable, and non-discriminatory cost that is consonant with environmental protection, non-profit, focused on citizen participation, and its clients;

WHEREAS: Section 5(u) of Act 83 provides that PREPA is conferred, and shall have and exercise, the rights and powers necessary or convenient, upon the prior approval of the Puerto Rico Energy Bureau ("**PREB**"), to create, whether in Puerto Rico or in a different jurisdiction, or contract with companies, partnerships, or subsidiary corporations, whether for profit or nonprofit, affiliated or associated, in order to, among others: (i) separate or divide into one or more subsidiaries the PREPA's generation, transmission, and distribution functions and (ii) Participate in Public-Private Partnerships in accordance with Act 29-2009, as amended, and Act 120-2018, as amended. *alc*


WHEREAS: The Puerto Rico Energy Public Policy Act, Act No. 17 of April 11, 2019 ("**Act 17**"), declared that Puerto Rico's power system is essential to achieve the competitiveness and economic development of Puerto Rico and thus ordered its transformation and restructuring. By mandate of the Legislature of Puerto Rico, the electric system must be resilient, reliable and robust. Previous PREPA and Commonwealth of Puerto Rico's certified fiscal plans have outlined a comprehensive transformation of Puerto Rico's energy sector to address PREPA's financial and operational challenges.



PO Box 364267 San Juan, Puerto Rico 00936-4267

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WHEREAS: Act 17 provides that the electrical system shall no longer continue as a vertical monopoly, nor may it be established as a horizontal monopoly regarding power generation. Act 120 directs PREPA (i) to execute one or various partnership contracts, through which it shall transfer the transmission and distribution functions, the sale of electric power, the operation of the Energy Control Center, and all those activities related to such functions and (ii) to transfer the operating and maintenance functions in connection with PREPA's legacy power generation assets.

WHEREAS: In compliance with Act 120's mandate to transfer PREPA's operation and maintenance of the transmission and distribution system, on June 22, 2020, after a competitive RFP process carried out by the Puerto Rico Public-Private Partnership Authority ("**P3A**"), PREPA, P3A, LUMA Energy LLC and LUMA Energy Servco, LLC (LUMA Energy LLC and LUMA Energy Servco, LLC hereinafter referred to as "**LUMA**", and PREPA, P3A and LUMA together are hereinafter referred to as the "**Parties**") entered into the *Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* and the *Puerto Rico Transmission and Distribution System Supplemental Terms Agreement* ("**OMA**"). In the OMA, the Parties agreed to reorganize PREPA in two subsidiaries, GenCo and Gridco. 

WHEREAS: The Fiscal Plan approved by the Financial Oversight and Management Board for Puerto Rico ("**FOMB**") in June 2020 ("**2020 Fiscal Plan**") required PREPA's vertically integrated operations to be segregated into Generation and T&D utility functions – GenCo and GridCo, respectively. The 2020 Fiscal Plan provided that the transformation of the energy sector required, among other things: (i) improvement of existing PREPA operations and transfer of responsibilities for the operation and maintenance of PREPA's T&D system to a qualified, professional, and experienced private operator; and (3) improvement of PREPA's generation operations and transfer of the responsibilities for the operation and maintenance of PREPA's existing generation assets to one or more qualified, professional, and experienced private operators.

WHEREAS: On May 27, 2021, the FOMB certified the 2021 PREPA Fiscal Plan ("**2021 Fiscal Plan**"). The 2021 PREPA Fiscal Plan is the most recent and operative fiscal plan and provides, and restates, that to achieve Puerto Rico's energy system transformation, a change in PREPA's historical roles and responsibilities and their reassignment through multiple entities is imperative. The 2021 Fiscal Plan further establishes that PREPA must complete its operational and financial reorganization by distributing its responsibilities and assets in different subsidiaries.

WHEREAS: In compliance with the legal mandates included in Act 17 and the 2021 Fiscal Plan, PREPA has decided to segregate its legacy thermal generation assets and responsibilities in a new subsidiary. The subsidiary will be called PREPA GenCo, LLC ("**GenCo**").

WHEREAS: The Governing Board has received and evaluated a memorandum submitted by the Executive Director explaining the separation of certain assets and responsibilities of PREPA into different subsidiaries, including GenCo. The Executive Director has also presented draft versions of the PREPA GenCo Limited Liability Company Agreement and Single Member Declaration ("**GenCo Agreement**"), and the PREPA GenCo LLC Capital Contribution Agreement ("**Capital Contribution**"), which is an attachment to the GenCo Agreement. 

WHEREAS: Pursuant to the draft GenCo Agreement and Capital Contribution Agreement, GenCo is the legal entity that will own and operate (or delegate the operation of) PREPA's legacy thermal generation assets. The sole member of GenCo will be PREPA. PREPA will contribute certain capital to GenCo, including, among other, the thermal generation assets, employees, vehicles, software and contracts.

WHEREAS: Property, business and the affairs of GenCo shall be managed and conducted by its Board of Managers. GenCo shall have as members of its Board of Managers the PREPA Governing Board. The Chairman and Vice Chairman of the GenCo Board of Managers will be the Chairman and Vice Chairman of the PREPA Governing Board.

WHEREAS: GenCo will have an Executive Director and a Sub-Director of Operations, who will be the Executive Director and the Sub-Director of Operations of PREPA, unless otherwise determined by the Board of Managers.

WHEREAS: Any assets that are used in connection with both the transmission and distribution system and the thermal generation facilities shall be retained by PREPA and not transferred to GenCo, unless the LUMA, PREPA and GenCo determine after the date hereof, that any such assets should be transferred to GenCo, in which case any such assets shall be promptly transferred through a written instrument executed by PREPA and GenCo.

THEREFORE: In accordance with Act 83, PREPA's Governing Board resolves to:

1. Approve the legal documents to formalize the organization of PREPA GenCo LLC, as approve under Resolution 4887, dated May 28, 2021.
2. Approve the draft GenCo Agreement and Capital Contribution Agreement.
3. Authorize the Executive Director to execute and deliver from time to time any documents as may be necessary to effectuate and evidence the GenCo Agreement and Capital Contribution, including, without limitation, such public deeds of transfer as may be required to reflect the transfer to GenCo of the real properties described in the Capital Contribution Agreement and any other real property that is part of the GenCo assets.
4. Authorize the Executive Director to submit the GenCo Agreement and the Capital Contribution Agreement to any governmental agency, including PREB and FOMB, for the corresponding approval.
5. Authorize the Executive Director to execute the GenCo Agreement and Capital Contribution Agreement after it is approved by the corresponding governmental agencies.

Approved in San Juan, Puerto Rico, on this fifteenth day of December two thousand twenty-one.

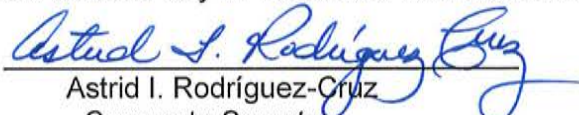

Astrid I. Rodríguez-Cruz
Corporate Secretary

Exhibit B

**PREPA GENCO LLC
LIMITED LIABILITY COMPANY AGREEMENT
AND
SINGLE MEMBER DECLARATION**

This LIMITED LIABILITY COMPANY AGREEMENT AND SINGLE MEMBER DECLARATION (this “*Agreement*”) is made as of [●], 2021, by the undersigned, PUERTO RICO ELECTRIC POWER AUTHORITY (the “*Authority*” or the “*Member*”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the “*Commonwealth*”), created by virtue of Act No. 83 of the Legislature of the Commonwealth, approved May 2, 1941, as amended (the “*Act*”).

WITNESSETH

WHEREAS, pursuant to Resolution No. [●] adopted on [●], 2021, the Governing Board of the Authority authorized the formation of a limited liability company, which limited liability company was organized and created on [●], 2021 under the name “[PREPA GENCO LLC]” (the “*Company*”) pursuant to the provisions and subject to the requirements of Act No. 164-2009, as amended, known as the Puerto Rico General Corporations Act (the “*Corporations Act*”) for the purposes therein set forth; and

WHEREAS, the Member desires to set forth certain operating standards and procedures to be applicable to the Company and the Member with respect to the affairs of the Company and the conduct of its business.

NOW, THEREFORE, in consideration of the premises herein contained, and each intending to be legally bound hereby, the Member states as follows:

**ARTICLE I
FORMATION OF THE COMPANY**

Section 1.1 Rights and Obligations of the Member. Except as otherwise provided herein, all rights, liabilities and obligations of the Member with respect of the Company shall be determined pursuant to the Corporations Act and this Agreement. To the extent the rights or obligations of the Member and/or any additional members are different by reason of any provision of this Agreement than they would be under the Corporations Act in the absence of any such provision, or if this Agreement is inconsistent with the Corporations Act, this Agreement shall control except to the extent the Corporations Act at the time in question prohibits any particular provision of the this Agreement to be waived or modified by the Member and/or any additional member.

Section 1.2 Formation of Limited Liability Company. The Member has organized the Company pursuant to the provisions and subject to the requirements of the Corporations Act under the name of “[PREPA GENCO, LLC]”. The Company’s business and affairs may be conducted under any other name or names deemed advisable by the Member. The Member may change the name of the Company at any time and from time to time.

Section 1.3 Principal Place of Business. The principal office of the Company shall be located at []¹, or at such other place as may be designated by the Board of Managers.

Section 1.4 Purposes of the Company. The purpose of the Company shall be to own and operate (or delegate the operation of) the Authority's legacy thermal generation assets, and to engage in any lawful activities for which limited liability companies may be organized under the Corporations Act, including, without limitation, the sale or disposition of the Authority's legacy thermal generation assets, subject to the limitations contained in the Act.

Section 1.5 No Private Inurement or Benefit. No part of the net earnings of the Company shall inure to the benefit of any member (other than the Authority), Manager or officer of Company, or any private person, except that reasonable compensation may be paid for services rendered to or for the Company affecting one or more of its purposes, and no member (other than the Authority), Manager, or officer of the Company, or any private individual, shall be entitled to share in the distribution of any of the assets upon dissolution of the Company.

Section 1.6 Dissolution. Upon dissolution of the Company, title to all property owned by the Company shall vest in and become property of the Authority, or the board or body which by law shall succeed to the functions and powers of the Authority.

Section 1.7 Tax Exemption. The Authority hereby bestows upon the Company, in accordance with the provisions of Section 5(u)(v) of the Act that permits the Authority to grant to any subsidiary such of the Authority's rights (other than the power of eminent domain) as the Authority shall determine, the right to be exempt from taxation in the Commonwealth (including the exemption from Commonwealth tax, of interest on any of its obligations) to the same extent as the Authority is so exempt.

Section 1.8 Duration of the Company. The existence of the Company shall be deemed to have commenced on the date the Certificate of Formation (the "*Certificate*") of the Company was filed with the Secretary of State of the Commonwealth of Puerto Rico, and shall continue perpetually thereafter, unless sooner terminated and dissolved in accordance with the terms of this Agreement.

ARTICLE II

SINGLE MEMBER, CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

Section 2.1 Single Member. The Company is a single member limited liability company. The sole member of the Company is the Authority.

Section 2.2 Capital Contributions. The Company shall be capitalized by the Member through its contribution to the Company as set forth on Exhibit A attached hereto, with the Member receiving, in exchange therefore, the membership units described in Exhibit A hereto.

¹ Note to Draft: PREPA to confirm address.

The Member shall not have the right to demand or receive the return of its capital contribution except as otherwise expressly provided herein.

Section 2.3 Capital Accounts. A capital account shall be established and maintained for the Member and has been or shall be credited with the amount of the Member's initial capital contribution to the Company.

Section 2.4 Additional Contributions. The Member shall not be required to make additional capital contributions other than that required under Section 2.2.

Section 2.5 Allocations. All items of income, gains, losses, deductions and credits of the Company shall be allocated to the Member.

Section 2.6 Distributions. To the extent permitted in Article I of this Agreement, cash distributions to the Member shall be made in such amounts and at such times as may be determined by the Board of Managers in its discretion. No distribution shall be declared or paid unless, after the distribution is made, the Company's assets exceed the Company's liabilities.

ARTICLE III MANAGEMENT

Section 3.1 Board of Managers. The property, business and the affairs of the Company shall be managed and conducted by its Board of Managers, which may exercise all the powers of the Company except such powers as are specifically conferred or reserved to the Member by the Corporations Act, or as otherwise provided in this Agreement.

Section 3.2 Number; Qualifications. The Company shall have as members of its Board of Managers the Authority's Governing Board, appointed in accordance with such processes and requirements as set forth in the Act. Each of such members is hereinafter referred to as a "Manager."

Section 3.3 Chairman of the Board of Managers. The Chairman of the Board of Managers shall be the Chairman of the Authority's Governing Board and shall have such powers and perform the duties specifically conferred by this Agreement and such other powers and duties as may be prescribed by the Board of Managers from time to time by resolution. The Chairman of the Board of Managers shall preside and convene the meetings of the Board of Managers and shall prepare a detailed agenda stating the matters to be discussed at each meeting, including, without limitation, any matters related to the policy, administration and operation of the Company.

Section 3.4 Vice Chairman of the Board of Managers. The Vice Chairman of the Board of Managers shall be the Vice Chairman of the Authority's Governing Board and shall have such powers and perform such duties as the Board of Managers may determined or as may be assigned to it by the Chairman in its absence, or in the event of the Chairman's death, or inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers and be subject to all the restrictions upon the Chairman.

Section 3.5 Secretary of the Board of Managers. The Secretary of the Board of Managers shall be the Secretary of the Authority's Governing Board and shall: (a) keep the minutes of the meetings of the Board of Managers; (b) be the custodian of the minutes of the meetings of the Board of Managers; (c) see that all notices are duly given in accordance with the provisions of this Agreement and as required by law; and (d) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to it by the Chairman or by the Board of Managers.

Section 3.6 Liability of Managers. A Manager shall not have any liability to the Company or the Member for any mistakes or errors in judgment, or for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement. A Manager shall be liable only for acts and/or omissions involving intentional wrongdoing. Actions or omissions taken in reliance upon the advice of legal counsel that are within the scope of a Manager's authority hereunder shall be conclusive evidence of good faith; provided, however, a Manager shall not be required to procure such advice to be entitled to the benefit of this subparagraph.

Section 3.7 Regular Meetings. Regular meetings of the Board of Managers shall be held monthly at such time, place and manner as are specified in the notice, including, but not limited to, by telephone conference, or other medium of communication, as may be designated by a majority of the Board of Managers, provided that if such regular meeting is held by telephone conference or other medium of communication, the Company shall implement reasonable measures to provide the Managers reasonable opportunity to participate in the meeting and to vote on matters submitted to the Managers. Notice of any regular meeting of the Board of Managers shall be given at least 5 days thereto by written and/or verbal notice pursuant to the delivery instructions determined and given by the Chairman of the Board of Managers. Each such notice shall include the time, day and place. Unless required by the laws of the Commonwealth of Puerto Rico or this Agreement, such notice shall not be required to be given to any Manager who shall be present at such meeting, or who shall waive such notice in writing or by telegraph or electronic mail, whether before or after the meeting, and any meeting of the Board of Managers shall be a legal meeting without any notice thereof having been given if all of the Managers shall be present thereat. Whenever the provisions of the laws of the Commonwealth of Puerto Rico or the Certificate of Formation or this Agreement require that a meeting of the Managers shall be duly called for the purpose, or that a certain notice of the time, place and purposes of any such meeting shall be given, in order that certain action may be taken at such meeting, a written waiver of notice of the time, place and purposes of such meeting signed by every Manager not present in person, either before or after the time fixed for holding said meeting, shall be deemed equivalent to such call and notice, and such action if taken at any such meeting shall be as valid as if call and notice had been duly given. The Executive Director of the Company shall be invited to all regular meetings of the Board of Managers and shall have the right to present to the Board of Managers for its consideration any and all matters either included in the meeting's agenda or matters previously informed to the Chairman and the Secretary of the Board of Managers which were not included in the meeting's agenda.

Section 3.8 Special Meeting. Special meetings of the Board of Managers may be called by or held at the request of the Chairman of the Board of Managers, or by a majority of the Managers, at such time, place and manner as are specified in the notice, including but not limited to, by

telephone conference, or other medium of communication, as may be designated by a majority of the Board of Managers, or by the Executive Director of the Company, if applicable, provided that if such special meeting is held by telephone conference or other medium of communication, the Company shall implement reasonable measures to provide the Managers reasonable opportunity to participate in the meeting and to vote on matters submitted to the Managers. Notice of any special meeting of the Board of Managers shall be given at least 24 hours prior thereto by written notice delivered by mail, to each Manager at its business address, or transmitted verbally or by telecopier, by electronic mail and/or by any other electronic form. If mailed, such notice shall be deemed to be delivered on the date shown on the return receipt notification. If notice is transmitted by telecopier, electronic mail or any other electronic form, such notice shall be deemed to be delivered when its receipt is electronically (automatically) acknowledged. Each such notice shall state the time, day, place and purposes thereof. Unless required by the laws of the Commonwealth of Puerto Rico or this Agreement, such notice shall not be required to be given to any Manager who shall be present at such meeting, or who shall waive such notice in writing or by electronic mail, whether before or after the meeting, and any meeting of the Board of Managers shall be a legal meeting without any notice thereof having been given if all of the Managers shall be present thereat. Whenever the provisions of the laws of the Commonwealth of Puerto Rico or the Certificate of Formation or this Agreement require that a meeting of the Managers shall be duly called for the purpose, or that a certain notice of the time, place and purposes of any such meeting shall be given, in order that certain action may be taken at such meeting, a written waiver of notice of the time, place and purposes of such meeting signed by every Manager not present in person, either before or after the time fixed for holding said meeting, shall be deemed equivalent to such call and notice, and such action if taken at any such meeting shall be as valid as if call and notice had been duly given.

Section 3.9 Special Attendance at the Board Meetings. Guests may from time to time be invited to attend regular board meetings by the Chairman of the Board, a Manager of the Board of Managers or the Executive Director of the Company. The guest's attendance at the Board of Managers' meeting shall be limited to the presentation of, or raising questions concerning a, specific matter(s), at the conclusion of which the guest shall be excused. The Board of Managers will not discuss, respond to, or take action on the guest's presentation while the guest is present.

A Manager or the Executive Director of the Company who is interested in bringing a guest to a Board of Managers' meeting must notify in advance the Secretary of the Board of Managers, and be approved, in order to be placed on the agenda for that particular meeting. The Chairman or any of the Managers of the Board of Managers may request the guest to leave temporarily, at any time, during the meeting in case the Board of Managers handles confidential matters. The Board of Managers reserves the right to exclude guests from any of its meetings, at any time, to ensure the protection of confidential information and the objectivity in all matters under the consideration of the Board of Managers.

Section 3.10 Quorum. Four (4) Managers shall constitute a quorum for the transaction of business at any meeting of the Board of Managers, but if less than such a quorum is present at a meeting, a majority of the Managers present may adjourn the meeting from time to time without further notice.

Section 3.11 Manner of Acting. The act of the majority of the Managers present at a meeting at which a quorum is present shall be deemed the act of the Board of Managers.

Section 3.12 Action Without a Meeting. Any action required or permitted to be taken by the Board of Managers at a meeting may be taken without meeting if (i) a consent in writing, setting forth the action(s) so taken, shall be approved by all of the Managers, or (ii) a direct consent is given in a referendum.

Section 3.13 Compensation. Managers who are not employees or officials of the Commonwealth may be compensated for their attendance to meetings of the Board of Managers [\$500] per day or as otherwise determined and fixed by the Board of Managers. Managers who are employees or officials of the Commonwealth of Puerto Rico or a public corporation shall serve on the Board of Managers without compensation.

Section 3.14 Books and Records. The Board of Managers shall maintain or cause to be maintained, complete and accurate records of all properties owned or leased by the Company and complete and accurate books of account (containing such information as shall be necessary to record allocations and distributions), and make such records and books of account available for inspection by any Member, or any of the Member's duly authorized representative, during regular business hours and at the principal office of the Company.

Section 3.15 Fiscal Year. The taxable year of the Company shall be a fiscal year commencing on July 1st of each year and ending on June 30th of each year.

ARTICLE IV COMMITTEES

Section 4.01 Committees of the Board of Managers. The Board of Managers may designate one or more committees of the Board of Managers with such powers as shall be specified in a resolution of the Board of Managers. Each committee shall consist of such number of members as shall be determined from time to time by resolution of the Board of Managers. Each committee shall keep regular minutes of its meetings. All actions taken by a committee shall be reported to the Board of Managers at its next meeting and shall be subject to the approval, revision and/or alteration of the Board of Managers, provided that no legal rights of third parties shall be affected by such revision and/or alteration.

Section 4.02 Election of Committee Members. The members of each committee shall be designated by the Board of Managers and shall serve until their successors are elected and qualified or until the members' resignation and removal. Vacancies may be filled by the Board of Managers at any of its meetings. The Managers may designate one or more Managers to serve as an alternate member or members at any committee meeting to replace any absent or disqualified member, such alternate or alternates to serve for that committee meeting only.

Section 4.03 Procedures; Meetings; Quorum. Committees shall meet at such times and at such place or places within or without the Commonwealth of Puerto Rico, as may be provided by such rules of procedure as such committee may adopt, or by resolution of the committee or of the

Board of Managers. At every meeting of a committee, the presence of a majority of all the members thereof shall be necessary to constitute a quorum and the affirmative vote of a majority of the members thereof present shall be required for the transaction of business.

Section 4.04 Compensation. The members of any committee, and the Managers who are invited to attend such committee, shall serve on the committees without compensation.

ARTICLE V OFFICERS OF THE COMPANY

Section 5.1 Officers. The Board of Managers may elect and appoint any officers and assistant officers as may be deemed necessary and convenient and with such powers as shall be specified in a resolution of the Board of Managers. Any two offices (but not more than two), other than the offices of Executive Director and Secretary, may be held by the same person. The officers (or assistant officers) of the Company need not be Managers of the Company.

Section 5.2 Election and Term of Office. The officers of the Company shall be elected at any meeting of the Board of Managers. Each officer shall hold office until his successor shall be duly elected and qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 5.3. Executive Director. The Company shall have an Executive Director. The Executive Director of the Company shall be the Executive Director of the Authority, unless otherwise determined by the Board of Managers. The Executive Director shall execute the following duties: (i) shall have general charge and supervision of the business of the Company; (ii) shall see that all the orders and resolutions of the Board of Managers are carried into effect; (iii) shall have the authority to sign and deliver in the name of the Company any contracts, or other instruments pertaining to the business of the Company up to the amount of [\$50,000], or as may be otherwise approved and directed by the Board of Managers, except for those cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by this Agreement or by the Board of Managers to some other Manager or agent of the Company; (v) may maintain records of a certify proceedings of the Board of Managers; (vi) shall perform such other duties as may from time to time be prescribed by the Board of Managers.

Section 5.4 Sub-Director of Operations. The Company may have a Sub-Director of Operations, who shall be appointed by the Board of Managers, *provided that*, if the Authority has a Sub-Director of Operations, then the Sub-Director of Operations of the Company shall be the same as the Sub-Director of Operations of the Authority. The Sub-Director of Operations shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Managers or the Executive Director.

Section 5.5 Treasurer. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Managers or the Executive Director. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of the treasurer, including without limitation the duty and power to

keep and be responsible for all funds and securities of the Company, to deposit funds of the Company in depositories selected in accordance with applicable resolutions of the Board of Managers; to disburse such funds as ordered by the Board of Managers, to make accounts of such funds, and to render as required by the Board of Managers statements of all such transactions and of the financial condition of the Company.

Section 5.6 Removal of Officers. Any officer may be removed by the vote of a majority of the entire Board of Managers.

Section 5.7 Vacancies. A vacancy in any office resulting from death, resignation, removal, or any other cause, may be filled by the Board of Managers for the unexpired portion of the term thereof.

ARTICLE VI FINANCIAL AFFAIRS

Section 6.1 Loans. No loan shall be contracted for on behalf of the Company, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Managers. Such authority may be general or confined to specific instances.

Section 6.2 Checks; Drafts; etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Company shall be signed by such Manager or officer or officers or other agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Board of Managers.

Section 6.3 Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies, or other depositories as the Board of Managers may select or as may be designated by the Executive Director of the Company.

ARTICLE VII INDEMNIFICATION

Section 7.1 Third Party Actions. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than an action, suit or proceeding by or in the right of the Company) by reason of the fact that he/she is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, trustee, officer or employee of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Their termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the

person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 7.2 Derivative Actions. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit, including all appeals, by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, trustee, officer or employee of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

Section 7.3 Rights After Successful Defense. To the extent that a Manager, officer or employee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.1 or Section 7.2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 7.4 Other Determination of Rights. Any indemnification under Section 7.1 or Section 7.2 (unless ordered by a court) shall be made by the Company as authorized in the specific case upon a determination that indemnification of the Manager, officer or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 7.1 or Section 7.2.

Section 7.5 Advances of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative or investigative action, suit, proceeding (including all appeals), or threat thereof; may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Managers, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the Manager, officer or employee, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company.

Section 7.6 Non-Exclusiveness; Heirs. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under the Certificate of Formation or this Agreement, any agreement, vote of members, any insurance purchased by the Company, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a

person who has ceased to be Manager, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.7 Purchase of Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, officer or employee of another Company, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article or of the Corporations Act.

ARTICLE VIII WITHDRAWAL; DISSOLUTION

Section 8.1 Withdrawal. The Member shall not be permitted to withdraw or resign from the Company. The adjudication of bankruptcy, whether voluntary or involuntary, or the bankruptcy or dissolution of the Member during the term of this Agreement, shall not affect the Company or its business.

Section 8.2 Termination of the Company. The Company shall be terminated and dissolved upon the first to occur of the following: (a) upon the unanimous vote of the Board of Managers; or (b) upon the sale of all or substantially all the assets of the Company.

ARTICLE IX WINDING UP

Section 9.1 Winding Up. Upon the termination of the Company pursuant to Section 8.2 above, a full and general accounting shall be taken of the Company's business, and the affairs of the Company shall be wound up. The Board of Managers shall wind up and liquidate the Company by selling the Company's assets, or by distributing such assets in kind, subject to the Company's liabilities, or by a combination thereof, as determined by the Board of Managers. The proceeds of such liquidation shall be applied and distributed in the following order of priority, by the end of the taxable year during which the liquidation occurs (or, if later, within ninety (90) days after the date of the liquidation): (a) to the payment of any debts and liabilities of the Company; (b) to the setting up of any reserve which the Board of Managers shall reasonably deem necessary to provide for any contingent or unforeseen liabilities or obligations of the Company, with any excess in such reserve remaining after such liabilities are satisfied to be distributed as soon as practicable in the manner hereinafter set forth; and (c) thereafter, the balance of the proceeds, if any, shall be distributed in accordance with Section 1.6 of this Agreement.

Section 9.2 Statement. The Member shall be furnished with a statement prepared by the Company's accountants, which shall set forth the assets and liabilities of the Company as of the date of complete liquidation.

Section 9.3 No Liability of Member. Notwithstanding anything in this Agreement to the contrary, neither the Board of Managers nor the Member shall be personally liable for the liabilities and obligations of the Company nor shall it be liable for the payment of any debt (including bonds, notes or other obligations), or any portion thereof; of the Company, it being expressly understood that any such liabilities, obligations and debts shall be paid solely from the operations and assets of the Company.

ARTICLE X MISCELLANEOUS

Section 10.1 Amendments. This Agreement may be modified or amended only with the written approval of the Member.

Section 10.2 Notices. All notices, consents or other instruments hereunder shall be in writing and mailed by United States mail, postage prepaid, and shall be directed to the parties hereto at the last addresses of the parties furnished by them in writing to the Company, and to the Company at its principal office. The Company and/or the Member shall have the right to designate a new address for receipt of notices by notice addressed to the Members and the Company and mailed as aforesaid. Such notices shall be made a permanent part of the Company records.

Section 10.3 Benefit and Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Member and its administrators, executors, legal representatives, nominees, successors and permitted assigns.

Section 10.4 Captions. The captions of the respective Articles and Sections of this Agreement are inserted for convenience and reference only and will not affect the meanings of the provisions of this Agreement.

Section 10.5 Governing Law. This Agreement and the rights of all the parties hereunder shall be governed by, and construed in accordance with, the laws of the Commonwealth of Puerto Rico.

Section 10.6 Application of the Corporations Act. Any matter not specifically covered by the provisions of this Agreement shall be governed by the provisions of the Corporations Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Agreement on the day and year first written above.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____

Name: Josué Colón

Title: Executive Director

EXHIBIT A

<u>Member</u>	<u>Capital Contribution</u>	<u>No. of Units</u>	<u>Percentage Interest</u>
Puerto Rico Electric Power Authority	GenCo Assets (as defined in the Capital Contribution Agreement between the Authority and the Company dated as of [●], 2021)	1	100%

CAPITAL CONTRIBUTION AGREEMENT
PREPA GenCo LLC¹

This Capital Contribution Agreement (the “Agreement”) is executed effective as of [●], 2021, in San Juan, Puerto Rico, by and between the **PUERTO RICO ELECTRIC POWER AUTHORITY**, a public corporation and instrumentality of the Commonwealth of Puerto Rico created pursuant to Act No. 83 of May 2, 1941, as amended (“PREPA”), and [**PREPA GENCO LLC**], a public instrumentality organized as a limited liability company under the laws of the Commonwealth of Puerto Rico (“GenCo” and, together with PREPA, the “Parties”).

WITNESSETH:

WHEREAS, PREPA owns (i) Puerto Rico’s transmission and distribution system (the “T&D System”) and related facilities, equipment and other tangible and intangible assets used in connection with the T&D System (collectively, the “T&D Assets”), (ii) the thermal power plants identified in Schedule I hereto (collectively, the “Generation Facilities”) and related facilities, equipment and other tangible and intangible assets used solely in connection with the Generation Facilities (collectively, the “GenCo Assets”), (iii) certain hydroelectric generation plants and public irrigation facilities (the “HydroCo Facilities”) and related facilities, dams and reservoirs, equipment and other tangible and intangible assets used solely in connection with the HydroCo Facilities (collectively, the “HydroCo Assets”), and (iv) certain other assets not directly related to the T&D System, the Generation Facilities, or the HydroCo Facilities;

WHEREAS, PREPA, LUMA Energy, LLC (“ManagementCo”), LUMA Energy Servco, LLC (“ServCo” and, together with ManagementCo, the “T&D Operator”), and the Puerto Rico Public-Private Partnership Authority are parties to a certain Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020 (the “T&D O&M Agreement”);

WHEREAS, pursuant to the terms of the T&D O&M Agreement, the T&D Operator is responsible for the operation and maintenance of the T&D System;

WHEREAS, the T&D O&M Agreement contemplates the reorganization of PREPA’s assets into separate legal entities (the “Reorganization”);

WHEREAS, consistent with Puerto Rico’s energy public policy and the T&D O&M Agreement, PREPA organized GenCo on [●], 2021 as a limited liability company under Chapter 19 of the Puerto Rico General Corporation Law;

WHEREAS, in furtherance of the Reorganization, PREPA desires to contribute the GenCo Assets to GenCo, and GenCo has agreed to accept the assets being contributed hereunder, subject to and in exchange for 100% of the membership interests of GenCo;

¹ **Note to Draft:** The schedules hereto are subject to ongoing review and comments by PREPA and the T&D Operator and will continue to be revised and updated until this Agreement is executed.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Capital Contribution.** Effective as of the date hereof, PREPA hereby contributes, assigns, transfers, conveys and delivers to GenCo, and GenCo hereby accepts from PREPA, the GenCo Assets (the “Capital Contribution”). Included in Schedule II hereto is a list of all GenCo Assets identified by PREPA as of the date of this Agreement. However, the intent of the Parties hereto is that all facilities, equipment and other tangible and intangible assets used solely in connection with the Generation Facilities be contributed to GenCo, irrespective of whether they are identified in Schedule II. Any assets that are used in connection with both the T&D System and the Generation Facilities shall be retained by PREPA and not transferred to GenCo, unless the T&D Operator, PREPA and GenCo determine after the date hereof that any such assets should be transferred to GenCo, in which case any such assets shall be promptly transferred through a written instrument executed by PREPA and GenCo.

2. **Assumed Liabilities.** From and after the date hereof, GenCo shall assume, perform and satisfy all obligations in respect of the contracts identified in item 4 of Schedule II existing as of the date hereof and any liabilities relating to the GenCo Assets arising and relating to periods after the date hereof (the “Assumed Liabilities”). Except for the Assumed Liabilities or as otherwise required by law, GenCo shall not assume and shall not be responsible to pay, perform or satisfy any other liabilities of PREPA.

3. **Additional Documentation.** The Parties hereto agree to execute and deliver from time to time any documents as may be necessary to effectuate and evidence the Capital Contribution, including, without limitation, such public deeds of transfer as may be required to reflect the transfer to GenCo of the real properties described in Schedule II-A hereto and any other real property that is part of the GenCo Assets.

4. **Governing Law.** This Agreement shall be governed and construed under the laws of the Commonwealth of Puerto Rico.

5. **Third Party Beneficiary.** No provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or other rights of any kind in any affiliate, stockholder, partner, member, director, officer or employee of any Party to this Agreement or any other person or entity.

6. **Severability.** If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties hereto.

7. **Further Assurances.** At any Party’s request and without further consideration, the Parties shall execute and deliver any further instruments of conveyance and take such other actions as the requesting party may reasonably require to complete more effectively the actions specified herein. Without limiting the generality of the foregoing, pursuant to Section 1 hereof and subject

to the other terms and conditions of this Agreement, in the event that PREPA or GenCo discovers that any GenCo Asset was inadvertently (a) retained by PREPA or (b) transferred and delivered to another entity directly or indirectly owned by PREPA as a result of the Reorganization, PREPA (or the entity to which such asset was transferred) shall promptly transfer and deliver such GenCo Asset to GenCo in accordance with the terms of this Agreement. If any asset that is not a GenCo Asset was inadvertently transferred and delivered to GenCo, GenCo shall promptly transfer such asset back to PREPA (or to the entity to which such asset should have been transferred as a result of the Reorganization).

8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any counterpart signature page may be executed by either Party, and may be delivered by facsimile transmission or any form of electronic transmission (including via e-mail of portable document format (PDF) copies), and any such facsimile or electronically transmitted signature pages may be attached to one or more counterparts of this Agreement, and such faxed signature(s) shall have the same force and effect, and be as binding, as if original signatures had been executed and delivered in person.

9. **Entire Agreement and Amendments.** This Agreement contains all of the agreements between the Parties hereto with respect to the subject matter hereof. Any prior representations, warranties, correspondence, statements, memoranda or agreements (oral or written) are replaced and superseded in total by this Agreement. This Agreement may only be modified or amended upon the written consent of each Party hereto.

10. **T&D O&M Agreement.** Nothing in this Agreement shall be or be deemed to be an amendment to the T&D O&M Agreement or otherwise reduce or detract from PREPA's obligation to provide, or cause GenCo to provide, the T&D Operator access to, and use of, the T&D System and the T&D System Sites (as defined in the T&D O&M Agreement) as may be necessary for it to perform the O&M Services (as defined in the T&D O&M Agreement) under the T&D O&M Agreement.

11. **Assignments.** This Agreement may not be assigned, in whole or in part, by any of the Parties without the prior written consent of the other Party.

12. **Binding on Successors.** This Agreement shall be binding upon and it shall inure to the benefit of the respective successors and permitted assigns of the Parties.

13. **Headings.** The heading of each section of this Agreement is included only for convenience of reference and shall not affect the meaning or construction of any provision hereof.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the date first above written.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____
Name:
Title:

[PREPA GENCO LLC]

By: _____
Name:
Title:

SCHEDULE I**GENERATION FACILITIES**

Generation Facility	Operational Classification
Aguirre Steam Unit 1	Baseload Unit
Aguirre Steam Unit 2	Baseload Unit
Aguirre GT Unit 1	Peaking Unit
Aguirre GT Unit 2	Peaking Unit
Aguirre CC 1 - Steam	Baseload Unit
Aguirre CC 1 – Combustion	Baseload Units
Aguirre CC 2 – Steam	Baseload Unit
Aguirre CC 2 - Combustion	Baseload Units
Cambalache Unit 1	Peaking Unit
Cambalache Unit 2	Peaking Unit
Cambalache Unit 3	Peaking Unit
Costa Sur Unit 1	Baseload Unit
Costa Sur Unit 2	Baseload Unit
Costa Sur Unit 3	Baseload Unit
Costa Sur Unit 4	Baseload Unit
Costa Sur Unit 5	Baseload Unit
Costa Sur Unit 6	Baseload Unit
Costa Sur GT Unit 1	Peaking Unit
Costa Sur GT Unit 2	Peaking Unit
Culebra Unit 1	Emergency Unit
Culebra Unit 2	Emergency Unit
Culebra Unit 3	Emergency Unit
Mayaguez Unit 1	Peaking Unit
Mayaguez Unit 2	Peaking Unit
Mayaguez Unit 3	Peaking Unit
Mayaguez Unit 4	Peaking Unit
Palo Seco Unit 1	Baseload Unit
Palo Seco Unit 2	Baseload Unit
Palo Seco Unit 3	Baseload Unit
Palo Seco Unit 4	Baseload Unit
Palo Seco CT Unit 1-1	Peaking Unit
Palo Seco CT Unit 1-2	Peaking Unit
Palo Seco CT Unit 2-1	Peaking Unit
Palo Seco CT Unit 2-2	Peaking Unit
Palo Seco CT Unit 3-1	Peaking Unit
Palo Seco CT Unit 3-2	Peaking Unit
Palo Seco MobilePacs	Peaking Unit
San Juan Unit 1 - Steam	Baseload Unit
San Juan Unit 2 – Steam	Baseload Unit
San Juan Unit 3 – Steam	Baseload Unit
San Juan Unit 4 – Steam	Baseload Unit
San Juan CC 5 - Gas	Baseload Unit
San Juan CC 5 - Steam	Baseload Unit
San Juan CC 6 - Gas	Baseload Unit
San Juan CC 6 - Steam	Baseload Unit
San Juan Unit 7 - Steam	Baseload Unit
San Juan Unit 8 – Steam	Baseload Unit
San Juan Unit 9 - Steam	Baseload Unit

Generation Facility	Operational Classification
San Juan Unit 10 - Steam	Baseload Unit
Daguao CT Unit 1	Peaking Unit
Daguao CT Unit 2	Peaking Unit
Yabucoa CT Unit 1	Peaking Unit
Yabucoa CT Unit 2	Peaking Unit
Jobos CT Unit 1	Peaking Unit
Jobos CT Unit 2	Peaking Unit
Vega Baja CT Unit 1	Peaking Unit
Vega Baja CT Unit 2	Peaking Unit
Vieques Unit 1	Emergency Unit
Vieques Unit 2	Emergency Unit

SCHEDULE II

GENCO ASSETS

1. Real Estate

All real properties in which the Generation Facilities are located, along with all buildings, structures, improvements, and appurtenances located therein, including, without limitation, the real properties identified in Schedule II-A, and any easements or other property rights related to the Generation Facilities.

2. Machinery and Equipment

- a. All machinery, mobile or otherwise, equipment, fuel, water and chemical storage tanks, water treatment plants, vehicles, pumps, fittings, tools, furniture and furnishings, meter equipment, and other tangible movable property (collectively, “Machinery and Equipment”) located at the Generation Facilities, originating at all site interconnection points through to the main power transformers and ending at the high voltage bushing, high voltage output side of the transformers, excluding any On-Site T&D Assets (as defined in Schedule II-B).
- b. The following Machinery and Equipment located outside of the Generation Facilities:
 - i. All interconnection pipelines, valves, forwarding equipment, wells, storage tanks, and similar machinery and equipment used in connection with the supply or delivery of fuel, liquid fuel, natural gas and water to the Generation Facilities;
 - ii. all vehicles identified in Schedule II-C hereto; and
 - iii. any other Machinery and Equipment purchased by PREPA specifically for use or consumption exclusively at the Generation Facilities.

3. Inventory

- a. All inventory items located at the Generation Facilities or purchased specifically for use or consumption in the Generation Facilities.
- b. All thermal power generation related inventory and plant equipment (including capital spares and special tools or equipment) that is located outside of the Generation Facilities, including, without limitation, in PREPA warehouses located outside of the Generation Facilities.

4. Contracts

- a. All contracts identified in Schedule II-D hereto.
- b. All fuel supply contracts to which PREPA is a party, including the following:²

Contract	Party	Date	Term
Fuel Oil Purchase Aguirre, Costa Azul San Juan, Palo Seco– Contract Number:902-10-21 ³	Puma Energy Caribe, LLC	10/29/21	1yr.
Fuel Sale and Purchase Agreement (2019-P00079)- \$1,500,000,000.00 (Natural Gas SJ 5&6 Units) ⁴	NFENERGÍA LLC	03/5/19	5yrs.
Amended and Restated Natural Gas Sale and Purchase Agreement (2012-P00107E)- \$4,193,000.00 (Costa Sur Units 5&6) ⁵	Naturgy Aprovevisionamientos S.A.	04/2/20	12 yrs.
Fourth Amendment Natural Gas Sale and Purchase Agreement (2012-P0010D (Costa Sur Units 5&6) ⁶	Naturgy Aprovevisionamientos S.A.	02/12/19	N/A

- c. All contracts for construction, repair and/or engineering services related to the Generation Facilities to which PREPA is a Party.
- d. All other contracts to which PREPA is a party that relate solely to thermal power generation activities, including without limitation, the contracts with the following entities or individuals:
 - i. Tetra Tech, Inc. (Environmental Consulting)
 - ii. U.S. Geological Survey, Department of the Interior (Collaboration Agreement)
 - iii. University of Puerto Rico, Mayagüez Campus (Collaboration Agreement)
 - iv. Victor Manuel Ruiz Pérez (Expertise Services)
 - v. US Bureau of Reclamation (Collaboration Agreement)

5. Licenses and Permits

All orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings or entitlements issued to PREPA by any governmental body that relate solely to the GenCo Assets (collectively, the “GenCo Permits”), to the extent transferable, including, without limitation the GenCo Permits listed in Schedule II-E.

² NTD: To be updated to reflect any new contracts.

³ NTD: Requires 30 days prior notice of assignment.

⁴ NTD: Requires consent for assignment.

⁵ NTD: Requires 30 days prior notice of assignment.

⁶ NTD: Requires 30 days prior notice of assignment.

6. Books and Records

All books, records, documents, drawings, reports, data (including, without limitation, any operational, safety, environmental, quality, health and human resource or any other historical data), in each case, related to the ownership or operation of the Generation Facilities, and all instructions and/or maintenance manuals, past or present, in printed format or as stored on computer media, relating to the Generation Facilities, provided that all documentation and drawings related to the Onsite T&D Assets shall be retained by PREPA and copies of all documentation and drawings related to the ownership or operation of the Generation Facilities which impact T&D System operations and the interconnection with the Generation Facilities shall be provided to PREPA.

7. Intellectual Property

All patents and patent rights, trademarks and trademark rights, inventions, copyrights and copyright rights, computer programs, software and software licenses used by PREPA solely with respect to thermal power generation and the operation of the GenCo Assets, including, without limitation, the software applications and/or licenses identified in Schedule II-F hereto.

SCHEDULE II-A**GENCO REAL PROPERTIES**
Thermal Power Plants

Item	Generation Plant	Lot	Area m ²	Page	Volume	Registry Section	Property Number
1	San Juan	10	151,989.00	64	532	Río Piedras	13,470
2	Palo Seco	A	617,742.54				
		B	166,925.45				
		C	4,497.16				
				184 vto.	28	Toa Baja	23(8)
		Additional Lot	4,213.17	153	190	Cataño	1983
3	Cambalache	A	58,169.25	235	971	Arecibo	42,646
		B	64,072.41	240	971	Arecibo	42,647
		C	89,966.48	245	971	Arecibo	42,648
4	Mayagüez	A y B	4,279.81	167	311	Mayagüez	9,749
		B	4,431.21	129	476	Mayagüez	13,579
		C	5,646.66	-	-	-	-
		Tank	7,550.29	188	807	Mayagüez	23,220
5	Costa Sur	3	120,677.66	128 vto.	60	Peñuelas	2,209
		4	5,043.44	103 vto.	51	Guayanilla	1,725
		5	3,030.62	110 vto.	51	Guayanilla	1,726
		5 (33)	38,678.77	73	76	Guayanilla	2,402
		11A	1,509.77	-	-	-	-
		12	20,119.52	-	-	-	-
		14	2,152.00	138	54	Guayanilla	1,807
		15	3,928.03	150	54	Guayanilla	1,809
		16	4,115.12	156	54	Guayanilla	1,810
		17	36,877.72	144	54	Guayanilla	1,808
		21	26,671.17	202	84	Peñuelas	2,955

Item	Generation Plant	Lot	Area m²	Page	Volume	Registry Section	Property Number
6	Aguirre	A	608,154.88	150	78	Salinas	2,167
		B	238,931.88	156	78	Salinas	2,168
		Camino	34,635.24	163	78	Salinas	2,169
		C	400,781.32	169	78	Salinas	2,170
		1	67,832.55	214	83	Salinas	2,351
		2	59,696.52	221	83	Salinas	2,352
		3	96,701.05	206 vto.	83	Salinas	2,350
		4	9,654.91	227 vto.	83	Salinas	2,353
7	Daguao	A	2,372.37	66	37	Ceiba	1,103
8	Jobos	1	13,605.83	207	45	Guayama	2,107
9	Vega Baja	1	11,431.15	155 vto.	100	Vega Baja	659
10	Yabucoa	1	43,266.91	87	214	Humacao	7244
11	Culebra	1	± 1,770.00				
12	Vieques	1	19,651.98				

SCHEDULE II-B

ON-SITE T&D ASSETS

Any and all transmission and distribution-related, non-power generation Machinery and Equipment located within the Generation Facilities (collectively, the “On-Site T&D Assets”) shall be retained by PREPA and not transferred to GenCo. For the avoidance of doubt, the On-Site T&D Assets include, without limitation, switchyards (or transmission centers), , substations (including electrical and gas insulated substations (“GIS”)), control rooms (“CRs”) electrical-transmission related control systems and relay equipment, communication equipment (e.g. RTUs), high accuracy meters and electrical-transmission wires/lines and other electrical equipment downstream of the demarcation point, all as more specifically depicted in the one-line diagrams set forth in Appendix 2 of the Legacy Generation Assets Interconnection Agreement.

For illustrative purposes only and without limiting the generality of the foregoing, the following aerial photographs, drawings and maps illustrate the location of certain On-Site T&D Assets within the large power generation sites and the stand-alone peaker sites.

Figure 1 – Aguirre General Site Arrangement

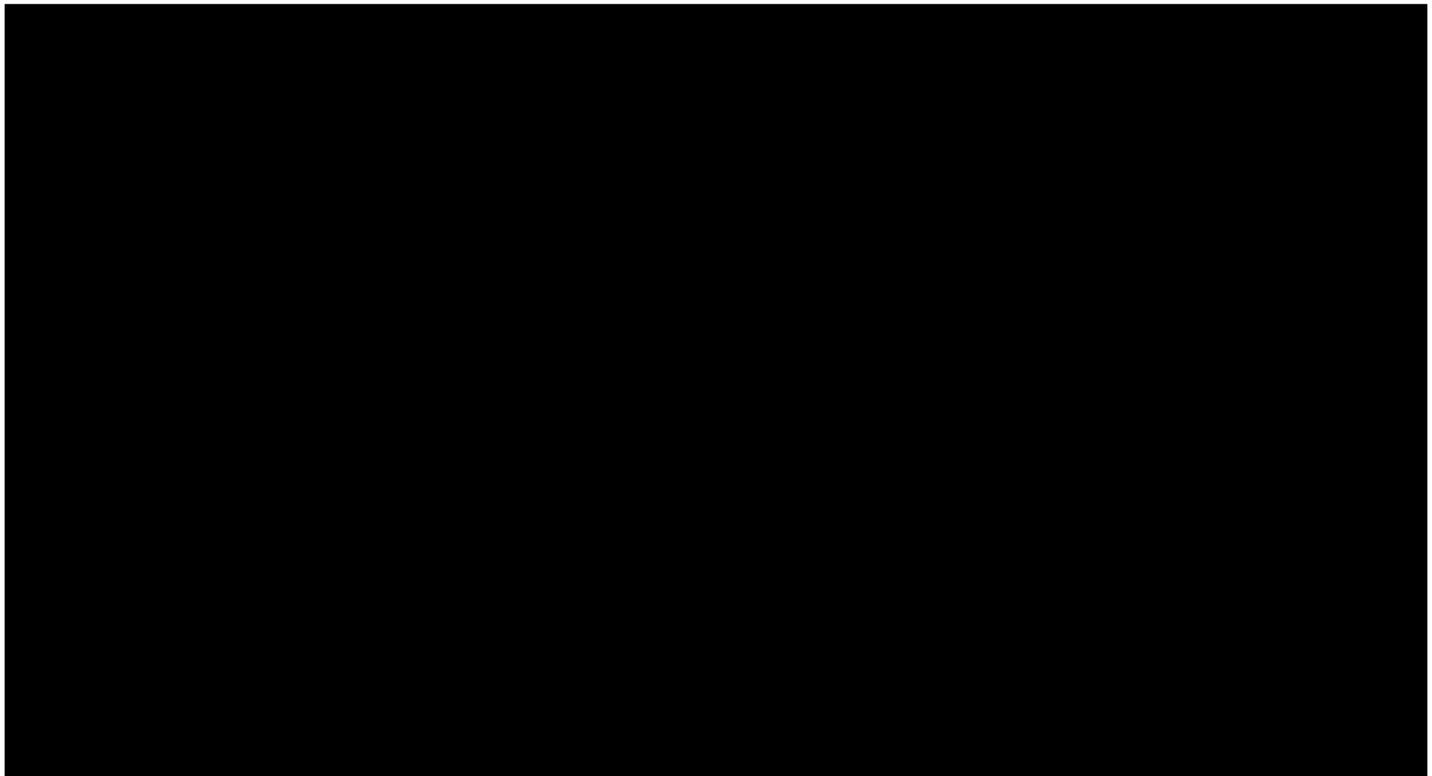


Figure 2 – Cambalache General Site Arrangement

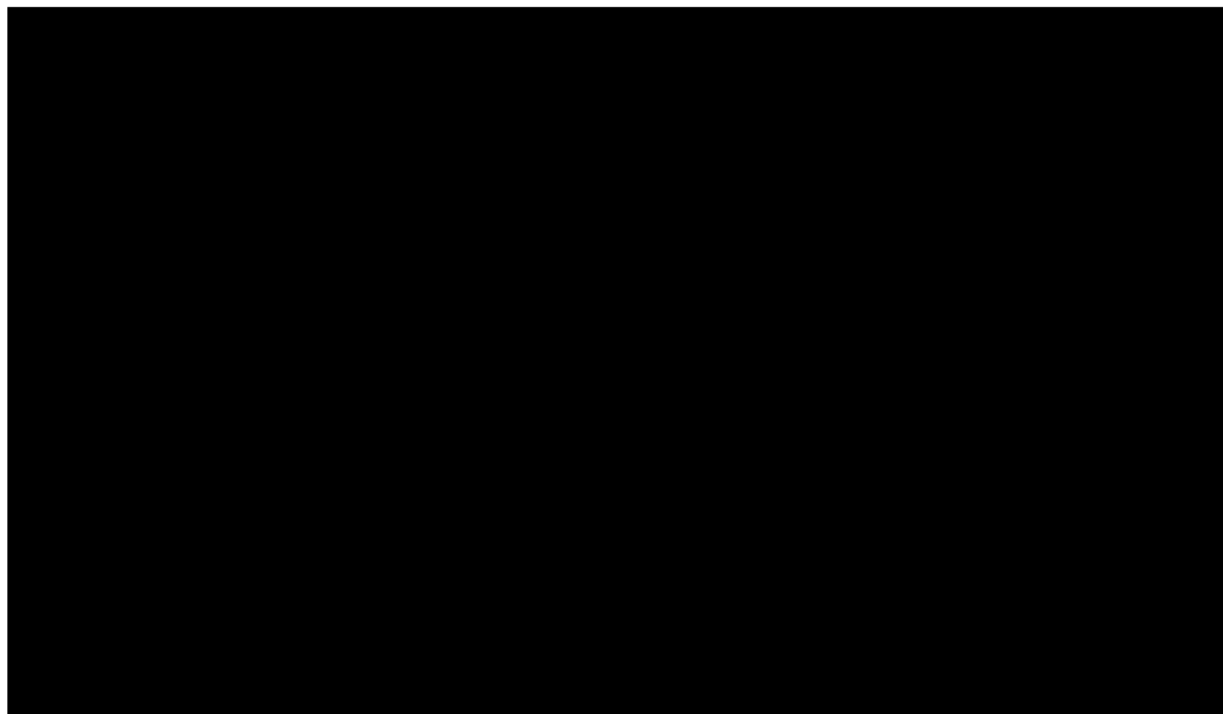


Figure 3 – Costa Sur General Site Arrangement

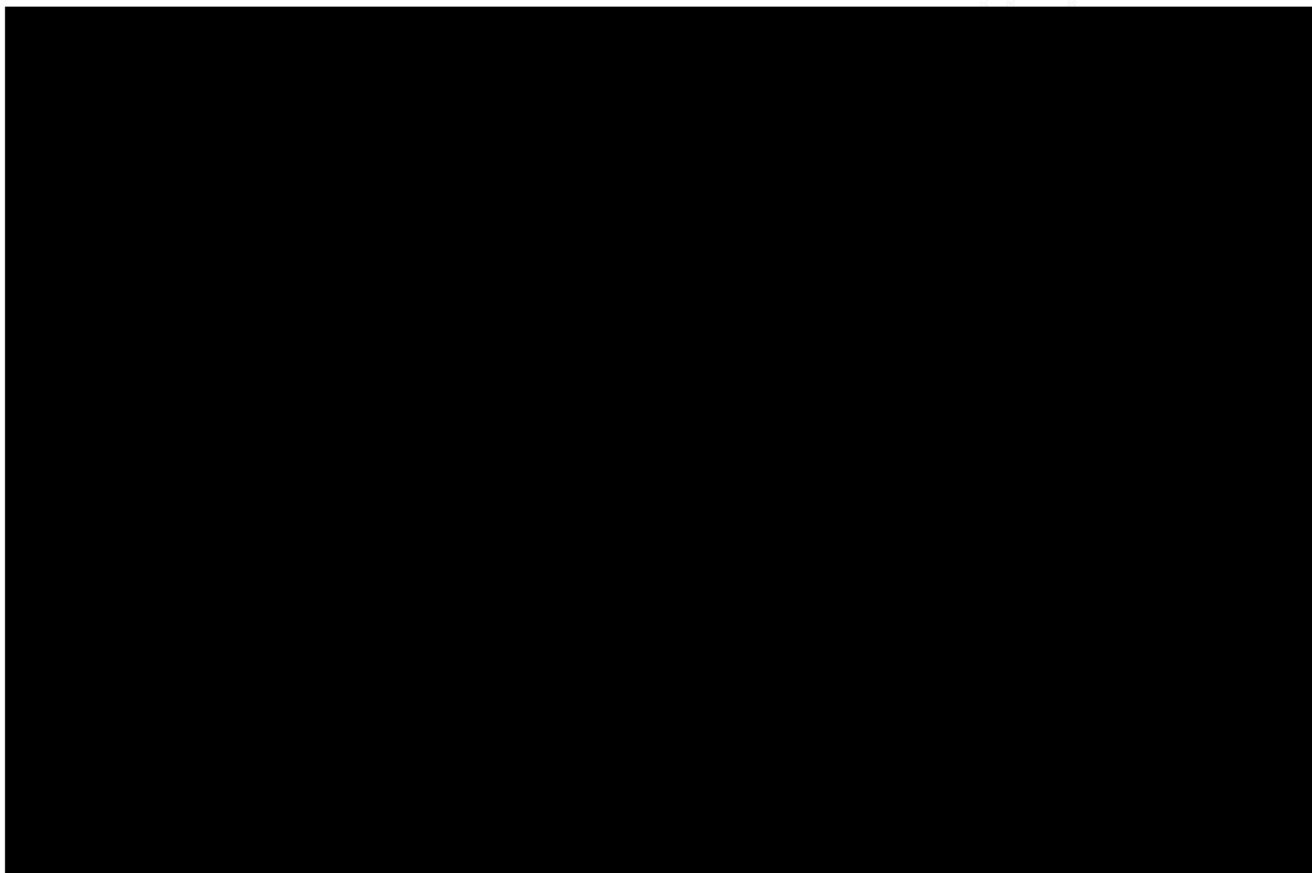


Figure 4 – Mayaguez General Site Arrangement

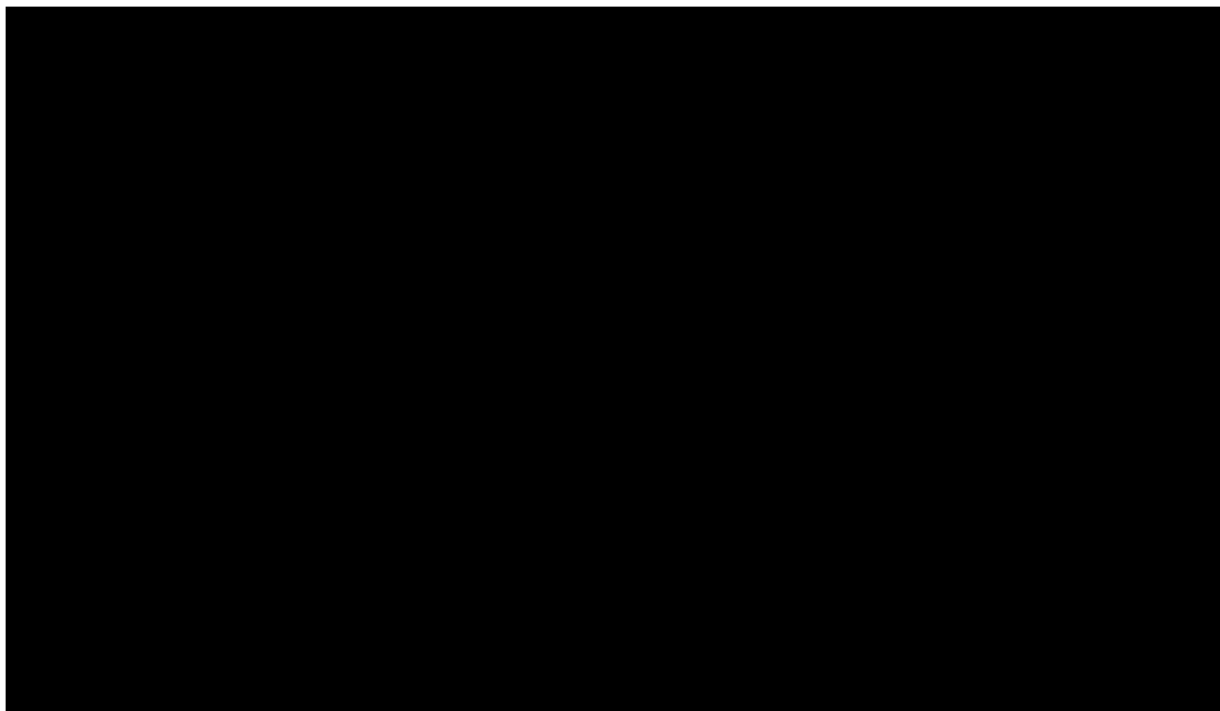


Figure 5 – Palo Seco General Site Arrangement

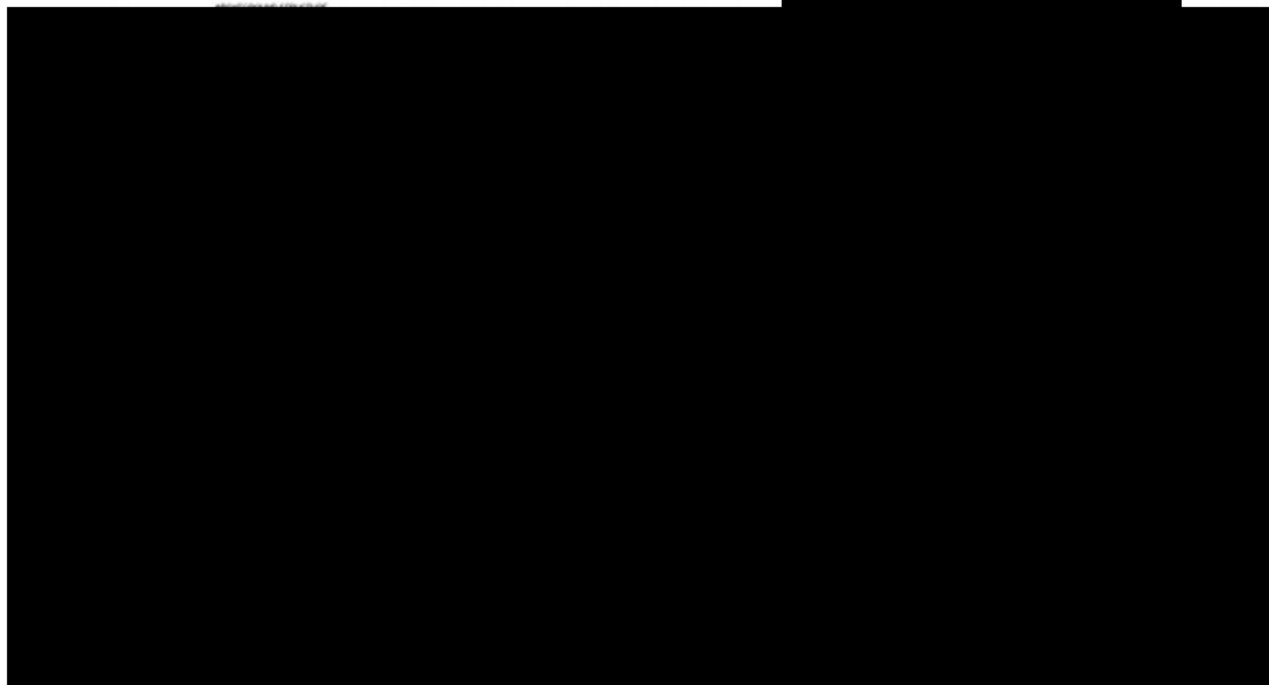


Figure 6 – San Juan General Site Arrangement

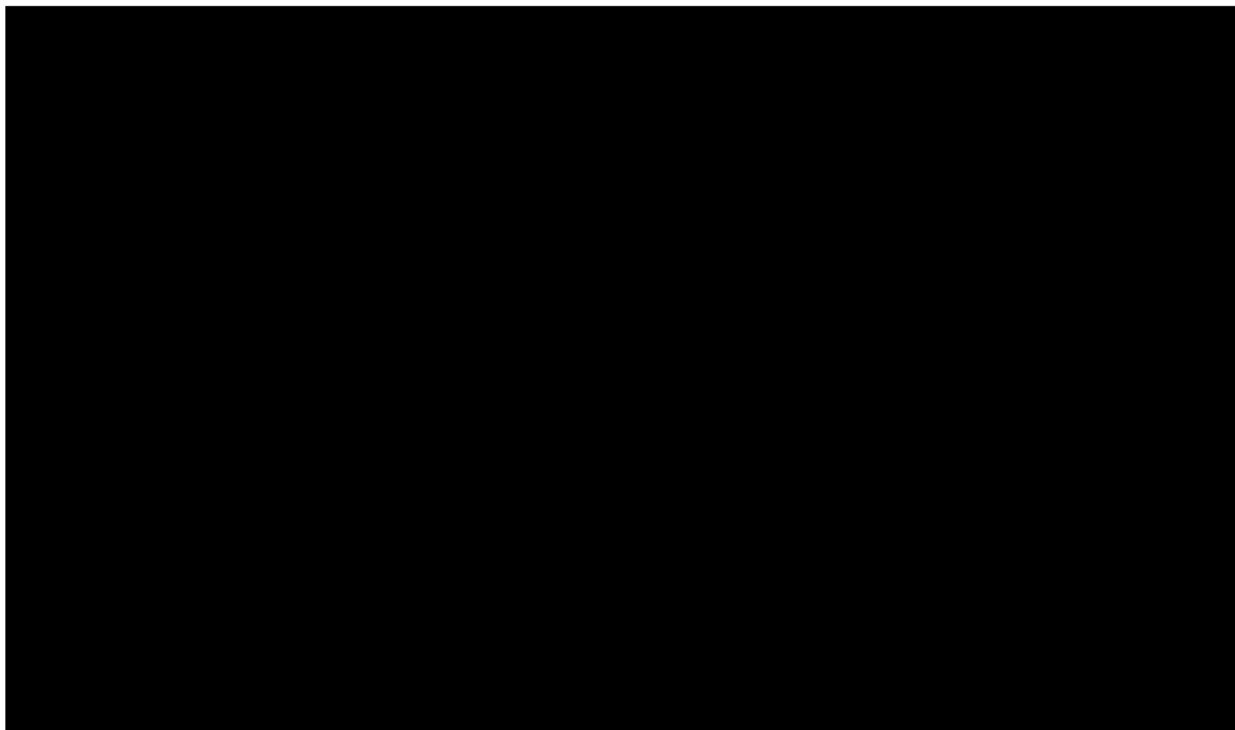


Figure 7 – Daguao General Site Arrangement

I

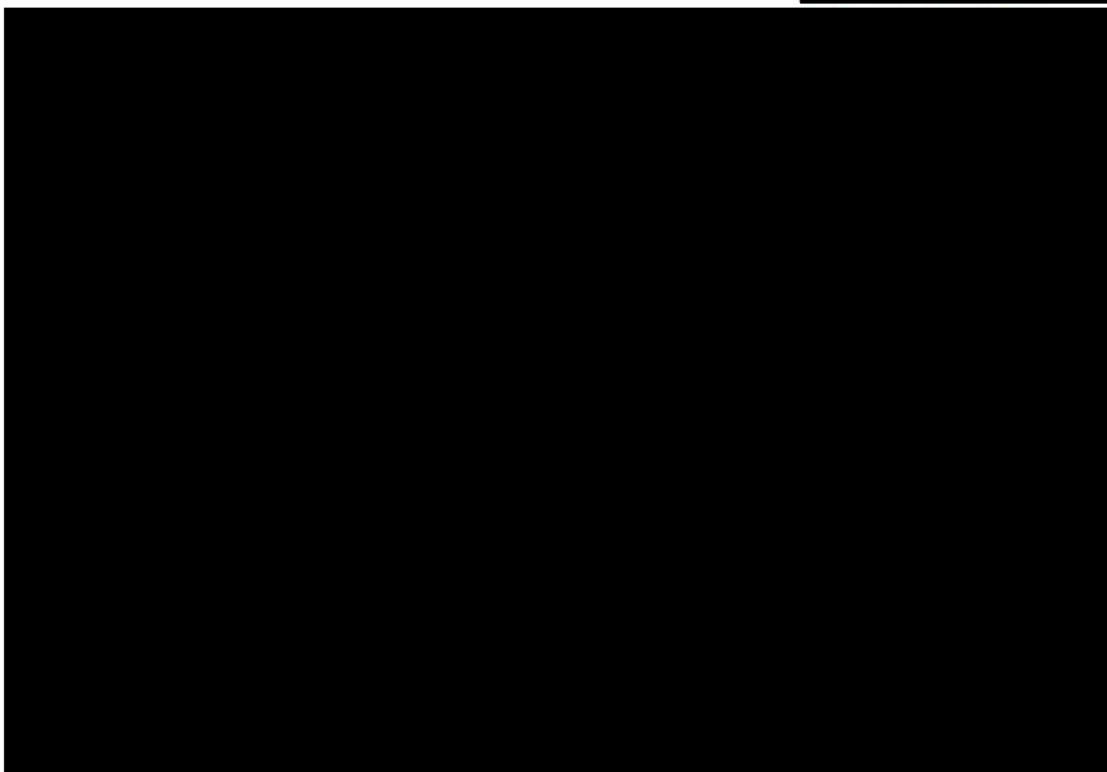


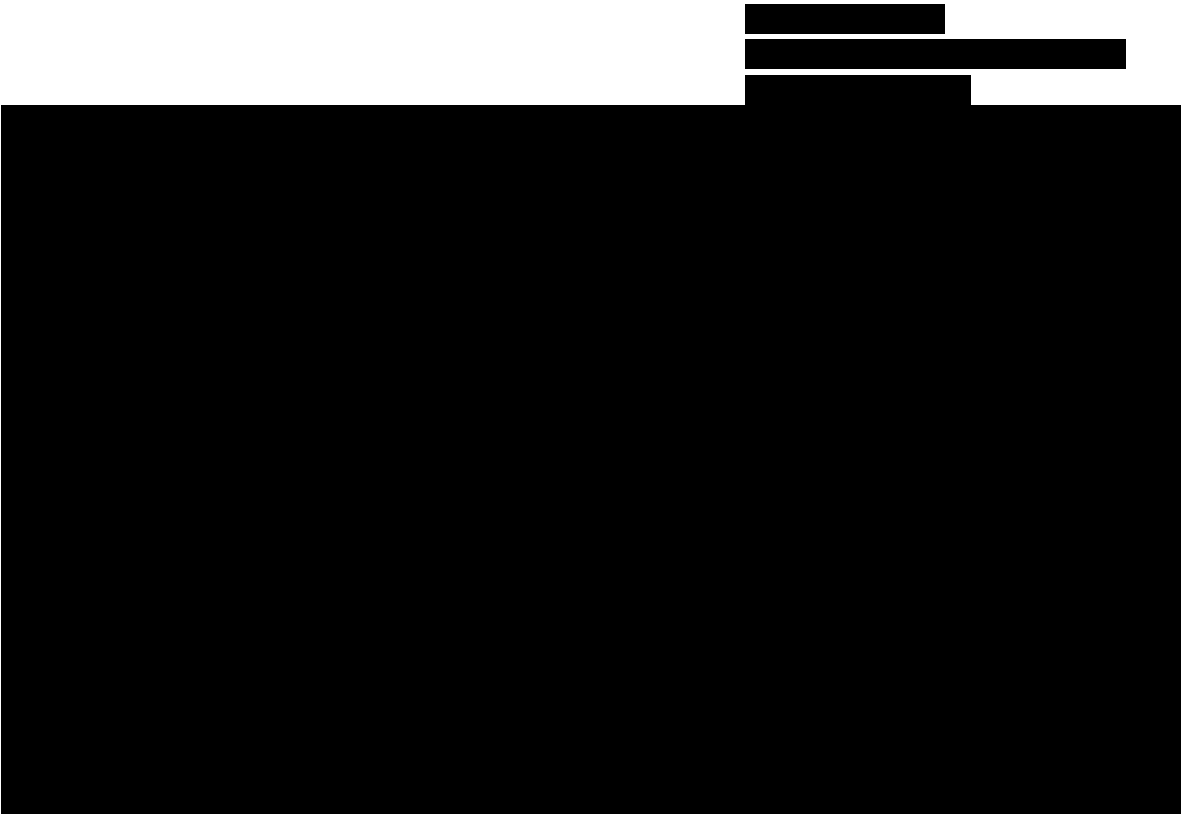
Figure 8 – Jobos General Site Arrangement



Figure 9 – Vega Baja General Site Arrangement



Figure 10 – Yabucoa General Site Arrangement



SCHEDULE II-C

GENCO VEHICLES

[To be attached.]

SCHEDULE II-D

CONTRACTS

[Attached.]⁷

⁷ NTD: To be updated prior to execution.

SCHEDULE II-E**GENERATION PERMITS**

Permit	Permit Number
TITLE V OPERATION PERMITS	
Aguirre Power Complex	PFE-TV-4911-63-0212-0044
Costa Sur	PFE-TV-4911-31-0397-0021
Palo Seco	PFE-TV-4911-70-1196-0015
San Juan	PFE-TV-4911-65-1196-0016
Cambalache	PFE-TV-4911-07-0609-0215
Mayagüez Turbines	PFE-TV-4911-50-1105-1925
Daguao Turbines	PFE-TV-4911-19-0306-0447
Jobos Turbines	PFE-TV-4911-30-1107-0991
Jobos Turbines	PFE-TV-4911-30-0914-0939
Vega Baja Turbines	PFE-TV-4911-74-1014-1016
Yabucoa Turbines	PFE-TV-4911-36-1216-0974
RICE GENERATORS	
Aguirre (6, 2 Fire Pumps)	
Palo Seco (3, 1 Fire Pump, 3 Black start - Mega Gens)	
San Juan (9, 1 Fire Pump)	
Costa Sur (1, Fire Pump)	
Cambalache (2, 1 Fire Pump)	
Mayaguez (1)	
Daguao (1)	
Yabucoa (1)	
Jobos (1)	
PSD AIR PERMITS	
San Juan	
Cambalache	
WATER REGULATIONS COMPLIANCE	
SPCC	
Central Aguirre	N/A
Central Costa Sur	N/A
Central Palo Seco	N/A
Central San Juan	N/A
Central Cambalache	N/A
Central Mayaguez	N/A
Culebra	N/A
Daguao	N/A
Jobos	N/A
Vega Baja	N/A
Vieques	N/A
Yabucoa	N/A
NPDES PERMITS	
Costa Sur	PR-0001147
Aguirre	PR-0001660
San Juan	PR-0000698

Permit	Permit Number
Palo Seco	PR-0001031
WATER QUALITY CERTIFICATE	
Costa Sur	PR-0001147
Aguirre	PR-0001660
San Juan	PR-0000968
Palo Seco	PR-0001031
BMPP/SWPPP/PPP PLANS	
Aguirre	N/A
Costa Sur	N/A
Palo Seco	N/A
San Juan	N/A
PRE-TREATMENT PERMIT (PRASA)	
Cambalache	GDA-99-201-057
Mayaguez	AUA-E-09-309-002
Permission to Operate Systems Without Discharge to a Receiving Waterbody (with treatment)	
Cambalache	C-AG-96-07-0008
WATER EXTRACTION FRANCHISES	
Aguirre	R-FA-FAID6-SJ-00286-10082018
Costa Sur	R-FA-FAID6-SJ-00256-11042017
Palo Seco	R-FA-FAID6-SJ-00173-24102013
San Juan	R-FA-FAID6-SJ-00284-24072018
Cambalache	R-FA-FAID6-SJ-00243-20092016
FRP EPA/USCG	
Aguirre	N/A
San Juan	N/A
Palo Seco	N/A
Costa Sur (EPA)	N/A
Cambalache	N/A
Mayagüez	N/A
OPERATIONS MANUAL – EPA	
Aguirre	N/A
San Juan	N/A
Palo Seco	N/A
Cambalache	N/A
Mayagüez	N/A
DRINKING WATER	
Aguirre	PWS 0563065
Ciclo Combinado	PWS 0563105
Costa Sur	PWS 0431034
UNDERGROUND INJECTION SYSTEMS (SIS)	
Aguirre	
Costa Sur	
Palo Seco	
San Juan	
Jobos	
Daguao	

Permit	Permit Number
Vega Baja	
Vieques	
Yabucoa	
Cambalache	
STATE REVOLVING FUNDS PROGRAM	
Fuel Tanks Rehabilitation at Palo Seco and Aguirre	C-72-250-07
Improvements to the Water Treatment System - Aguirre	C-72-128-19
Improvements to the Water Treatment System - Aguirre	C-72-128-20
Improvements to Irrigation Channels Costa Sur District	C-72-250-08
Improvements to the Water Treatment System Palo Seco	
Reuse of effluent from the Treatment Plant and Reverse Osmosis System in San Juan Power Plant	C-72-096-40
RCRA ID (Waste)	
Aguirre Generating Complex	PRD980644470
Palo Seco Steam Plant	PRD980644488
San Juan Steam Plant	PRD980644496
South Coast Steam Plant	PRD980644504
Cambalache Power Station	PRR000007211
Mayagüez Gas Turbines	PRR000018366
USED OIL - STORAGE	
Central Aguirre	2018-229069-PAU-000995
Central Ciclo Combinado	2018-232122-PAU-001038
Taller Aguirre	2016-112437-PAU-189158
Central San Juan	2018-231799-PAU-001037
Turbinas Gas Mayagüez	2016-130433-PAU-000281
Central Cambalache	2016-109906-PAU-192334
USED OIL - GENERATOR	
Central Palo Seco	AU-99-70-2552
Central Aguirre	AU-99-63-0400RG
Central Ciclo Combinado	AU-03-63-0608-RG
Taller Aguirre	AU-99-63-0400-RG
Central Costa Sur	AU-99-31-0551-RP (No almacenan aceites usados)
Central San Juan	AU-18-65-6359
Turbinas De Gas Palo Seco	Almacenan en bidones AU-99-70-2676
Taller Palo Seco	Almacenan en bidones AU-98-70-2501
Turbinas Gas Mayagüez	AU-99-50-0633 RM
Central Cambalache	AU-00-07-0596
USED TIRES	
Palo Seco	AN-70-1257
Aguirre	AN-63-0121-RG
BIOMEDICAL WASTE	
Dispensario Central San Juan	DBR-OC-65-92-09-0114-RN-21
Dispensario Central Costa Sur	DBR-OC-57-92-09-0105-RN-21
Dispensario Central Aguirre	DBR-OC-63-92-09-0111-RN-21
Dispensario Central Palo Seco	DBR-OC-70-92-09-0104-RN-21

Permit	Permit Number
ASBESTOS (PERMITS)	
Central San Juan	PG-ASB-65-1217-0118-RC
Central Palo Seco	PG-ASB-70-1217-0117-RC
Central Costa Sur	PG-ASB-31-1217-0119-RC
Complejo Aguirre	PG-ASB-63-1217-0120-RC
CERCLA COMPLIANCE PROJECTS	
Remedial Investigation/ Feasibility Study, Palo Seco	EPA Administrative Order No. II CERCLA-970302
Palo Seco	EPA Administrative Order No. II CERCLA-02-2008-2022
Aguirre's Restricted Area	No ID
Vega Baja Superfund	Civil Action No. 3:12-cv-01988
PROTECO	No ID
Las Cucharillas	Civil Action No. 98-2527-ccc
ENVIRONMENTAL PROJECTS AND LICENSING – USE PERMITS FOR STATE FORESTS	
Bombas Pozos Complejo CADE y CASE	2017-204147-PGE-006295
CASE Palo Seco	2015-030020-PGE-137307
Edificio Administrativo Central Hidro Gas Palo Seco	2019-261467-PGE-009469
EMERGENCY GENERATORS PERMITS	
Estacion Generacion Electrica Culebra 1 (Hidro-Gas)	2017-159436-PGE-005838
Estación Generacion Electrica Culebra 2 (HidroGas)	2018-222063-PGE-007433
Estación Generacion Electrica Culebra 3 (HidroGas)	2018-222066-PGE-007435
Hidro-Gas Culebra (Turbinas Black Star)	2019-276579-PGE-009979
Vieques Resguardo Eléctrico 1 (GE Hidro Gas)	2016-129329-PGE-004376
Vieques Resguardo Eléctrico 2 (GE Hidro Gas)	2018-231650-PGE-008075
Vieques Black Start (Hidro-Gas)	2019-282533-PGE-010191
Edificio Administrativo Central Hidro Gas Palo Seco	2019-261467-PGE-009469

SCHEDULE II-F**GENCO SOFTWARE**

Application	Function	Core Technology / Language	Contractor	Manager
RBNWare	Machinery Diagnostics Suite	Emerson Proprietary, machinery vibrations program.	Vibranalysis	LUMA IT OT
Vibra PdM, iReliability	Predictive Maintenance	Proprietary from Allied Group.	Vibranalysis	LUMA IT OT
Machinery Lube Oil Analysis	Machinery Lube Oil Analysis and Diagnostic Program	Spectron Caribe proprietary software.	Spectron Caribe	LUMA IT OT
SetPoint (CBM)	Condition Based Monitoring	Proprietary from Bruel & Kjaer.	LT Automation	LUMA IT OT
Foxboro DCS, now Schneider Electrical	Generation Control	Proprietary Schneider Electrical.	LT Automation	Power Plants Technical Service Division
Emerson DCS	Generation Control	Proprietary Emerson process.	Unknown	Power Plants Technical Service Division
Alstom DCS	Generation Control	Proprietary GE Controls	Unknown	Power Plants Technical Service Division
Process Plugin	Performance Monitoring	Proprietary Process Plug-in. In production in San Juan 5-6, and Costa Sur 5-6. Each plant has their own licenses and infrastructure.	LT Automation	LUMA IT OT

Exhibit C



GOVERNMENT OF PUERTO RICO

PUERTO RICO ELECTRIC POWER AUTHORITY

Governing Board | jgob@prepa.com

RESOLUTION 4940

APPROVAL FOR THE CREATION OF THE PREPA HYDROCO, LLC SUBSIDIARY

WHEREAS: The Puerto Rico Electric Power Authority ("**PREPA**") is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended ("**Act 83**"). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, it provides a service based on affordable, fair, reasonable, and non-discriminatory cost that is consonant with environmental protection, non-profit, focused on citizen participation, and its clients;

WHEREAS: Section 5(u) of Act 83 provides that PREPA is conferred, and shall have and exercise, the rights and powers necessary or convenient, upon the prior approval of the Puerto Rico Energy Bureau ("**PREB**"), to create, whether in Puerto Rico or in a different jurisdiction, or contract with companies, partnerships, or subsidiary corporations, whether for profit or nonprofit, affiliated or associated, in order to, among others: (i) separate or divide into one or more subsidiaries the PREPA's generation, transmission, and distribution functions and (ii) Participate in Public-Private Partnerships in accordance with Act 29-2009, as amended, and Act 120-2018, as amended. atc

WHEREAS: The Puerto Rico Energy Public Policy Act, Act 17 of April 11, 2019 ("**Act 17**"), declared that Puerto Rico's power system is essential to achieve the competitiveness and economic development of Puerto Rico and thus ordered its transformation and restructuring. By mandate of the Legislature of Puerto Rico, the electric system must be resilient, reliable, and robust. Previous PREPA and Commonwealth of Puerto Rico's certified fiscal plans have outlined a comprehensive transformation of Puerto Rico's energy sector to address PREPA's financial and operational challenges.


WHEREAS: Act 17 provides that the electrical system shall no longer continue as a vertical monopoly, nor may it be established as a horizontal monopoly regarding power generation. Act 120 directs PREPA (i)



PO Box 364267 San Juan, Puerto Rico 00936-4267

"We are an equal opportunity employer and do not discriminate on the basis of race, color, gender, age, national or social origin, social status, political ideas or affiliation, religion; for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigration status; for physical or mental disability, for veteran status or genetic information."

to execute one or various partnership contracts, through which it shall transfer the transmission and distribution functions, the sale of electric power, the operation of the Energy Control Center, and all those activities related to such functions and (ii) to transfer the operation, and maintenance functions in connection with PREPA's legacy power generation assets.


WHEREAS: In compliance with Act 120's mandate to transfer PREPA's operation and maintenance of the transmission and distribution system, on June 22, 2020, after a competitive process carried out by the Puerto Rico Public-Private Partnership Authority ("**P3A**"), PREPA, P3A, LUMA Energy LLC and LUMA Energy Servco, LLC (LUMA Energy LLC and LUMA Energy Servco, LLC hereinafter referred to as "**LUMA**", and PREPA, P3A, and LUMA together are hereinafter referred to as the "**Parties**") entered into the *Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* and the *Puerto Rico Transmission and Distribution System Supplemental Terms Agreement* ("**OMA**"). In the OMA, the Parties agreed to reorganize PREPA in different subsidiaries. 

WHEREAS: The Fiscal Plan approved by the Financial Oversight and Management Board for Puerto Rico ("**FOMB**") on June 2020 ("**2020 Fiscal Plan**") required PREPA's vertically integrated operations to be segregated into Generation and T&D utility functions. The 2020 Fiscal Plan provided that the transformation of the energy sector required, among other things: (i) improvement of existing PREPA operations and transfer of responsibilities for the operation and maintenance of PREPA's T&D system to a qualified, professional, and experienced private operator; and (3) improvement of PREPA's generation operations and transfer of the responsibilities for the operation and maintenance of PREPA's existing generation assets to one or more qualified, professional, and experienced private operators.

WHEREAS: On May 27, 2021, the FOMB certified the 2021 PREPA Fiscal Plan ("**2021 Fiscal Plan**"). The 2021 PREPA Fiscal Plan is the most recent and operative fiscal plan and provides, and restates, that to achieve Puerto Rico's energy system transformation, a change in PREPA's historical roles and responsibilities and their

reassignment through multiple entities is imperative. The 2021 Fiscal Plan further establishes that PREPA must complete its operational and financial reorganization by distributing its responsibilities and assets in different subsidiaries.

WHEREAS: In compliance with the legal mandates included in Act 17 and the 2021 Fiscal Plan, PREPA has decided to segregate its hydroelectric and irrigation assets and responsibilities in a new subsidiary. This subsidiary will be called PREPA HydroCo, LLC ("**HydroCo**").

WHEREAS: The Governing Board has received and evaluated a memorandum submitted by the Executive Director explaining the separation of certain assets and responsibilities of PREPA into different subsidiaries, including HydroCo. The Executive Director has also presented draft versions of the PREPA HydroCo Limited Liability Company Agreement and Single Member Declaration ("**HydroCo Agreement**"), and the PREPA HydroCo LLC Capital Contribution Agreement ("**Capital Contribution**"), which is an attachment to the HydroCo Agreement. 

WHEREAS: Pursuant to the draft HydroCo Agreement and Capital Contribution Agreement, HydroCo is the legal entity that will own and operate (or delegate the operation of) PREPA's hydroelectric and irrigation assets. The sole member of HydroCo will be PREPA. PREPA will contribute certain capital to HydroCo, including, among others, the hydroelectric and irrigation assets, employees, vehicles, software, and contracts.

WHEREAS: Property, business, and the affairs of HydroCo shall be managed and conducted by its Board of Managers. HydroCo shall have as members of its Board of Managers the PREPA Governing Board. The Chairman and Vice-Chairman of the HydroCo Board of Managers will be the Chairman and Vice-Chairman of the PREPA Governing Board.

WHEREAS: HydroCo will have an Executive Director and a Sub-Director of Operations, who will be the Executive Director and the Sub-Director of Operations of PREPA unless otherwise determined by the Board of Managers.

WHEREAS: Any assets that are used in connection with both the transmission and distribution system and the hydroelectric and irrigation facilities shall be retained by PREPA and not transferred to HydroCo, unless the LUMA, PREPA, and HydroCo determine after the date hereof that any such assets should be transferred to HydroCo, in which case any such assets shall be promptly transferred through a written instrument executed by PREPA and HydroCo.

THEREFORE: In accordance with Act 83, PREPA's Governing Board resolves to:

1. Approve the creation and the legal documents to formalize the organization of PREPA HydroCo LLC.
2. Approve the draft HydroCo Agreement and Capital Contribution Agreement.
3. Authorize the Executive Director to execute and deliver from time to time any documents as may be necessary to effectuate and evidence the HydroCo Agreement and Capital Contribution, including, without limitation, such public deeds of transfer as may be required to reflect the transfer to HydroCo of the real properties described in the Capital Contribution Agreement and any other real property that is part of the HydroCo assets.
4. Authorize the Executive Director to submit the HydroCo Agreement and the Capital Contribution Agreement to any governmental agency, including PREB and FOMB, for the corresponding approval.
5. Authorize the Executive Director to execute the HydroCo Agreement and Capital Contribution Agreement after it is approved by the corresponding governmental agencies.

Approved in San Juan, Puerto Rico, on this fifteenth day of December two thousand twenty-one.

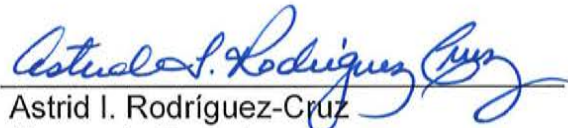

Astrid I. Rodríguez-Cruz
Corporate Secretary

Exhibit D

**PREPA HYDROCO LLC
LIMITED LIABILITY COMPANY AGREEMENT
AND
SINGLE MEMBER DECLARATION**

This LIMITED LIABILITY COMPANY AGREEMENT AND SINGLE MEMBER DECLARATION (this “*Agreement*”) is made as of [●], 2021, by the undersigned, PUERTO RICO ELECTRIC POWER AUTHORITY (the “*Authority*” or the “*Member*”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the “*Commonwealth*”), created by virtue of Act No. 83 of the Legislature of the Commonwealth, approved May 2, 1941, as amended (the “*Act*”).

WITNESSETH

WHEREAS, pursuant to Resolution No. [●] adopted on [●], 2021, the Governing Board of the Authority authorized the formation of a limited liability company, which limited liability company was organized and created on [●], 2021 under the name “[PREPA HYDROCO LLC]” (the “*Company*”) pursuant to the provisions and subject to the requirements of Act No. 164-2009, as amended, known as the Puerto Rico General Corporations Act (the “*Corporations Act*”) for the purposes therein set forth; and

WHEREAS, the Member desires to set forth certain operating standards and procedures to be applicable to the Company and the Member with respect to the affairs of the Company and the conduct of its business.

NOW, THEREFORE, in consideration of the premises herein contained, and each intending to be legally bound hereby, the Member states as follows:

**ARTICLE I
FORMATION OF THE COMPANY**

Section 1.1 Rights and Obligations of the Member. Except as otherwise provided herein, all rights, liabilities and obligations of the Member with respect of the Company shall be determined pursuant to the Corporations Act and this Agreement. To the extent the rights or obligations of the Member and/or any additional members are different by reason of any provision of this Agreement than they would be under the Corporations Act in the absence of any such provision, or if this Agreement is inconsistent with the Corporations Act, this Agreement shall control except to the extent the Corporations Act at the time in question prohibits any particular provision of the this Agreement to be waived or modified by the Member and/or any additional member.

Section 1.2 Formation of Limited Liability Company. The Member has organized the Company pursuant to the provisions and subject to the requirements of the Corporations Act under the name of “[PREPA HYDROCO, LLC]”. The Company’s business and affairs may be conducted under any other name or names deemed advisable by the Member. The Member may change the name of the Company at any time and from time to time.

Section 1.3 Principal Place of Business. The principal office of the Company shall be located at []¹, or at such other place as may be designated by the Board of Managers.

Section 1.4 Purposes of the Company. The purpose of the Company shall be to own and operate (or delegate the operation of) the Authority's legacy hydroelectric generation and irrigation assets, and to engage in any lawful activities for which limited liability companies may be organized under the Corporations Act, including, without limitation, the sale or disposition of the Authority's legacy hydroelectric generation and irrigation assets, subject to the limitations contained in the Act.

Section 1.5 No Private Inurement or Benefit. No part of the net earnings of the Company shall inure to the benefit of any member (other than the Authority), Manager or officer of Company, or any private person, except that reasonable compensation may be paid for services rendered to or for the Company affecting one or more of its purposes, and no member (other than the Authority), Manager, or officer of the Company, or any private individual, shall be entitled to share in the distribution of any of the assets upon dissolution of the Company.

Section 1.6 Dissolution. Upon dissolution of the Company, title to all property owned by the Company shall vest in and become property of the Authority, or the board or body which by law shall succeed to the functions and powers of the Authority.

Section 1.7 Tax Exemption. The Authority hereby bestows upon the Company, in accordance with the provisions of Section 5(u)(v) of the Act that permits the Authority to grant to any subsidiary such of the Authority's rights (other than the power of eminent domain) as the Authority shall determine, the right to be exempt from taxation in the Commonwealth (including the exemption from Commonwealth tax, of interest on any of its obligations) to the same extent as the Authority is so exempt.

Section 1.8 Duration of the Company. The existence of the Company shall be deemed to have commenced on the date the Certificate of Formation (the "*Certificate*") of the Company was filed with the Secretary of State of the Commonwealth of Puerto Rico, and shall continue perpetually thereafter, unless sooner terminated and dissolved in accordance with the terms of this Agreement.

ARTICLE II

SINGLE MEMBER, CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

Section 2.1 Single Member. The Company is a single member limited liability company. The sole member of the Company is the Authority.

Section 2.2 Capital Contributions. The Company shall be capitalized by the Member through its contribution to the Company as set forth on Exhibit A attached hereto, with the

¹ Note to Draft: PREPA to confirm address.

Member receiving, in exchange therefore, the membership units described in Exhibit A hereto. The Member shall not have the right to demand or receive the return of its capital contribution except as otherwise expressly provided herein.

Section 2.3 Capital Accounts. A capital account shall be established and maintained for the Member and has been or shall be credited with the amount of the Member's initial capital contribution to the Company.

Section 2.4 Additional Contributions. The Member shall not be required to make additional capital contributions other than that required under Section 2.2.

Section 2.5 Allocations. All items of income, gains, losses, deductions and credits of the Company shall be allocated to the Member.

Section 2.6 Distributions. To the extent permitted in Article I of this Agreement, cash distributions to the Member shall be made in such amounts and at such times as may be determined by the Board of Managers in its discretion. No distribution shall be declared or paid unless, after the distribution is made, the Company's assets exceed the Company's liabilities.

ARTICLE III MANAGEMENT

Section 3.1 Board of Managers. The property, business and the affairs of the Company shall be managed and conducted by its Board of Managers, which may exercise all the powers of the Company except such powers as are specifically conferred or reserved to the Member by the Corporations Act, or as otherwise provided in this Agreement.

Section 3.2 Number; Qualifications. The Company shall have as members of its Board of Managers the Authority's Governing Board, appointed in accordance with such processes and requirements as set forth in the Act. Each of such members is hereinafter referred to as a "Manager."

Section 3.3 Chairman of the Board of Managers. The Chairman of the Board of Managers shall be the Chairman of the Authority's Governing Board and shall have such powers and perform the duties specifically conferred by this Agreement and such other powers and duties as may be prescribed by the Board of Managers from time to time by resolution. The Chairman of the Board of Managers shall preside and convene the meetings of the Board of Managers and shall prepare a detailed agenda stating the matters to be discussed at each meeting, including, without limitation, any matters related to the policy, administration and operation of the Company.

Section 3.4 Vice Chairman of the Board of Managers. The Vice Chairman of the Board of Managers shall be the Vice Chairman of the Authority's Governing Board and shall have such powers and perform such duties as the Board of Managers may determined or as may be assigned to it by the Chairman in its absence, or in the event of the Chairman's death, or inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers and be subject to all the restrictions upon the Chairman.

Section 3.5 Secretary of the Board of Managers. The Secretary of the Board of Managers shall be the Secretary of the Authority's Governing Board and shall: (a) keep the minutes of the meetings of the Board of Managers; (b) be the custodian of the minutes of the meetings of the Board of Managers; (c) see that all notices are duly given in accordance with the provisions of this Agreement and as required by law; and (d) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to it by the Chairman or by the Board of Managers.

Section 3.6 Liability of Managers. A Manager shall not have any liability to the Company or the Member for any mistakes or errors in judgment, or for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement. A Manager shall be liable only for acts and/or omissions involving intentional wrongdoing. Actions or omissions taken in reliance upon the advice of legal counsel that are within the scope of a Manager's authority hereunder shall be conclusive evidence of good faith; provided, however, a Manager shall not be required to procure such advice to be entitled to the benefit of this subparagraph.

Section 3.7 Regular Meetings. Regular meetings of the Board of Managers shall be held monthly at such time, place and manner as are specified in the notice, including, but not limited to, by telephone conference, or other medium of communication, as may be designated by a majority of the Board of Managers, provided that if such regular meeting is held by telephone conference or other medium of communication, the Company shall implement reasonable measures to provide the Managers reasonable opportunity to participate in the meeting and to vote on matters submitted to the Managers. Notice of any regular meeting of the Board of Managers shall be given at least 5 days thereto by written and/or verbal notice pursuant to the delivery instructions determined and given by the Chairman of the Board of Managers. Each such notice shall include the time, day and place. Unless required by the laws of the Commonwealth of Puerto Rico or this Agreement, such notice shall not be required to be given to any Manager who shall be present at such meeting, or who shall waive such notice in writing or by telegraph or electronic mail, whether before or after the meeting, and any meeting of the Board of Managers shall be a legal meeting without any notice thereof having been given if all of the Managers shall be present thereat. Whenever the provisions of the laws of the Commonwealth of Puerto Rico or the Certificate of Formation or this Agreement require that a meeting of the Managers shall be duly called for the purpose, or that a certain notice of the time, place and purposes of any such meeting shall be given, in order that certain action may be taken at such meeting, a written waiver of notice of the time, place and purposes of such meeting signed by every Manager not present in person, either before or after the time fixed for holding said meeting, shall be deemed equivalent to such call and notice, and such action if taken at any such meeting shall be as valid as if call and notice had been duly given. The Executive Director of the Company shall be invited to all regular meetings of the Board of Managers and shall have the right to present to the Board of Managers for its consideration any and all matters either included in the meeting's agenda or matters previously informed to the Chairman and the Secretary of the Board of Managers which were not included in the meeting's agenda.

Section 3.8 Special Meeting. Special meetings of the Board of Managers may be called by or held at the request of the Chairman of the Board of Managers, or by a majority of the Managers, at such time, place and manner as are specified in the notice, including but not limited to, by

telephone conference, or other medium of communication, as may be designated by a majority of the Board of Managers, or by the Executive Director of the Company, if applicable, provided that if such special meeting is held by telephone conference or other medium of communication, the Company shall implement reasonable measures to provide the Managers reasonable opportunity to participate in the meeting and to vote on matters submitted to the Managers. Notice of any special meeting of the Board of Managers shall be given at least 24 hours prior thereto by written notice delivered by mail, to each Manager at its business address, or transmitted verbally or by telecopier, by electronic mail and/or by any other electronic form. If mailed, such notice shall be deemed to be delivered on the date shown on the return receipt notification. If notice is transmitted by telecopier, electronic mail or any other electronic form, such notice shall be deemed to be delivered when its receipt is electronically (automatically) acknowledged. Each such notice shall state the time, day, place and purposes thereof. Unless required by the laws of the Commonwealth of Puerto Rico or this Agreement, such notice shall not be required to be given to any Manager who shall be present at such meeting, or who shall waive such notice in writing or by electronic mail, whether before or after the meeting, and any meeting of the Board of Managers shall be a legal meeting without any notice thereof having been given if all of the Managers shall be present thereat. Whenever the provisions of the laws of the Commonwealth of Puerto Rico or the Certificate of Formation or this Agreement require that a meeting of the Managers shall be duly called for the purpose, or that a certain notice of the time, place and purposes of any such meeting shall be given, in order that certain action may be taken at such meeting, a written waiver of notice of the time, place and purposes of such meeting signed by every Manager not present in person, either before or after the time fixed for holding said meeting, shall be deemed equivalent to such call and notice, and such action if taken at any such meeting shall be as valid as if call and notice had been duly given.

Section 3.9 Special Attendance at the Board Meetings. Guests may from time to time be invited to attend regular board meetings by the Chairman of the Board, a Manager of the Board of Managers or the Executive Director of the Company. The guest's attendance at the Board of Managers' meeting shall be limited to the presentation of, or raising questions concerning a, specific matter(s), at the conclusion of which the guest shall be excused. The Board of Managers will not discuss, respond to, or take action on the guest's presentation while the guest is present.

A Manager or the Executive Director of the Company who is interested in bringing a guest to a Board of Managers' meeting must notify in advance the Secretary of the Board of Managers, and be approved, in order to be placed on the agenda for that particular meeting. The Chairman or any of the Managers of the Board of Managers may request the guest to leave temporarily, at any time, during the meeting in case the Board of Managers handles confidential matters. The Board of Managers reserves the right to exclude guests from any of its meetings, at any time, to ensure the protection of confidential information and the objectivity in all matters under the consideration of the Board of Managers.

Section 3.10 Quorum. Four (4) Managers shall constitute a quorum for the transaction of business at any meeting of the Board of Managers, but if less than such a quorum is present at a meeting, a majority of the Managers present may adjourn the meeting from time to time without further notice.

Section 3.11 Manner of Acting. The act of the majority of the Managers present at a meeting at which a quorum is present shall be deemed the act of the Board of Managers.

Section 3.12 Action Without a Meeting. Any action required or permitted to be taken by the Board of Managers at a meeting may be taken without meeting if (i) a consent in writing, setting forth the action(s) so taken, shall be approved by all of the Managers, or (ii) a direct consent is given in a referendum.

Section 3.13 Compensation. Managers who are not employees or officials of the Commonwealth may be compensated for their attendance to meetings of the Board of Managers [\$500] per day or as otherwise determined and fixed by the Board of Managers. Managers who are employees or officials of the Commonwealth of Puerto Rico or a public corporation shall serve on the Board of Managers without compensation.

Section 3.14 Books and Records. The Board of Managers shall maintain or cause to be maintained, complete and accurate records of all properties owned or leased by the Company and complete and accurate books of account (containing such information as shall be necessary to record allocations and distributions), and make such records and books of account available for inspection by any Member, or any of the Member's duly authorized representative, during regular business hours and at the principal office of the Company.

Section 3.15 Fiscal Year. The taxable year of the Company shall be a fiscal year commencing on July 1st of each year and ending on June 30th of each year.

ARTICLE IV COMMITTEES

Section 4.01 Committees of the Board of Managers. The Board of Managers may designate one or more committees of the Board of Managers with such powers as shall be specified in a resolution of the Board of Managers. Each committee shall consist of such number of members as shall be determined from time to time by resolution of the Board of Managers. Each committee shall keep regular minutes of its meetings. All actions taken by a committee shall be reported to the Board of Managers at its next meeting and shall be subject to the approval, revision and/or alteration of the Board of Managers, provided that no legal rights of third parties shall be affected by such revision and/or alteration.

Section 4.02 Election of Committee Members. The members of each committee shall be designated by the Board of Managers and shall serve until their successors are elected and qualified or until the members' resignation and removal. Vacancies may be filled by the Board of Managers at any of its meetings. The Managers may designate one or more Managers to serve as an alternate member or members at any committee meeting to replace any absent or disqualified member, such alternate or alternates to serve for that committee meeting only.

Section 4.03 Procedures; Meetings; Quorum. Committees shall meet at such times and at such place or places within or without the Commonwealth of Puerto Rico, as may be provided by such rules of procedure as such committee may adopt, or by resolution of the committee or of the

Board of Managers. At every meeting of a committee, the presence of a majority of all the members thereof shall be necessary to constitute a quorum and the affirmative vote of a majority of the members thereof present shall be required for the transaction of business.

Section 4.04 Compensation. [The members of any committee, and the Managers who are invited to attend such committee, shall serve on the committees without compensation.]

ARTICLE V OFFICERS OF THE COMPANY

Section 5.1 Officers. The Board of Managers may elect and appoint any officers and assistant officers as may be deemed necessary and convenient and with such powers as shall be specified in a resolution of the Board of Managers. Any two offices (but not more than two), other than the offices of Executive Director and Secretary, may be held by the same person. The officers (or assistant officers) of the Company need not be Managers of the Company.

Section 5.2 Election and Term of Office. The officers of the Company shall be elected at any meeting of the Board of Managers. Each officer shall hold office until his successor shall be duly elected and qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 5.3. Executive Director. The Company shall have an Executive Director. The Executive Director of the Company shall be the Executive Director of the Authority, unless otherwise determined by the Board of Managers. The Executive Director shall execute the following duties: (i) shall have general charge and supervision of the business of the Company; (ii) shall see that all the orders and resolutions of the Board of Managers are carried into effect; (iii) shall have the authority to sign and deliver in the name of the Company any contracts, or other instruments pertaining to the business of the Company up to the amount of [\$50,000], or as may be otherwise approved and directed by the Board of Managers, except for those cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by this Agreement or by the Board of Managers to some other Manager or agent of the Company; (v) may maintain records of a certify proceedings of the Board of Managers; (vi) shall perform such other duties as may from time to time be prescribed by the Board of Managers.

Section 5.4 Sub-Director of Operations. The Company may have a Sub-Director of Operations, who shall be appointed by the Board of Managers, *provided that*, if the Authority has a Sub-Director of Operations, then the Sub-Director of Operations of the Company shall be the same as the Sub-Director of Operations of the Authority. The Sub-Director of Operations shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Managers or the Executive Director.

Section 5.5 Treasurer. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Managers or the Executive Director. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of the treasurer, including without limitation the duty and power to

keep and be responsible for all funds and securities of the Company, to deposit funds of the Company in depositories selected in accordance with applicable resolutions of the Board of Managers; to disburse such funds as ordered by the Board of Managers, to make accounts of such funds, and to render as required by the Board of Managers statements of all such transactions and of the financial condition of the Company.

Section 5.6 Removal of Officers. Any officer may be removed by the vote of a majority of the entire Board of Managers.

Section 5.7 Vacancies. A vacancy in any office resulting from death, resignation, removal, or any other cause, may be filled by the Board of Managers for the unexpired portion of the term thereof.

ARTICLE VI FINANCIAL AFFAIRS

Section 6.1 Loans. No loan shall be contracted for on behalf of the Company, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Managers. Such authority may be general or confined to specific instances.

Section 6.2 Checks; Drafts; etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Company shall be signed by such Manager or officer or officers or other agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Board of Managers.

Section 6.3 Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies, or other depositories as the Board of Managers may select or as may be designated by the Executive Director of the Company.

ARTICLE VII INDEMNIFICATION

Section 7.1 Third Party Actions. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than an action, suit or proceeding by or in the right of the Company) by reason of the fact that he/she is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, trustee, officer or employee of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Their termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the

person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 7.2 Derivative Actions. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit, including all appeals, by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, trustee, officer or employee of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

Section 7.3 Rights After Successful Defense. To the extent that a Manager, officer or employee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.1 or Section 7.2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 7.4 Other Determination of Rights. Any indemnification under Section 7.1 or Section 7.2 (unless ordered by a court) shall be made by the Company as authorized in the specific case upon a determination that indemnification of the Manager, officer or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 7.1 or Section 7.2.

Section 7.5 Advances of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative or investigative action, suit, proceeding (including all appeals), or threat thereof; may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Managers, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the Manager, officer or employee, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company.

Section 7.6 Non-Exclusiveness; Heirs. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under the Certificate of Formation or this Agreement, any agreement, vote of members, any insurance purchased by the Company, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a

person who has ceased to be Manager, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.7 Purchase of Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, officer or employee of another Company, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article or of the Corporations Act.

ARTICLE VIII WITHDRAWAL; DISSOLUTION

Section 8.1 Withdrawal. The Member shall not be permitted to withdraw or resign from the Company. The adjudication of bankruptcy, whether voluntary or involuntary, or the bankruptcy or dissolution of the Member during the term of this Agreement, shall not affect the Company or its business.

Section 8.2 Termination of the Company. The Company shall be terminated and dissolved upon the first to occur of the following: (a) upon the unanimous vote of the Board of Managers; or (b) upon the sale of all or substantially all the assets of the Company.

ARTICLE IX WINDING UP

Section 9.1 Winding Up. Upon the termination of the Company pursuant to Section 8.2 above, a full and general accounting shall be taken of the Company's business, and the affairs of the Company shall be wound up. The Board of Managers shall wind up and liquidate the Company by selling the Company's assets, or by distributing such assets in kind, subject to the Company's liabilities, or by a combination thereof, as determined by the Board of Managers. The proceeds of such liquidation shall be applied and distributed in the following order of priority, by the end of the taxable year during which the liquidation occurs (or, if later, within ninety (90) days after the date of the liquidation): (a) to the payment of any debts and liabilities of the Company; (b) to the setting up of any reserve which the Board of Managers shall reasonably deem necessary to provide for any contingent or unforeseen liabilities or obligations of the Company, with any excess in such reserve remaining after such liabilities are satisfied to be distributed as soon as practicable in the manner hereinafter set forth; and (c) thereafter, the balance of the proceeds, if any, shall be distributed in accordance with Section 1.6 of this Agreement.

Section 9.2 Statement. The Member shall be furnished with a statement prepared by the Company's accountants, which shall set forth the assets and liabilities of the Company as of the date of complete liquidation.

Section 9.3 No Liability of Member. Notwithstanding anything in this Agreement to the contrary, neither the Board of Managers nor the Member shall be personally liable for the liabilities and obligations of the Company nor shall it be liable for the payment of any debt (including bonds, notes or other obligations), or any portion thereof; of the Company, it being expressly understood that any such liabilities, obligations and debts shall be paid solely from the operations and assets of the Company.

ARTICLE X MISCELLANEOUS

Section 10.1 Amendments. This Agreement may be modified or amended only with the written approval of the Member.

Section 10.2 Notices. All notices, consents or other instruments hereunder shall be in writing and mailed by United States mail, postage prepaid, and shall be directed to the parties hereto at the last addresses of the parties furnished by them in writing to the Company, and to the Company at its principal office. The Company and/or the Member shall have the right to designate a new address for receipt of notices by notice addressed to the Members and the Company and mailed as aforesaid. Such notices shall be made a permanent part of the Company records.

Section 10.3 Benefit and Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Member and its administrators, executors, legal representatives, nominees, successors and permitted assigns.

Section 10.4 Captions. The captions of the respective Articles and Sections of this Agreement are inserted for convenience and reference only and will not affect the meanings of the provisions of this Agreement.

Section 10.5 Governing Law. This Agreement and the rights of all the parties hereunder shall be governed by, and construed in accordance with, the laws of the Commonwealth of Puerto Rico.

Section 10.6 Application of the Corporations Act. Any matter not specifically covered by the provisions of this Agreement shall be governed by the provisions of the Corporations Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Agreement on the day and year first written above.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____

Name: Josué Colón

Title: Executive Director

EXHIBIT A

<u>Member</u>	<u>Capital Contribution</u>	<u>No. of Units</u>	<u>Percentage Interest</u>
Puerto Rico Electric Power Authority	HydroCo Assets (as defined in the Capital Contribution Agreement between the Authority and the Company dated as of April [●], 2021)	1	100%

CAPITAL CONTRIBUTION AGREEMENT
PREPA HydroCo LLC¹

This Capital Contribution Agreement (the “Agreement”) is executed effective as of [●], 2021, in San Juan, Puerto Rico, by and between the **PUERTO RICO ELECTRIC POWER AUTHORITY**, a public corporation and instrumentality of the Commonwealth of Puerto Rico created pursuant to Act No. 83 of May 2, 1941, as amended (“PREPA”), and [**PREPA HYDROCO LLC**], a public instrumentality organized as a limited liability company under the laws of the Commonwealth of Puerto Rico (“HydroCo” and, together with PREPA, the “Parties”).

WITNESSETH:

WHEREAS, PREPA owns (i) Puerto Rico’s transmission and distribution system (the “T&D System”) and related facilities, equipment and other tangible and intangible assets used in connection with the T&D System (collectively, the “T&D Assets”), (ii) certain thermal power plants (collectively, the “Generation Facilities”) and related facilities, equipment and other tangible and intangible assets used solely in connection with the Generation Facilities (collectively, the “GenCo Assets”), (iii) the hydroelectric generation plants and public irrigation facilities identified in Schedule I hereto (the “HydroCo Facilities”) and related facilities, dams and reservoirs, equipment and other tangible and intangible assets used solely in connection with the HydroCo Facilities (collectively, the “HydroCo Assets”), and (iv) certain other assets not directly related to the T&D System, the Generation Facilities, or the HydroCo Facilities;

WHEREAS, PREPA, LUMA Energy, LLC (“ManagementCo”), LUMA Energy Servco, LLC (“ServCo” and, together with ManagementCo, the “T&D Operator”), and the Puerto Rico Public-Private Partnership Authority are parties to a certain Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020 (the “T&D O&M Agreement”);

WHEREAS, pursuant to the terms of the T&D O&M Agreement, the T&D Operator is responsible for the operation and maintenance of the T&D System;

WHEREAS, the T&D O&M Agreement contemplates the reorganization of PREPA’s assets into separate legal entities (the “Reorganization”);

WHEREAS, consistent with Puerto Rico’s energy public policy and the T&D O&M Agreement, PREPA organized HydroCo on [●], 2021 as a limited liability company under Chapter 19 of the Puerto Rico General Corporation Law;

WHEREAS, in furtherance of the Reorganization, PREPA desires to contribute the HydroCo Assets to HydroCo, and HydroCo has agreed to accept the assets being contributed hereunder, subject to and in exchange for 100% of the membership interests of HydroCo;

¹ **Note to Draft:** The schedules hereto are subject to ongoing review and comments by PREPA and the T&D Operator and will continue to be revised and updated until this Agreement is executed.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Capital Contribution.** Effective as of the date hereof, PREPA hereby contributes, assigns, transfers, conveys and delivers to HydroCo, and HydroCo hereby accepts from PREPA, the HydroCo Assets (the “Capital Contribution”). Included in Schedule II hereto is a list of all HydroCo Assets identified by PREPA as of the date of this Agreement. However, the intent of the Parties hereto is that all facilities, equipment and other tangible and intangible assets used solely in connection with the HydroCo Facilities be contributed to HydroCo, irrespective of whether they are identified in Schedule II. Any assets that are used in connection with both the T&D System and the HydroCo Facilities shall be retained by PREPA and not transferred to HydroCo, unless the T&D Operator, PREPA and HydroCo determine after the date hereof that any such assets should be transferred to HydroCo, in which case any such assets shall be promptly transferred through a written instrument executed by PREPA and HydroCo.

2. **Assumed Liabilities.** From and after the date hereof, HydroCo shall assume, perform and satisfy all obligations in respect of the contracts identified in item 4 of Schedule II existing as of the date hereof and any liabilities relating to the HydroCo Assets arising and relating to periods after the date hereof (the “Assumed Liabilities”). Except for the Assumed Liabilities or as otherwise required by law, HydroCo shall not assume and shall not be responsible to pay, perform or satisfy any other liabilities of PREPA.

3. **Additional Documentation.** The Parties hereto agree to execute and deliver from time to time any documents as may be necessary to effectuate and evidence the Capital Contribution, including, without limitation, such public deeds of transfer as may be required to reflect the transfer to HydroCo of the real properties described in Schedule II-A hereto and any other real property that is part of the HydroCo Assets.

4. **Governing Law.** This Agreement shall be governed and construed under the laws of the Commonwealth of Puerto Rico.

5. **Third Party Beneficiary.** No provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or other rights of any kind in any affiliate, stockholder, partner, member, director, officer or employee of any Party to this Agreement or any other person or entity.

6. **Severability.** If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties hereto.

7. **Further Assurances.** At any Party’s request and without further consideration, the Parties shall execute and deliver any further instruments of conveyance and take such other actions as the requesting party may reasonably require to complete more effectively the actions specified herein. Without limiting the generality of the foregoing, pursuant to Section 1 hereof and subject

to the other terms and conditions of this Agreement, in the event that PREPA or HydroCo discovers that any HydroCo Asset was inadvertently (a) retained by PREPA or (b) transferred and delivered to another entity directly or indirectly owned by PREPA as a result of the Reorganization, PREPA (or the entity to which such asset was transferred) shall promptly transfer and deliver such HydroCo Asset to HydroCo in accordance with the terms of this Agreement. If any asset that is not a HydroCo Asset was inadvertently transferred and delivered to HydroCo, HydroCo shall promptly transfer such asset back to PREPA (or to the entity to which such asset should have been transferred as a result of the Reorganization).

8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any counterpart signature page may be executed by either Party, and may be delivered by facsimile transmission or any form of electronic transmission (including via e-mail of portable document format (PDF) copies), and any such facsimile or electronically transmitted signature pages may be attached to one or more counterparts of this Agreement, and such faxed signature(s) shall have the same force and effect, and be as binding, as if original signatures had been executed and delivered in person.

9. **Entire Agreement and Amendments.** This Agreement contains all of the agreements between the Parties hereto with respect to the subject matter hereof. Any prior representations, warranties, correspondence, statements, memoranda or agreements (oral or written) are replaced and superseded in total by this Agreement. This Agreement may only be modified or amended upon the written consent of each Party hereto.

10. **T&D O&M Agreement.** Nothing in this Agreement shall be or be deemed to be an amendment to the T&D O&M Agreement or otherwise reduce or detract from PREPA's obligation to provide, or cause GenCo to provide, T&D Operator access to, and use of, the T&D System and the T&D System Sites (as defined in the T&D O&M Agreement) as may be necessary for it to perform the O&M Services (as defined in the T&D O&M Agreement) under the T&D O&M Agreement.

11. **Assignments.** This Agreement may not be assigned, in whole or in part, by any of the Parties without the prior written consent of the other Party.

12. **Binding on Successors.** This Agreement shall be binding upon and it shall inure to the benefit of the respective successors and permitted assigns of the Parties.

13. **Headings.** The heading of each section of this Agreement is included only for convenience of reference and shall not affect the meaning or construction of any provision hereof.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the date first above written.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____
Name:
Title:

[PREPA HYDROCO LLC]

By: _____
Name:
Title:

SCHEDULE I

HYDROCO FACILITIES

A. Hydroelectric Power Plants

1. Caonillas (1 and 2)
2. Dos Bocas
3. Garzas (1 and 2)
4. Patillas
5. Rio Blanco
6. Yauco (1 and 2)
7. Toro Negro (1 and 2)

B. Irrigation Facilities

1. Costa Sur District – East
2. Costa Sur District – West
3. Isabela District
4. Lajas Valley District

SCHEDULE II

HYDROCO ASSETS

1. Real Estate

All real properties in which the HydroCo Facilities are located, along with any buildings, structures, improvements, and appurtenances located therein, including, without limitation, the real properties identified in Schedule II-A, and any easements or other property rights related to the HydroCo Facilities.

2. Machinery and Equipment

- a. All machinery, mobile or otherwise, hydro power generation and related equipment, fuel, water and chemical storage tanks, water treatment plants, vehicles, pumps, fittings, tools, furniture and furnishings, meter equipment, and other tangible movable property (collectively, "Machinery and Equipment") located at the HydroCo Facilities, which, in the case of the hydroelectric power plants, originate at all site interconnection points through to the main power transformers and ending at the high voltage bushing, high voltage output side of the transformers, excluding any On-Site T&D Assets (as defined in Schedule II-B).
- b. The following Machinery and Equipment located outside of the HydroCo Facilities:
 - i. all vehicles identified in Schedule II-C hereto; and
 - ii. any other Machinery and Equipment purchased by PREPA specifically for use or consumption exclusively at the HydroCo Facilities.

3. Inventory

- a. All inventory items located at the HydroCo Facilities or purchased specifically for use or consumption in the HydroCo Facilities.
- b. All hydro power generation related inventory and plant equipment (including capital spares and special tools or equipment) that is located outside of the HydroCo Facilities, including, without limitation, in PREPA warehouses located outside of the HydroCo Facilities.

4. Contracts

- a. All contracts identified in Schedule II-D hereto.
- b. All other contracts to which PREPA is a party that relate solely to hydroelectric power generation or irrigation activities, including without limitation, the following contracts:

Contract	Party	Date
Collaboration Agreement for the Early Alert System for the Patillas Dam	University of Puerto Rico, Mayagüez Campus	6/30/2019
Technical Assistance Agreement	Bureau of Reclamation, U.S. Department of the Interior	12/1/2020

5. Licenses and Permits

All orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings or entitlements issued to PREPA by any governmental body that relate solely to the HydroCo Assets (collectively, the “HydroCo Permits”), to the extent transferable, including, without limitation the HydroCo Permits listed in Schedule II-E.

6. Books and Records

All books, records, documents, drawings, reports, data (including, without limitation, any operational, safety, environmental, quality, health and human resource or any other historical data), in each case, related to the ownership or operation of the HydroCo Facilities, and all instructions and/or maintenance manuals, past or present, in printed format or as stored on computer media, relating to the HydroCo Facilities, provided that all documentation and drawings related to the Onsite T&D Assets shall be retained by PREPA and copies of all documentation and drawings related to the ownership or operation of the HydroCo Facilities which impact T&D System operations and the interconnection with the HydroCo Facilities shall be provided to PREPA.

7. Intellectual Property

All patents and patent rights, trademarks and trademark rights, inventions, copyrights and copyright rights, computer programs, software and software licenses used by PREPA solely with respect to hydro power generation and the operation of the HydroCo Assets, including, without limitation, the software applications and/or licenses identified in Schedule II-F hereto.

SCHEDULE II-A**HYDROCO REAL PROPERTIES****Hydro Power Plants**

Item	Generation Plant	Lot	Area m ²	Page	Volume	Registry Section	Property Number
1	Río Blanco	1	166,648.70	233	37	Naguabo	1,403
		2	130,842.90	25 vto.	37	Naguabo	1,385
		3	47,164.70	80	55	Naguabo	1,841
		4a	311,405.25	9 vto.	37	Naguabo	1,382
		4b	241,420.66	14 vto.	37	Naguabo	1,383
		4c	62,336.07	20 vto.	37	Naguabo	1,384
		10	14,345.94	36 vto.	38	Naguabo	1,410
		11	7,703.58	47	37	Naguabo	1,331
		Agrupación	102,838.80	-	55	Naguabo	1,840
2	Dos Bocas	2	114,720.39	119	179	Arecibo	8,554
3	Toro Negro I	E	1,183.05	243	12	Villalba	505
		A	16,546.97	29	12	Villalba	468
		F	1,847.28	58	32	Villalba	1108
		G	7,782.18	23	12	Villalba	467
		B	6,603.06	165	19	Villalba	695
		C	6,524.46	172	19	Villalba	696
		D	1,965.20	179	19	Villalba	697
4	Toro Negro II		17,843.99	91	54	Orocovis	2,525
			38,474.64	194	50	Orocovis	2,402
			60,763.92	47 vto.	37	Orocovis	570
			2,161.72	-	-	-	-
			13,599.17	29	53	Orocovis	2,499
			9,765.07	-	-	-	-
			20,823.24	-	-	-	-
			15,367.85	209	50	Orocovis	2,405
			14,019.72	75	51	Orocovis	2,428
			16,350.45	36	48	Orocovis	2,308
			63,947.54	235	57	Orocovis	2,800
5	Garzas I	1	10,887.20	1	45	Peñuelas	1,860

Item	Generation Plant	Lot	Area m²	Page	Volume	Registry Section	Property Number
		2	9,786.69	110	45	Peñuelas	1,861
		3	24,800.80	99	45	Peñuelas	1,859
		4	21,459.96	45	45	Peñuelas	1,862
		5	10,454.85	190	50	Peñuelas	2,015
		6	1,075.36	19	53	Peñuelas	2,065
6	Garzas II	1	13,740.66	90	56	Peñuelas	2,119
		2	6,497.34	218	50	Peñuelas	2,018
7	Yauco I	93	33,876.08	182	123	Yauco	4,441
		254	695.68	90	126	Yauco	4,506
8	Yauco II	62A	2,039.88	-	-	-	-
		106	6,249.33	182	125	Yauco	4,490
		107	699.6104	178	125	Yauco	4,489
		108	11,854.07	-	12	Yauco	4,491
		133	8,686.17	15	124	Yauco	4,450
		105	5,467.18	70	124	Yauco	4,491
		79A	5,286.38	70	124	Yauco	4,456
9	Caonillas	119-1	32,166.36	168	191	Utuaado	8,050
		119-2	6,917.50	176 vto.	191	Utuaado	8,051
10	Caonillas II	6	27,618.89	72	197	Utuaado	9,122
		7	30,900.77	67	197	Utuaado	9,121
11	Carite I	1	16,098.39				
				107	36	Guayama	1,796
12	Carite II	3	1,671.35	221	268	Guayama	8,438
		4	8,037.06	227	268	Guayama	8,439
13	Carite III	A	5,879.87				
				137	66	Guayama	2,575
14	Isabela 1	A	7,074.71	106	363	Isabela	19,630
		B	5,620.47	109	363	Isabela	19,631
15	Isabela 2	1	17,140.46				
				81	84	Isabela	4,233
16	Isabela 3	1	11,571.08				
				257	286	Aguadilla	12,064
17	Isabela 4	14	1,343.96				
				140	80	Isabela	4,575

Item	Generation Plant	Lot	Area m²	Page	Volume	Registry Section	Property Number
18	San Sebastian	1	14,541.95				
				220 vto.	58	San Sebastián	3,506
19	Arecibo	1	8,882.69				
		2	9,460.46				
				-	-	-	-
20	Lares	1	7,860.00				
				60	67	Lares	3,717
21	Aibonito	60	3,930.40				
		61	1,965.20				
		62	982.5989				
		63	3,930.40				
		64	200				
			166,648.70	35	34	Aibonito	992
22	Comerio	-	-				
				-	-	-	-
23	Patillas	A	453.5380	223	12	Patillas	694
		B	394.7730	235	12	Patillas	697
		C	1,713.7850	-	-	-	-

SCHEDULE II-B

ON-SITE T&D ASSETS

Any and all transmission and distribution-related, non-power generation Machinery and Equipment located within the HydroCo Facilities (collectively, the “On-Site T&D Assets”) shall be retained by PREPA and not transferred to HydroCo. For the avoidance of doubt, the On-Site T&D Assets include, without limitation, switchyards (or transmission centers), electrical-transmission related control systems and relay equipment, communication equipment (e.g. RTUs), high accuracy meters and electrical-transmission wires/lines and other electrical equipment downstream of the demarcation point, all as more specifically depicted in the one-line diagrams set forth in Appendix 2 to the Legacy Generation Assets Interconnection Agreement.

SCHEDULE II-C

HYDROCO VEHICLES

[To be attached.]

SCHEDULE II-D

CONTRACTS

[Attached.]²

² NTD: To be updated prior to execution.

SCHEDULE II-E**HYDROCO PERMITS**

HYDROELECTRIC POWER PLANTS	
Permit	Permit Number
WATER REGULATIONS COMPLIANCE	
SPCC	
Dos Bocas	N/A
Garzas I	N/A
Garzas II	N/A
Rio Blanco	N/A
Toro Negro I	N/A
Toro Negro II	N/A
Yauco I	N/A
Yauco II	N/A
UNDERGROUND INJECTION SYSTEMS (SIS)	
Toro Negro I	
CAONILLAS II	
CARITE I	
CARITE II	
CARITE III	
COMERIO I	
COMERIO II	
DOS BOCAS	
GARZAS I	
GARZAS II	
PATILLAS	
RIO BLANCO	
TORO NEGRO II	
YAUCO I	
YAUCO II	
Casa Lago Patillas	
State Revolving Funds Program	
Survey Project – Rio Blanco	
WASTE REGULATIONS COMPLIANCE	
TOXIC RELEASE INVENTORY	
Report	ALL FACILITIES
SARA 312	
Report	ALL FACILITIES
ENVIRONMENTAL PROJECTS AND LICENSING	
USE PERMITS FOR STATE FORESTS	
FERC LICENSING	
RIO BLANCO LICENSING –FERC	663-001
EMERGENCY GENERATORS PERMITS	
Administración Hidro Gas Toa Baja	2015-PGE-00615
GE Central Hidroelectrica de Rio Blanco, Naguabo	2019-288292-PGE-010404
Aliviadero Represa de Patillas	2018-241903-PGE-008555
Centro Hidro-Gas Garzas I	2019-277661-PGE-010026
Hidroelectrica Toro Negro 1	2019-277685-PGE-010027
Represa Loco de Yauco	2018-215208-PGE-007080
Central Hidro-Gas Yauco 1	2020-297081-PGE-010689
Central Hidro-Gas Yauco 2	2019-277736-PGE-010028

HYDROELECTRIC POWER PLANTS	
Permit	Permit Number
Represa Lago Dos Bocas (Hidro Gas - Black Star)	2019-263724-PGE-009588
Central Hidro Gas Caonillas I (Hidro-Gas)	2015-PGE-00114
Central Hidro Gas Caonillas I (Hidro-Gas) Generador #2	2019-263736-PGE-009589

IRRIGATION ASSETS	
Permit	Permit Number
WATER REGULATIONS COMPLIANCE	
Riego Valle de Lajas	N/A
Riego Juana Diaz	N/A
Riego Costa Sur	N/A
UNDERGROUND INJECTION SYSTEMS (SIS)	
REPRESA GUAJATACA	
OFICINA DE RIEGO MADISON	
CAMPAMENTO CALERO	
REPRESA PATILLAS	
ALIVIADERO LAGO PATILLAS	
CAMPAMENTO RIEGO JUANA DIAZ	
CASILLA ROMERO REPRESA GUAYABAL VILLALBA	
CASA CELADOR RIO CAÑAS JUANA DIAZ	
CASA CELADOR PASO SECO SANTA ISABEL	
CASA CELADOR DE CANALES GUAYAMA	
DISTRITO RIEGO VALLE LAJAS YAUCO	
CAMPAMENTO PALMAREJO, LAJAS	
Casa Lago Patillas	
PESTICIDES	
Costa Sur (Sistema de Riego)	PRG87B022
Isabela (Sistema de Riego)	PRG87B023
Lajas (Sistema de Riego)	PRG87B024
USED OIL - STORAGE	
SISTEMA DE RIEGO GUAYAMA	2019-252502-PAU-001299
USED OIL - GENERATOR	
SISTEMA DE RIEGO GUAYAMA	AU-02-30-0578-RG
EMERGENCY GENERATORS PERMITS	
Oficina de Riego de Guayama	2020-297353-PGE-010699
Oficina Riego Costa Sur, Juana Diaz	2016-124311-PGE-004103
Represa de Guayabal en Villaba	2015-PGE-00111
Distrito Riego Valle de Lajas Yauco	2018-215198-PGE-007079
Represa Loco de Yauco	2018-215208-PGE-007080
Represa Guajataca, Isabela	2018-220758-PGE-007372
Oficina Riego (Mora) Isabela	2018-220639-PGE-007369
Campamento Palmarejo (Sistema de Riego)	2019-284960-PGE-010265

SCHEDULE II-F**HYDROCO SOFTWARE**

Application	Function	Core Technology / Language
GE Simplicity	Dos Bocas/Caonillas 1 DCS	
GE EX2100	Caonillas 1 Excitation System	
Woodward	Caonillas 1 Governor Control	
Overflow	Foxpro	
Dispatch	.dbf/DOS	
Pix4D	Windows based	
DamSmart	N/A	
DigiPro2	N/A	

Exhibit E



GOVERNMENT OF PUERTO RICO

PUERTO RICO ELECTRIC POWER AUTHORITY

Governing Board | jgob@prepa.com

RESOLUTION 4941

APPROVAL FOR THE CREATION OF THE PREPA PROPERTYCO, LLC SUBSIDIARY

WHEREAS: The Puerto Rico Electric Power Authority ("PREPA") is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended ("Act 83"). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, it provides a service based on affordable, fair, reasonable, and non-discriminatory cost that is consonant with environmental protection, non-profit, focused on citizen participation, and its clients;

WHEREAS: Section 5(u) of Act 83 provides that PREPA is conferred, and shall have and exercise, the rights and powers necessary or convenient, upon the prior approval of the Puerto Rico Energy Bureau ("PREB"), to create, whether in Puerto Rico or a different jurisdiction, or contract with companies, partnerships, or subsidiary corporations, whether for profit or nonprofit, affiliated or associated, in order to, among others: (i) separate or divide into one or more subsidiaries the PREPA's generation, transmission, and distribution functions and (ii) Participate in Public-Private Partnerships in accordance with Act 29-2009, as amended, and Act 120-2018, as amended. *acc*


WHEREAS: The Puerto Rico Energy Public Policy Act, Act 17 of April 11, 2019 ("Act 17"), declared that Puerto Rico's power system is essential to achieve the competitiveness and economic development of Puerto Rico and thus ordered its transformation and restructuring. By mandate of the Legislature of Puerto Rico, the electric system must be resilient, reliable, and robust. Previous PREPA and Commonwealth of Puerto Rico's certified fiscal plans have outlined a comprehensive transformation of Puerto Rico's energy sector to address PREPA's financial and operational challenges.



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"We are an equal opportunity employer and do not discriminate on the basis of race, color, gender, age, national or social origin, social status, political ideas or affiliation, religion; for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigration status; for physical or mental disability, for veteran status or genetic information."

WHEREAS: Act 17 provides that the electrical system shall no longer continue as a vertical monopoly, nor may it be established as a horizontal monopoly regarding power generation. Act 120 directs PREPA (i) to execute one or various partnership contracts, through which it shall transfer the transmission and distribution functions, the sale of electric power, the operation of the Energy Control Center, and all those activities related to such functions and (ii) to transfer the operating, and maintenance functions in connection with PREPA's legacy power generation assets.

WHEREAS: In compliance with Act 120's mandate to transfer PREPA's operation and maintenance of the transmission and distribution system, on June 22, 2020, after a competitive RFP process carried out by the Puerto Rico Public-Private Partnership Authority ("**P3A**"), PREPA, P3A, LUMA Energy LLC and LUMA Energy Servco, LLC (LUMA Energy LLC and LUMA Energy Servco, LLC hereinafter referred to as "**LUMA**", and PREPA, P3A, and LUMA together are hereinafter referred to as the "**Parties**") entered into the *Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* and the *Puerto Rico Transmission and Distribution System Supplemental Terms Agreement* ("**OMA**"). In the OMA, the Parties agreed to reorganize PREPA in different subsidiaries. 

WHEREAS: The Fiscal Plan approved by the Financial Oversight and Management Board for Puerto Rico ("**FOMB**") in June 2020 ("**2020 Fiscal Plan**") required PREPA's vertically integrated operations to be segregated into Generation and T&D utility functions. The 2020 Fiscal Plan provided that the transformation of the energy sector required, among other things: (i) improvement of existing PREPA operations and transfer of responsibilities for the operation and maintenance of PREPA's T&D system to a qualified, professional, and experienced private operator; and (3) improvement of PREPA's generation operations and transfer of the responsibilities for the operation and maintenance of PREPA's existing generation assets to one or more qualified, professional, and experienced private operators.

WHEREAS: On May 27, 2021, the FOMB certified the 2021 PREPA Fiscal Plan ("**2021 Fiscal Plan**"). The 2021 PREPA Fiscal Plan is the most

recent and operative fiscal plan and provides, and restates, that to achieve Puerto Rico's energy system transformation, a change in PREPA's historical roles and responsibilities and their reassignment through multiple entities is imperative. The 2021 Fiscal Plan further establishes that PREPA must complete its operational and financial reorganization by distributing its responsibilities and assets in different subsidiaries.

WHEREAS: In compliance with the legal mandates included in Act 17 and the 2021 Fiscal Plan, PREPA has decided to segregate PREPA's assets not related to the transmission and distribution system or the legacy generation and irrigation facilities and responsibilities in a new subsidiary. This subsidiary will be called PREPA PropertyCo, LLC ("**PropertyCo**").

WHEREAS: The Governing Board has received and evaluated a memorandum submitted by the Executive Director explaining the separation of certain assets and responsibilities of PREPA into different subsidiaries, including PropertyCo. The Executive Director has also presented draft versions of the PREPA PropertyCo Limited Liability Company Agreement and Single Member Declaration ("**PropertyCo Agreement**"), and the PREPA PropertyCo LLC Capital Contribution Agreement ("**Capital Contribution**"), which is an attachment to the PropertyCo Agreement. *all*

WHEREAS: Pursuant to the draft PropertyCo Agreement and Capital Contribution Agreement, PropertyCo is the legal entity that will own and operate (or delegate the operation of) the PREPA assets not related to the transmission and distribution system or the legacy generation and irrigation facilities. The sole member of PropertyCo will be PREPA. PREPA will contribute certain capital to PropertyCo, including, among others, assets not related to the transmission and distribution system or the legacy generation and irrigation facilities, employees, vehicles, software, and contracts.

WHEREAS: Property, business, and the affairs of PropertyCo shall be managed and conducted by its Board of Managers. PropertyCo shall have as members of its Board of Managers the PREPA Governing Board. The Chairman and Vice-Chairman of the PropertyCo Board

of Managers will be the Chairman and Vice-Chairman of the PREPA Governing Board.

WHEREAS: PropertyCo will have an Executive Director and a Sub-Director of Administration, who will be the Executive Director and the Sub-Director of Administration of PREPA unless otherwise determined by the Board of Managers.

WHEREAS: Any assets that are used in connection with both PREPA's assets not related to the transmission and distribution system or the legacy generation and irrigation facilities, shall be retained by PREPA and not transferred to PropertyCo, unless the LUMA, PREPA, and PropertyCo determine after the date hereof that any such assets should be transferred to PropertyCo, in which case any such assets shall be promptly transferred through a written instrument executed by PREPA and PropertyCo.

THEREFORE: In accordance with Act 83, PREPA's Governing Board resolves to:

1. Approve the creation and the legal documents to formalize the organization of PREPA PropertyCo LLC.
2. Approve the draft PropertyCo Agreement and Capital Contribution Agreement.
3. Authorize the Executive Director to execute and deliver from time to time any documents as may be necessary to effectuate and evidence the PropertyCo Agreement and Capital Contribution, including, without limitation, such public deeds of transfer as may be required to reflect the transfer to PropertyCo of the real properties described in the Capital Contribution Agreement and any other real property that is part of the PropertyCo assets.
4. Authorize the Executive Director to submit the PropertyCo Agreement and the Capital Contribution Agreement to any governmental agency, including PREB and FOMB, for the corresponding approval.

abc

5. Authorize the Executive Director to execute the PropertyCo Agreement and Capital Contribution Agreement after it is approved by the corresponding governmental agencies.

Approved in San Juan, Puerto Rico, on this fifteenth day of December two thousand twenty-one.



Astrid I. Rodríguez-Cruz
Corporate Secretary

Exhibit F

**PREPA PROPERTYCO LLC
LIMITED LIABILITY COMPANY AGREEMENT
AND
SINGLE MEMBER DECLARATION**

This LIMITED LIABILITY COMPANY AGREEMENT AND SINGLE MEMBER DECLARATION (this “*Agreement*”) is made as of [●], 2021, by the undersigned, PUERTO RICO ELECTRIC POWER AUTHORITY (the “*Authority*” or the “*Member*”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the “*Commonwealth*”), created by virtue of Act No. 83 of the Legislature of the Commonwealth, approved May 2, 1941, as amended (the “*Act*”).

WITNESSETH

WHEREAS, pursuant to Resolution No. [●] adopted on [●], 2021, the Governing Board of the Authority authorized the formation of a limited liability company, which limited liability company was organized and created on [●], 2021 under the name “[PREPA PROPERTYCO LLC]” (the “*Company*”) pursuant to the provisions and subject to the requirements of Act No. 164-2009, as amended, known as the Puerto Rico General Corporations Act (the “*Corporations Act*”) for the purposes therein set forth; and

WHEREAS, the Member desires to set forth certain operating standards and procedures to be applicable to the Company and the Member with respect to the affairs of the Company and the conduct of its business.

NOW, THEREFORE, in consideration of the premises herein contained, and each intending to be legally bound hereby, the Member states as follows:

**ARTICLE I
FORMATION OF THE COMPANY**

Section 1.1 Rights and Obligations of the Member. Except as otherwise provided herein, all rights, liabilities and obligations of the Member with respect of the Company shall be determined pursuant to the Corporations Act and this Agreement. To the extent the rights or obligations of the Member and/or any additional members are different by reason of any provision of this Agreement than they would be under the Corporations Act in the absence of any such provision, or if this Agreement is inconsistent with the Corporations Act, this Agreement shall control except to the extent the Corporations Act at the time in question prohibits any particular provision of the this Agreement to be waived or modified by the Member and/or any additional member.

Section 1.2 Formation of Limited Liability Company. The Member has organized the Company pursuant to the provisions and subject to the requirements of the Corporations Act under the name of “[PREPA [PROPERTYCO], LLC]”. The Company’s business and affairs may be conducted under any other name or names deemed advisable by the Member. The Member may change the name of the Company at any time and from time to time.

Section 1.3 Principal Place of Business. The principal office of the Company shall be located at [_____] ¹, or at such other place as may be designated by the Board of Managers.

Section 1.4 Purposes of the Company. The purpose of the Company shall be to own and operate (or delegate the operation of) certain of the Authority's assets not related to the transmission and distribution system or the legacy generation and irrigation facilities, and to engage in any lawful activities for which limited liability companies may be organized under the Corporations Act, including, without limitation, the sale or disposition of its assets, subject to the limitations contained in the Act.

Section 1.5 No Private Inurement or Benefit. No part of the net earnings of the Company shall inure to the benefit of any member (other than the Authority), Manager or officer of Company, or any private person, except that reasonable compensation may be paid for services rendered to or for the Company affecting one or more of its purposes, and no member (other than the Authority), Manager, or officer of the Company, or any private individual, shall be entitled to share in the distribution of any of the assets upon dissolution of the Company.

Section 1.6 Dissolution. Upon dissolution of the Company, title to all property owned by the Company shall vest in and become property of the Authority, or the board or body which by law shall succeed to the functions and powers of the Authority.

Section 1.7 Tax Exemption. The Authority hereby bestows upon the Company, in accordance with the provisions of Section 5(u)(v) of the Act that permits the Authority to grant to any subsidiary such of the Authority's rights (other than the power of eminent domain) as the Authority shall determine, the right to be exempt from taxation in the Commonwealth (including the exemption from Commonwealth tax, of interest on any of its obligations) to the same extent as the Authority is so exempt.

Section 1.8 Duration of the Company. The existence of the Company shall be deemed to have commenced on the date the Certificate of Formation (the "*Certificate*") of the Company was filed with the Secretary of State of the Commonwealth of Puerto Rico, and shall continue perpetually thereafter, unless sooner terminated and dissolved in accordance with the terms of this Agreement.

ARTICLE II

SINGLE MEMBER, CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

Section 2.1 Single Member. The Company is a single member limited liability company. The sole member of the Company is the Authority.

Section 2.2 Capital Contributions. The Company shall be capitalized by the Member through its contribution to the Company as set forth on Exhibit A attached hereto, with the

¹ Note to Draft: PREPA to confirm address.

Member receiving, in exchange therefore, the membership units described in Exhibit A hereto. The Member shall not have the right to demand or receive the return of its capital contribution except as otherwise expressly provided herein.

Section 2.3 Capital Accounts. A capital account shall be established and maintained for the Member and has been or shall be credited with the amount of the Member's initial capital contribution to the Company.

Section 2.4 Additional Contributions. The Member shall not be required to make additional capital contributions other than that required under Section 2.2.

Section 2.5 Allocations. All items of income, gains, losses, deductions and credits of the Company shall be allocated to the Member.

Section 2.6 Distributions. To the extent permitted in Article I of this Agreement, cash distributions to the Member shall be made in such amounts and at such times as may be determined by the Board of Managers in its discretion. No distribution shall be declared or paid unless, after the distribution is made, the Company's assets exceed the Company's liabilities.

ARTICLE III MANAGEMENT

Section 3.1 Board of Managers. The property, business and the affairs of the Company shall be managed and conducted by its Board of Managers, which may exercise all the powers of the Company except such powers as are specifically conferred or reserved to the Member by the Corporations Act, or as otherwise provided in this Agreement.

Section 3.2 Number; Qualifications. The Company shall have as members of its Board of Managers the Authority's Governing Board, appointed in accordance with such processes and requirements as set forth in the Act. Each of such members is hereinafter referred to as a "Manager."

Section 3.3 Chairman of the Board of Managers. The Chairman of the Board of Managers shall be the Chairman of the Authority's Governing Board and shall have such powers and perform the duties specifically conferred by this Agreement and such other powers and duties as may be prescribed by the Board of Managers from time to time by resolution. The Chairman of the Board of Managers shall preside and convene the meetings of the Board of Managers and shall prepare a detailed agenda stating the matters to be discussed at each meeting, including, without limitation, any matters related to the policy, administration and operation of the Company.

Section 3.4 Vice Chairman of the Board of Managers. The Vice Chairman of the Board of Managers shall be the Vice Chairman of the Authority's Governing Board and shall have such powers and perform such duties as the Board of Managers may determined or as may be assigned to it by the Chairman in its absence, or in the event of the Chairman's death, or inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers and be subject to all the restrictions upon the Chairman.

Section 3.5 Secretary of the Board of Managers. The Secretary of the Board of Managers shall be the Secretary of the Authority's Governing Board and shall: (a) keep the minutes of the meetings of the Board of Managers; (b) be the custodian of the minutes of the meetings of the Board of Managers; (c) see that all notices are duly given in accordance with the provisions of this Agreement and as required by law; and (d) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to it by the Chairman or by the Board of Managers.

Section 3.6 Liability of Managers. A Manager shall not have any liability to the Company or the Member for any mistakes or errors in judgment, or for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement. A Manager shall be liable only for acts and/or omissions involving intentional wrongdoing. Actions or omissions taken in reliance upon the advice of legal counsel that are within the scope of a Manager's authority hereunder shall be conclusive evidence of good faith; provided, however, a Manager shall not be required to procure such advice to be entitled to the benefit of this subparagraph.

Section 3.7 Regular Meetings. Regular meetings of the Board of Managers shall be held monthly at such time, place and manner as are specified in the notice, including, but not limited to, by telephone conference, or other medium of communication, as may be designated by a majority of the Board of Managers, provided that if such regular meeting is held by telephone conference or other medium of communication, the Company shall implement reasonable measures to provide the Managers reasonable opportunity to participate in the meeting and to vote on matters submitted to the Managers. Notice of any regular meeting of the Board of Managers shall be given at least 5 days thereto by written and/or verbal notice pursuant to the delivery instructions determined and given by the Chairman of the Board of Managers. Each such notice shall include the time, day and place. Unless required by the laws of the Commonwealth of Puerto Rico or this Agreement, such notice shall not be required to be given to any Manager who shall be present at such meeting, or who shall waive such notice in writing or by telegraph or electronic mail, whether before or after the meeting, and any meeting of the Board of Managers shall be a legal meeting without any notice thereof having been given if all of the Managers shall be present thereat. Whenever the provisions of the laws of the Commonwealth of Puerto Rico or the Certificate of Formation or this Agreement require that a meeting of the Managers shall be duly called for the purpose, or that a certain notice of the time, place and purposes of any such meeting shall be given, in order that certain action may be taken at such meeting, a written waiver of notice of the time, place and purposes of such meeting signed by every Manager not present in person, either before or after the time fixed for holding said meeting, shall be deemed equivalent to such call and notice, and such action if taken at any such meeting shall be as valid as if call and notice had been duly given. The Executive Director of the Company shall be invited to all regular meetings of the Board of Managers and shall have the right to present to the Board of Managers for its consideration any and all matters either included in the meeting's agenda or matters previously informed to the Chairman and the Secretary of the Board of Managers which were not included in the meeting's agenda.

Section 3.8 Special Meeting. Special meetings of the Board of Managers may be called by or held at the request of the Chairman of the Board of Managers, or by a majority of the Managers, at such time, place and manner as are specified in the notice, including but not limited to, by

telephone conference, or other medium of communication, as may be designated by a majority of the Board of Managers, or by the Executive Director of the Company, if applicable, provided that if such special meeting is held by telephone conference or other medium of communication, the Company shall implement reasonable measures to provide the Managers reasonable opportunity to participate in the meeting and to vote on matters submitted to the Managers. Notice of any special meeting of the Board of Managers shall be given at least 24 hours prior thereto by written notice delivered by mail, to each Manager at its business address, or transmitted verbally or by telecopier, by electronic mail and/or by any other electronic form. If mailed, such notice shall be deemed to be delivered on the date shown on the return receipt notification. If notice is transmitted by telecopier, electronic mail or any other electronic form, such notice shall be deemed to be delivered when its receipt is electronically (automatically) acknowledged. Each such notice shall state the time, day, place and purposes thereof. Unless required by the laws of the Commonwealth of Puerto Rico or this Agreement, such notice shall not be required to be given to any Manager who shall be present at such meeting, or who shall waive such notice in writing or by electronic mail, whether before or after the meeting, and any meeting of the Board of Managers shall be a legal meeting without any notice thereof having been given if all of the Managers shall be present thereat. Whenever the provisions of the laws of the Commonwealth of Puerto Rico or the Certificate of Formation or this Agreement require that a meeting of the Managers shall be duly called for the purpose, or that a certain notice of the time, place and purposes of any such meeting shall be given, in order that certain action may be taken at such meeting, a written waiver of notice of the time, place and purposes of such meeting signed by every Manager not present in person, either before or after the time fixed for holding said meeting, shall be deemed equivalent to such call and notice, and such action if taken at any such meeting shall be as valid as if call and notice had been duly given.

Section 3.9 Special Attendance at the Board Meetings. Guests may from time to time be invited to attend regular board meetings by the Chairman of the Board, a Manager of the Board of Managers or the Executive Director of the Company. The guest's attendance at the Board of Managers' meeting shall be limited to the presentation of, or raising questions concerning a, specific matter(s), at the conclusion of which the guest shall be excused. The Board of Managers will not discuss, respond to, or take action on the guest's presentation while the guest is present.

A Manager or the Executive Director of the Company who is interested in bringing a guest to a Board of Managers' meeting must notify in advance the Secretary of the Board of Managers, and be approved, in order to be placed on the agenda for that particular meeting. The Chairman or any of the Managers of the Board of Managers may request the guest to leave temporarily, at any time, during the meeting in case the Board of Managers handles confidential matters. The Board of Managers reserves the right to exclude guests from any of its meetings, at any time, to ensure the protection of confidential information and the objectivity in all matters under the consideration of the Board of Managers.

Section 3.10 Quorum. Four (4) Managers shall constitute a quorum for the transaction of business at any meeting of the Board of Managers, but if less than such a quorum is present at a meeting, a majority of the Managers present may adjourn the meeting from time to time without further notice.

Section 3.11 Manner of Acting. The act of the majority of the Managers present at a meeting at which a quorum is present shall be deemed the act of the Board of Managers.

Section 3.12 Action Without a Meeting. Any action required or permitted to be taken by the Board of Managers at a meeting may be taken without meeting if (i) a consent in writing, setting forth the action(s) so taken, shall be approved by all of the Managers, or (ii) a direct consent is given in a referendum.

Section 3.13 Compensation. Managers who are not employees or officials of the Commonwealth may be compensated for their attendance to meetings of the Board of Managers [\$500] per day or as otherwise determined and fixed by the Board of Managers. Managers who are employees or officials of the Commonwealth of Puerto Rico or a public corporation shall serve on the Board of Managers without compensation.

Section 3.14 Books and Records. The Board of Managers shall maintain or cause to be maintained, complete and accurate records of all properties owned or leased by the Company and complete and accurate books of account (containing such information as shall be necessary to record allocations and distributions), and make such records and books of account available for inspection by any Member, or any of the Member's duly authorized representative, during regular business hours and at the principal office of the Company.

Section 3.15 Fiscal Year. The taxable year of the Company shall be a fiscal year commencing on July 1st of each year and ending on June 30th of each year.

ARTICLE IV COMMITTEES

Section 4.01 Committees of the Board of Managers. The Board of Managers may designate one or more committees of the Board of Managers with such powers as shall be specified in a resolution of the Board of Managers. Each committee shall consist of such number of members as shall be determined from time to time by resolution of the Board of Managers. Each committee shall keep regular minutes of its meetings. All actions taken by a committee shall be reported to the Board of Managers at its next meeting and shall be subject to the approval, revision and/or alteration of the Board of Managers, provided that no legal rights of third parties shall be affected by such revision and/or alteration.

Section 4.02 Election of Committee Members. The members of each committee shall be designated by the Board of Managers and shall serve until their successors are elected and qualified or until the members' resignation and removal. Vacancies may be filled by the Board of Managers at any of its meetings. The Managers may designate one or more Managers to serve as an alternate member or members at any committee meeting to replace any absent or disqualified member, such alternate or alternates to serve for that committee meeting only.

Section 4.03 Procedures; Meetings; Quorum. Committees shall meet at such times and at such place or places within or without the Commonwealth of Puerto Rico, as may be provided by such rules of procedure as such committee may adopt, or by resolution of the committee or of the

Board of Managers. At every meeting of a committee, the presence of a majority of all the members thereof shall be necessary to constitute a quorum and the affirmative vote of a majority of the members thereof present shall be required for the transaction of business.

Section 4.04 Compensation. The members of any committee, and the Managers who are invited to attend such committee, shall serve on the committees without compensation.

ARTICLE V OFFICERS OF THE COMPANY

Section 5.1 Officers. The Board of Managers may elect and appoint any officers and assistant officers as may be deemed necessary and convenient and with such powers as shall be specified in a resolution of the Board of Managers. Any two offices (but not more than two), other than the offices of Executive Director and Secretary, may be held by the same person. The officers (or assistant officers) of the Company need not be Managers of the Company.

Section 5.2 Election and Term of Office. The officers of the Company shall be elected at any meeting of the Board of Managers. Each officer shall hold office until his successor shall be duly elected and qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 5.3. Executive Director. The Company shall have an Executive Director. The Executive Director of the Company shall be the Executive Director of the Authority, unless otherwise determined by the Board of Managers. The Executive Director shall execute the following duties: (i) shall have general charge and supervision of the business of the Company; (ii) shall see that all the orders and resolutions of the Board of Managers are carried into effect; (iii) shall have the authority to sign and deliver in the name of the Company any contracts, or other instruments pertaining to the business of the Company up to the amount of [\$50,000], or as may be otherwise approved and directed by the Board of Managers, except for those cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by this Agreement or by the Board of Managers to some other Manager or agent of the Company; (v) may maintain records of a certify proceedings of the Board of Managers; (vi) shall perform such other duties as may from time to time be prescribed by the Board of Managers.

Section 5.4 Sub-Director of Administration. The Company may have a Sub-Director of Administration, who shall be appointed by the Board of Managers, *provided that*, if the Authority has a Sub-Director of Administration, then the Sub-Director of Administration of the Company shall be the same as the Sub-Director of Administration of the Authority. The Sub-Director of Administration shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Managers or the Executive Director.

Section 5.5 Treasurer. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Managers or the Executive Director. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of the treasurer, including without limitation the duty and power to

keep and be responsible for all funds and securities of the Company, to deposit funds of the Company in depositories selected in accordance with applicable resolutions of the Board of Managers; to disburse such funds as ordered by the Board of Managers, to make accounts of such funds, and to render as required by the Board of Managers statements of all such transactions and of the financial condition of the Company.

Section 5.6 Removal of Officers. Any officer may be removed by the vote of a majority of the entire Board of Managers.

Section 5.7 Vacancies. A vacancy in any office resulting from death, resignation, removal, or any other cause, may be filled by the Board of Managers for the unexpired portion of the term thereof.

ARTICLE VI FINANCIAL AFFAIRS

Section 6.1 Loans. No loan shall be contracted for on behalf of the Company, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Managers. Such authority may be general or confined to specific instances.

Section 6.2 Checks; Drafts; etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Company shall be signed by such Manager or officer or officers or other agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Board of Managers.

Section 6.3 Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies, or other depositories as the Board of Managers may select or as may be designated by the Executive Director of the Company.

ARTICLE VII INDEMNIFICATION

Section 7.1 Third Party Actions. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than an action, suit or proceeding by or in the right of the Company) by reason of the fact that he/she is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, trustee, officer or employee of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Their termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the

person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 7.2 Derivative Actions. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit, including all appeals, by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, trustee, officer or employee of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

Section 7.3 Rights After Successful Defense. To the extent that a Manager, officer or employee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.1 or Section 7.2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 7.4 Other Determination of Rights. Any indemnification under Section 7.1 or Section 7.2 (unless ordered by a court) shall be made by the Company as authorized in the specific case upon a determination that indemnification of the Manager, officer or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 7.1 or Section 7.2.

Section 7.5 Advances of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative or investigative action, suit, proceeding (including all appeals), or threat thereof; may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Managers, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the Manager, officer or employee, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company.

Section 7.6 Non-Exclusiveness; Heirs. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under the Certificate of Formation or this Agreement, any agreement, vote of members, any insurance purchased by the Company, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a

person who has ceased to be Manager, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.7 Purchase of Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a Manager, officer or employee of the Company, or is or was serving at the request of the Company as a Manager, officer or employee of another Company, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article or of the Corporations Act.

ARTICLE VIII WITHDRAWAL; DISSOLUTION

Section 8.1 Withdrawal. The Member shall not be permitted to withdraw or resign from the Company. The adjudication of bankruptcy, whether voluntary or involuntary, or the bankruptcy or dissolution of the Member during the term of this Agreement, shall not affect the Company or its business.

Section 8.2 Termination of the Company. The Company shall be terminated and dissolved upon the first to occur of the following: (a) upon the unanimous vote of the Board of Managers; or (b) upon the sale of all or substantially all the assets of the Company.

ARTICLE IX WINDING UP

Section 9.1 Winding Up. Upon the termination of the Company pursuant to Section 8.2 above, a full and general accounting shall be taken of the Company's business, and the affairs of the Company shall be wound up. The Board of Managers shall wind up and liquidate the Company by selling the Company's assets, or by distributing such assets in kind, subject to the Company's liabilities, or by a combination thereof, as determined by the Board of Managers. The proceeds of such liquidation shall be applied and distributed in the following order of priority, by the end of the taxable year during which the liquidation occurs (or, if later, within ninety (90) days after the date of the liquidation): (a) to the payment of any debts and liabilities of the Company; (b) to the setting up of any reserve which the Board of Managers shall reasonably deem necessary to provide for any contingent or unforeseen liabilities or obligations of the Company, with any excess in such reserve remaining after such liabilities are satisfied to be distributed as soon as practicable in the manner hereinafter set forth; and (c) thereafter, the balance of the proceeds, if any, shall be distributed in accordance with Section 1.6 of this Agreement.

Section 9.2 Statement. The Member shall be furnished with a statement prepared by the Company's accountants, which shall set forth the assets and liabilities of the Company as of the date of complete liquidation.

Section 9.3 No Liability of Member. Notwithstanding anything in this Agreement to the contrary, neither the Board of Managers nor the Member shall be personally liable for the liabilities and obligations of the Company nor shall it be liable for the payment of any debt (including bonds, notes or other obligations), or any portion thereof; of the Company, it being expressly understood that any such liabilities, obligations and debts shall be paid solely from the operations and assets of the Company.

ARTICLE X MISCELLANEOUS

Section 10.1 Amendments. This Agreement may be modified or amended only with the written approval of the Member.

Section 10.2 Notices. All notices, consents or other instruments hereunder shall be in writing and mailed by United States mail, postage prepaid, and shall be directed to the parties hereto at the last addresses of the parties furnished by them in writing to the Company, and to the Company at its principal office. The Company and/or the Member shall have the right to designate a new address for receipt of notices by notice addressed to the Members and the Company and mailed as aforesaid. Such notices shall be made a permanent part of the Company records.

Section 10.3 Benefit and Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Member and its administrators, executors, legal representatives, nominees, successors and permitted assigns.

Section 10.4 Captions. The captions of the respective Articles and Sections of this Agreement are inserted for convenience and reference only and will not affect the meanings of the provisions of this Agreement.

Section 10.5 Governing Law. This Agreement and the rights of all the parties hereunder shall be governed by, and construed in accordance with, the laws of the Commonwealth of Puerto Rico.

Section 10.6 Application of the Corporations Act. Any matter not specifically covered by the provisions of this Agreement shall be governed by the provisions of the Corporations Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Agreement on the day and year first written above.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____

Name: Josué Colón

Title: Executive Director

EXHIBIT A

<u>Member</u>	<u>Capital Contribution</u>	<u>No. of Units</u>	<u>Percentage Interest</u>
Puerto Rico Electric Power Authority	[PROPERTYCO] Assets (as defined in the Capital Contribution Agreement between the Authority and the Company dated as of April [●], 2021)	1	100%

CAPITAL CONTRIBUTION AGREEMENT
PREPA PROPERTYCO LLC

This Capital Contribution Agreement (the “Agreement”) is executed effective as of [●], 2021, in San Juan, Puerto Rico, by and between the **PUERTO RICO ELECTRIC POWER AUTHORITY**, a public corporation and instrumentality of the Commonwealth of Puerto Rico created pursuant to Act No. 83 of May 2, 1941, as amended (“PREPA”), and **PREPA PROPERTYCO LLC**, a public instrumentality organized as a limited liability company under the laws of the Commonwealth of Puerto Rico (“PropertyCo” and, together with PREPA, the “Parties”).

WITNESSETH:

WHEREAS, PREPA owns (i) Puerto Rico’s transmission and distribution system (the “T&D System”) and related facilities, equipment and other tangible and intangible assets used in connection with the T&D System (collectively, the “T&D Assets”), (ii) certain thermal power plants (collectively, the “Generation Facilities”) and related facilities, equipment and other tangible and intangible assets used solely in connection with the Generation Facilities (collectively, the “GenCo Assets”), (iii) certain hydroelectric generation plants and public irrigation facilities (the “HydroCo Facilities”) and related facilities, dams and reservoirs, equipment and other tangible and intangible assets used solely in connection with the HydroCo Facilities (collectively, the “HydroCo Assets”), and (iv) certain other assets not directly related to the T&D System, the Generation Facilities or the HydroCo Facilities (the “PropertyCo Assets”), including the assets described in Schedule I hereto;

WHEREAS, PREPA, LUMA Energy, LLC (“ManagementCo”), LUMA Energy Servco, LLC (“ServCo” and, together with ManagementCo, the “T&D Operator”), and the Puerto Rico Public-Private Partnership Authority are parties to a certain Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020 (the “T&D O&M Agreement”);

WHEREAS, pursuant to the terms of the T&D O&M Agreement, the T&D Operator is responsible for the operation and maintenance of the T&D System;

WHEREAS, the T&D O&M Agreement contemplates the reorganization of PREPA’s assets into separate legal entities (the “Reorganization”);

WHEREAS, consistent with Puerto Rico’s energy public policy and the T&D O&M Agreement, PREPA organized PropertyCo on [●], 2021 as a limited liability company under Chapter 19 of the Puerto Rico General Corporation Law;

WHEREAS, in furtherance of the Reorganization, PREPA desires to contribute the PropertyCo Assets to PropertyCo, and PropertyCo has agreed to accept the assets being contributed hereunder, subject to and in exchange for 100% of the membership interests of PropertyCo;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Capital Contribution.** Effective as of the date hereof, PREPA hereby contributes, assigns, transfers, conveys and delivers to PropertyCo, and PropertyCo hereby accepts from PREPA, the PropertyCo Assets (the “Capital Contribution”). Included in Schedule I hereto is a list of all PropertyCo Assets identified by PREPA as of the date of this Agreement. However, the intent of the Parties hereto is that any assets not directly related to the T&D System, the Generation Assets or the HydroCo Assets, irrespective of whether they are identified in Schedule I, be transferred to PropertyCo.

2. **Assumed Liabilities.** From and after the date hereof, PropertyCo shall assume, perform and satisfy any liabilities relating to the PropertyCo Assets arising and relating to periods after the date hereof (the “Assumed Liabilities”). Except for the Assumed Liabilities or as otherwise required by law, PropertyCo shall not assume and shall not be responsible to pay, perform or satisfy any other liabilities of PREPA.

3. **Additional Documentation.** The Parties hereto agree to execute and deliver from time to time any documents as may be necessary to effectuate and evidence the Capital Contribution, including, without limitation, such public deeds of transfer as may be required to reflect the transfer to PropertyCo of the real properties described in item 1 of Schedule I hereto and any other real property that is part of the PropertyCo Assets.

4. **Governing Law.** This Agreement shall be governed and construed under the laws of the Commonwealth of Puerto Rico.

5. **Third Party Beneficiary.** No provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or other rights of any kind in any affiliate, stockholder, partner, member, director, officer or employee of any Party to this Agreement or any other person or entity.

6. **Severability.** If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties hereto.

7. **Further Assurances.** At any Party’s request and without further consideration, the Parties shall execute and deliver any further instruments of conveyance and take such other actions as the requesting party may reasonably require to complete more effectively the actions specified herein. Without limiting the generality of the foregoing, pursuant to Section 1 hereof and subject to the other terms and conditions of this Agreement, in the event that PREPA or PropertyCo discovers that any PropertyCo Asset was inadvertently (a) retained by PREPA or (b) transferred and delivered to another entity directly or indirectly owned by PREPA as a result of the Reorganization, PREPA (or the entity to which such asset was transferred) shall promptly transfer and deliver such PropertyCo Asset to PropertyCo in accordance with the terms of this Agreement.

If any asset that is not a PropertyCo Asset was inadvertently transferred and delivered to PropertyCo, PropertyCo shall promptly transfer such asset back to PREPA (or to the entity to which such asset should have been transferred as a result of the Reorganization).

8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any counterpart signature page may be executed by either Party, and may be delivered by facsimile transmission or any form of electronic transmission (including via e-mail of portable document format (PDF) copies), and any such facsimile or electronically transmitted signature pages may be attached to one or more counterparts of this Agreement, and such faxed signature(s) shall have the same force and effect, and be as binding, as if original signatures had been executed and delivered in person.

9. **Entire Agreement and Amendments.** This Agreement contains all of the agreements between the Parties hereto with respect to the subject matter hereof. Any prior representations, warranties, correspondence, statements, memoranda or agreements (oral or written) are replaced and superseded in total by this Agreement. This Agreement may only be modified or amended upon the written consent of each Party hereto.

10. **Assignments.** This Agreement may not be assigned, in whole or in part, by any of the Parties without the prior written consent of the other Party.

11. **Binding on Successors.** This Agreement shall be binding upon and it shall inure to the benefit of the respective successors and permitted assigns of the Parties.

12. **Headings.** The heading of each section of this Agreement is included only for convenience of reference and shall not affect the meaning or construction of any provision hereof.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the date first above written.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____
Name:
Title:

[PREPA PROPERTYCO LLC]

By: _____
Name:
Title:

SCHEDULE I

PROPERTYCO ASSETS

1. **Real Estate**

The real properties identified in Schedule II-A hereto, along with all buildings, structures, improvements, and appurtenances located therein, and any easements or other property rights related to such facilities.

2. **Machinery and Equipment**

All machinery and equipment, mobile or otherwise, located at the PropertyCo Real Properties.

3. **Inventory**

All inventory items located at the PropertyCo Real Properties or purchased specifically for use or consumption in the PropertyCo Real Properties.

4. **Licenses and Permits**

All orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings or entitlements issued to PREPA by any governmental body that relate solely to the PropertyCo Real Properties, to the extent transferable.

5. **Books and Records**

All books, records, documents, drawings, reports, data (including, without limitation, any operational, safety, environmental, quality, health and human resource or any other historical data), in each case, related to the ownership or operation of the PropertyCo Real Properties, and all instructions and/or maintenance manuals, past or present, in printed format or as stored on computer media, relating to the PropertyCo Real Properties.

SCHEDULE II-A**PROPERTYCO REAL PROPERTIES¹**

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
16	Oficina Local Comercial Toa Alta	Toa Alta	Calle Muñoz Rivera		397.45	19-Jan-67	Comercial no se encuentra en el mismo predio del ID 412; Se realizo visita En Campo
21	Solar Contiguo Antigua Oficina Comercial de Aguadilla	Aguadilla	Calle José De Diego # 95	# 95	560.06	4-Aug-94	
24	Antigua Oficina Comercial Comerío	Comerío	Calle Santiago Palmer # 20 Int. Muñoz Rivera		279.33	3-Aug-73	
25	Solar Estacionamiento Oficina Comercial Barranquitas (Lote B)	Barranquitas	Calle Padre Berríos # 2 Int. Calle Muñoz Rivera		241.71	17-Nov-80	
26	Oficina Local Comercial de Lajas Lote – A	Lajas	Carretera # 101 Km. 24.5, Intersección con Carretera # 116 Bo. Lajas	Solar - A	566.07	12-Mar-80 (Fincas adquiridas para futura subestación, identificadas erróneamente como comercial)	Todo solar en desuso se transfiere a PropertyCo
27	Oficina Local Comercial de Lajas Lote B (Expediente PP1009)	Lajas	Carreterra Estatal # 159 Km. 15.5	Solar - B	67.79	3-Dec-80(Fincas adquiridas para futura subestación, identificadas erróneamente como comercial)	Todo solar en desuso se transfiere a PropertyCo
31	Oficina Local Peñuelas	Peñuelas	Calle Pedro Velázquez Edificio Comercial Aurora Bo. Pueblo, Peñuelas Local 10	105	816.00	30-Sep-97	

¹ NTD: Subject to ongoing review.

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
43	Antigua Oficina Comercial de Río Piedras	San Juan	Avenida Ponce De León, Río Piedras	.23068 cuerdas	906.57	30-Nov-50	
246	Antigua Oficina Comercial de Arecibo	Arecibo	Calle Cristóbal Colón Int. Calle Eugenio María De Hostos # 154 Arecibo Pueblo.	.1778 cuerdas	705.86	9-Apr-49	
257	Oficina Local Villalba	Villalba	Calle Barceló Pueblo de Villalba, Bo. Villalba Arriba	.079 cuerdas	309.74	23-Oct-65	
280	Estacionamiento Oficina Comercial de Caguas Norte	Caguas	Carretera # 1, Entrada al Pueblo de Caguas, Bo. Bairoa	.17173 cuerdas	674.93	1-Jul-70	
287	Comercial Barranquitas (Lote A)	Barranquitas	Calle Muñoz Rivera Intersección Calle Padre Berríos	.075 cuerdas	294.97	27-Jun-62	
291	Oficina Local Comercial de Ciales	Ciales	Calle Corchado Pueblo de Ciales	.0378 cuerdas	148.60	10-Jul-70	
292	Oficina Comercial de Caguas (Solar y Estructura)	Caguas	Carretera # 1, Entrada al pueblo de Caguas, Bo. Bairoa	.45394 cuerdas	1,784.60	14-Jan-44	
295	Edificio Local Comercial y Subestación Cabo Rojo Urbano # 6703 (Ver PP3192)	Cabo Rojo	Carretera # 311 Km. 0.1, Bo. Bajura	.4419 cuerdas	1,736.72	4-Mar-66	Ver Nota
296	Oficina Local Camuy	Camuy	Carretera # 485 Km. 0 Hm. 4.5, Barrio Pueblo	.1452 cuerdas	570.72	28-May-74	
330	Oficina Local Comercial de Las Piedras	Las Piedras	Carretera Estatal # 183 Km. 21 Hm 5, Bo. Montones	.179 cuerdas	705.13	11-Sep-67	
331	Oficina Local Comercial Las Marías	Las Marías	Urb. Francisco Serrano, Número 17, Calle Santa Ana, Bo. Las Marías	Parcela #13 - .079 cuerdas Parcela #14 - .0879 cuerdas	664.20	9-Sep-64	
366	Oficina Local Comercial de Barceloneta	Barceloneta	Carretera # 681 Urb. Catalana # 98, Bo. Pueblo	#98 = .0899 cuerdas	353.57	28-Jun-66	
367	Antigua Comercial Rincón	Rincón	Calle Muñoz Rivera #115, Bo. Pueblo	.0843 cuerdas	331.19	16-Aug-67	

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
369	Oficina Comercial de Santa Isabel	Santa Isabel	Calle Muñoz Rivera, Bo. Santa Isabel	.0253 cuerdas	1,212.82	10-Dec-58	
370	Solar Futura Oficina Local Hormigueros	Hormigueros	Carretera # 103 Km. 1.9	.2616 cuerdas	1,537.42	1969	
371	Oficina Local de Maunabo	Maunabo	Urb. Villa Navarra Calle # 2 Esquina Calle A	.1765 cuerdas	693.96	2-Mar-76	
395	Edificio Mckinley	Mayagüez	Calle Mc Kinley		3,865.94		
396	Antigua Oficina Local de Aguas Buenas (PP3051)	Aguas Buenas	Aguas Buenas Int. Carretera #156 y # 794			19-Agu-42	Ver Nota
400	Antigua Comercial Salinas	Salinas	Calle San Miguel Antes, Calle Victoria Mateo Hoy		408.13	6-Dic-66	
410	Oficina Local Comercial Moca	Moca	Calle Barbosa	.113 cuerdas	521.66	27-Mar-67	
412	Solar Futura Comercial Toa Alta	Toa Alta	Calle Muñoz Rivera # 42 Int. Calle Cuba		397.45	19-Jan-67	
302	Oficina Local Comercial y Subestación Florida # 8602	Florida	Carretera # 642, Zona Industrial (Detrás Pfizer), Bo. Florida Adentro	.3116 cuerdas	1,224.70	31-Oct-58	Ver Nota
332	Oficina Local Comercial y Subestación Isabela (Ver PP3134)	Isabela	Carretera # 113 Km. 1, Bo. Mora	2.258 cuerdas	8,874.84	31-Jul-22	Ver Nota
399	Oficina Local Comercial y Subestación Morovis	Morovis	Carretera # 155 K7 H0 3, Bo. Montellano, al lado de la Subestación # 8801	.1518 cuerdas	596.77	7-Dic-70	Ver Nota
404	Oficina Local Comercial de Maricao y Subestación # 6301 (PP3208)	Maricao	Carretera # 357 Km. 0.1, Bo. Maricao (Al lado de la Subestación # 6301)		1,010.31	11-Jun-56	Ver Nota
405	Oficina Local Comercial Sabana Grande y Subestación # 6501 (PP3135)	Sabana Grande	Carretera # 368 Km. 0.3 Salida Bo. Machuchal	.4172 cuerdas	1,639.65	6-Jun-52	Ver Nota
406	Oficina Local Comercial San Lorenzo y	San Lorenzo	Carretera Estatal #181, José de Diego (Antes #183) Km. 9.6, Bo. Hato	.2537	997.14	1-Dec-65	Ver Nota

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
	Subestación #3301 (PP3052)						
407	Oficina Local Comercial Vega Alta y Subestación # 9101 y # 9105 (PP3172)	Vega Alta	Vega Alta Sector Carretera # 2 Km. 30.0, Bo.Bajura	.32184 cuerdas	1,264.85	7-Dec-49	Ver Nota
574	Solar Bo. Ortiz	Toa Alta	Carretera # 167 Km. 9.5, Bo. Ortiz	.885 cuerdas	3,480.44		
377	Solar Emérito Estrada	San Juan	Avenida Kennedy	2.8596 cuerdas	11,239.24		Servidumbre Líneas de Transmisión actualmente posee un contrato de Arrendamiento
587	Finca Puberte, Bo. Quebrada del Agua	Peñuelas	Carretera # 132, Bo. Canas	10 cuerdas	39,304.00		Todo solar o finca en desuso pertenece a PropertyCo
36	Solar vacío casco urbano de Jayuya	Jayuya	Calle Nemesio R. Canales	0.05	212.2527	20-Jul-77	
131	Solar para Estacionamiento, Cayey Pueblo	Cayey	Calle Baldorioty Int. Calle Corchado, Bo. Hoyo	.458 cuerdas	1,799.33	18-Jun-98	
336	Solar Estacionamiento Edificio del Valle, Santurce	San Juan	Calle Condado # 6089 Int. Calle Benito Alonso, Santurce	Parcela C = .0473 cuerdas	185.85	13-Apr-03	
363	Teatro Ambassador, Edificio del Valle y Estacionamiento, Santurce	San Juan	Calle Condado # 608 Int. Calle Benito Alonso, Santurce	Solar A, B, y C = .88 cuerdas	3,460.19	30-Jun-99	
373	La Casita, Servicios Generales	San Juan	Calle Benito Alonso, Santurce	Parcela G = .0994 cuerdas	390.49		
374	Solar Estacionamiento Vehículos Oficiales, Santurce	San Juan	Avenida Fernández Juncos Int. Calle Condado		1,543.30	11-Sep-97	
375	Solar Urbanización Rossy, Bo. Machos	Ceiba	# 556 Calle Julián Rivera	.0904 cuerdas	365.44		
512	Solar Remanente Las Catalinas Mall	Caguas	Carretera 156 Int. PR 52, Bo. Pueblo		7,441.60		Todo solar o finca en desuso pertenece a PropertyCo

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
559	Solar Yaucono I, Santurce	San Juan	Avenida Fernández Juncos # 1103	.6962 cuerdas	2,736.63		
560	Solar Yaucono II, Santurce	San Juan	Avenida Fernández Juncos Int. Calle San Juan				
	Mizu Development	Bayamón	Urb. Las Quintas C/A PR -167 Bo. Buena Vista	0.004	17.08	13-Sep-90	
	Área Planificación Especial y Reserva - Cucharillas	Cataño	PR-165 y PR-888 Barrio Palmas	1.8321 cuerdas	7,201.00	KEF2006-0286 25-oct-2011	
	Área Planificación Especial y Reserva - Cucharillas	Cataño	PR-165 y PR-888 Barrio Palmas	1.8321 cuerdas	7,201.00	KEF2006-0286 25-oct-2011	
	Sucn. Frenando Lucchetti	Guayanilla	PR - 127 Km. 6.6 Int. Bo. Quebrada	0.427	16.78.3222	15-Dic-00 Se adquirió para línea de transmisión y nunca se construyo	Todo solar o finca en desuso pertenece a PropertyCo
390	Antigua Oficina de Riego	Aguadilla	Carretera # 468	.5598 cuerdas aproximadamente	2,200.00		
48	Solar Contiguo Subestación Tres Monjitas # 1414, Río Piedras	San Juan	Calle Teniente César González, Hato Rey	Lote - A = .070 cuerdas	275.93	15-Jan-60	
71	Solares Adyacentes Subestación Ojo de Agua # 7002	Aguadilla	Solares entre calles Barbosa, Mango y José de Diego	.0974 cuerdas Parcelas D y E	382.89	19-Dec-60	
110	Solar Futura Subestación Santurce # 1132	San Juan	Calle Bartolome de Las Casas Int. Ave. Rexach, Bo. Obrero, Santurce	Lotes # 1, # 2 y # 3 = .17895 cuerdas	703.27	5-Feb-65	Todo solar o finca en desuso pertenece a PropertyCo
111	Solar Futura Subestación Santurce # 1132	San Juan	Calle Lima Int. Ave. Rexach, Bo. Obrero, Santurce	Lotes # 4, # 5 y # 6 = .1049 cuerdas	412.14	30-Sep-59	Todo solar o finca en desuso pertenece a PropertyCo
112	Solar Futura Subestación Villa Blanca # 3003	Caguas	Carretera # 1, km. 33.33, Bo. Bairoa	.2672 cuerdas	1,050.00	17-Dec-58	Todo solar o finca en desuso pertenece a PropertyCo
260	Subestación Utuado # 8101 Subestación se encuentra dentro de los predios Antigua Técnica	Utuado	Carretera # 111 Km. 1.5, Bo. Viví Abajo	1.604 cuerdas	6,305.09	18-Sep-59	Ver Nota

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
337	Oficina Local Comercial Aguada (Ver PP3122 Subestación Aguada # 7201)	Aguada	Carretera Estatal # 441 Km. 0.1, Barrio Guaniquilla (Al lado de la Subestación # 7201)	.212 cuerdas	834.10		Ver Nota
388	Solar Antigua Subestación Bajadero	Arecibo	Carretera # 2 Int Carretera # 638, Bo. Domingo Ruiz, Sector Bajadero	0.02532 cuerdas	995.17	28-May-05 (parcela adquirida para futura subestación)	Todo solar o finca en desuso pertenece a PropertyCo
393	Solar Bo. Galateo	Toa Alta	Carretera # 165, Bo. Galateo	11.5893	45,550.53	17-Jun-02 (Pleno dominio adquirido para líneas de transmisión 115kV de Dorado TC	Todo solar o finca en desuso pertenece a PropertyCo
394	Solar Calle Archilla (Antigua Subestación)	Utua	Calle Archilla, Bo. Viví Abajo	.256 cuerdas	1,006.90	2-Feb-46	
570	Solar Monte Primavera - A	Cidra	Urbanización Monte Primavera Carretera # 787 Km. 3.9 (Lote 34)	.3766 cuerdas	1,480.18	13-May-08 (Adquirida Futura Subestación Las Cruces)	Todo solar o finca en desuso pertenece a PropertyCo
582	Solar Futura Subestación Las Cavernas	Lares	Carretera Estatal # 129 Km. 20.5, Bo. Callejones	3.20 cuerdas	12,577.26	24-Oct-06	Todo solar o finca en desuso pertenece a PropertyCo
586	Solar Futura Subestación Bo. Yeguada	Camuy	Carretera # 2 Km. 96.0 Int.	.7056 cuerdas	2,773.28	15-Jun-15	Todo solar o finca en desuso pertenece a PropertyCo
2	Solar Santa Rita, Río Piedras	San Juan	Urb. Santa Rita, Calle Santa Inés y Ave. Julián Blanco		2,471.22	14-Jan-44	
17	Solar Finca Avenida Iturreguí	Carolina	Avenida Iturreguí, Bo. Sabana Abajo (Al lado del Cuartel de la Policía)	5.22 cuerdas	20,438.02	29-Mar-69	
498	Finca invadida Técnica de Santa Isabel (Comunidad La Florida)	Santa Isabel	Carretera #1, Bo. Playas (Detrás de la Técnica)	Varias en 1.5935 cuerdas	6,263.15	4-Mar-65 (Terrenos técnica debe ser sistema T&D)	Todo solar o finca en desuso pertenece a PropertyCo
	Visitación Pagán	Orocovis	Carretera # 155 Int. Bo. Gato	0.1765	693.76	20-Jan-60 (Antena Comunicación-LUMA)	Se transfiere a Gridco, LUMA opera el sistema de comunicación de PREPA

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
180		Manatí	Carretera Estatal # 686 Km. 2.5, Bo. Tierras Nuevas Salientes	34.4343 cuerdas	135,326.80	26-Dic-67	
181		Manatí	Carretera Estatal # 686 Km. 2.5, Bo. Tierras Nuevas Salientes	28.5370 cuerdas	1,140,309.15	26-Dic-67	
182		Manatí	Carretera Estatal # 686 Km. 2.5, Bo. Tierras Nuevas Salientes	12.404 cuerdas	48,747.72	26-Dic-67	
183		Manatí	Carretera Estatal # 686 Km. 2.5, Bo. Tierras Nuevas Salientes			26-Dic-67	
184		Manatí	Carretera Estatal # 686 Km. 2.5, Bo. Tierras Nuevas Salientes	.889 cuerdas	3,493.77	26-Dic-67	
339	Oficina Servicios Técnicos Local Comercial Fajardo	Fajardo	Calle Muñoz Rivera Int. Calle del Carmen, Bo. Pueblo Fajardo	.0669 cuerdas	262.95	30-Nov-79 (VERIFICAR SU USO ACTUAL)	Todo solar o finca en desuso pertenece a PropertyCo
340	Solar Estacionamiento Edificio del Valle, Santurce	San Juan	Calle Condado # 608 Int. Calle Benito Alonso, Santurce	Parcela D = .0374 cuerdas	147.18	25-Jun-03	
342	Solar Estacionamiento Edificio del Valle, Santurce	San Juan	Calle Condado # 608 Int. Calle Benito Alonso, Santurce	.0843 cuerdas	331.23	24-Nov-98	
565	Solar Futura Comercial Salinas	Salinas	Carretera # 3, Km. 157.1, Bo. Coquí (Al lado del Colegio Perpetuo Socorro)	.172 cuerdas	675.00		
571	Solar Monte Primavera - B	CIDRA	Urbanización Monte Primavera Carretera # 787 Km. 3.9 (Lote 35)	.531 cuerdas	2,086.84	13-May-08 (Adquirido futura subestación Las Cruces)	Todo solar o finca en desuso pertenece a PropertyCo
572	Solar Monte Primavera - C	CIDRA	Urbanización Monte Primavera Carretera # 787 Km. 3.9 (Lote 36)	.339 cuerdas	1,331.75	13-May-08 (Adquirido futura subestación Las Cruces)	Todo solar o finca en desuso pertenece a PropertyCo
185		Manatí	Carretera Estatal # 686 Km. 2.5, Bo. Tierras Nuevas Salientes			26-Dic-67	

Id	Building Name / Land	Municipality	Address	Plot / Acres	Capacity / Meters	Acquisition Date	Comentarios
564	Solar Antigua Subestación Corona #1108, Santurce	San Juan	Entre la calle Las Palmas y Calle Progreso, Santurce	.1608 cuerdas		4/17/1949	Todo solar o finca en desuso pertenece a PropertyCo. Solar actualmente esta rentado y se utiliza como estacionamiento
3	Solar Contiguo Oficina Región Arecibo Estacionamiento	Arecibo	Bo. Buenos Aires, Calle Degetau		472.80	6/3/1998	Se transfiere a Gridco, LUMA lo utiliza como estacionamiento de la Región de Arecibo
134	Oficina Regional y Comercial Subestación Bayamón Pueblo # 1701 y # 1715	Bayamón	Carretera Estatal # 167 Calle Dr. Ferrer, Bo. Pueblo		18,461.85	26-Jan-59	Ver Nota
413	Técnica de Corozal	Corozal	Carretera # 159 Km. 19.5		1,599.70		
49	Local Toa Baja Servicios Técnicos	Toa Baja	Carretera Estatal # 854 (Calle Muñoz Rivera # 2)		.1838 cuerdas	11-Aug-86	
403	Oficina Local Comercial de Lares y Subestación Lares # 7901/7903	Lares	Calle Comercio # 7, Lares		1,473.12	29-Oct-54	Ver Nota

Nota: Esta propiedad contiene una subestación y una edificación que no es parte de la subestación. No obstante, la propiedad consta en el Catastro de la Autoridad como un solo predio de terreno. Las partes no han llegado a un acuerdo para ubicar la propiedad bajo los activos de GridCo o PropertyCo, ya que LUMA solo interesa hacerse cargo de la subestación y para ello habría que iniciar un proceso de segregación, ya que al ser un solo predio no se puede incluir como un activo de ambas subsidiarias.

Exhibit G

PUERTO RICO PREPA-GENCO-HYDROCO OPERATING AGREEMENT

dated as of
_____, 202[●]

THE PUERTO RICO ELECTRIC POWER AUTHORITY
as Owner of the T&D System,

[PREPA GENCO, LLC]
as Owner of the Legacy Generation Assets,

[PREPA HYDROCO, LLC]
as Owner of the Hydropower Assets,

LUMA ENERGY SERVCO, LLC
as T&D Operator,

and

THE PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY
as Administrator

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PUERTO RICO PREPA-GENCO-HYDROCO OPERATING AGREEMENT

This PUERTO RICO PREPA-GENCO-HYDROCO OPERATING AGREEMENT (this “Agreement”) is made and entered into as of [●], 2022 by and among: (i) the Puerto Rico Electric Power Authority (“PREPA”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the “Commonwealth”), created under Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act”; (ii) [*PREPA Genco LLC*] (“Genco”), a public limited liability company and governmental instrumentality of the Commonwealth, created under Act No. 164 of the Legislative Assembly of Puerto Rico, enacted on December 16, 2009, as amended, known as the “Puerto Rico General Corporations Act” (“Act 164”); (iii) [*PREPA Hydroco LLC*] (“Hydroco”), a public limited liability company and governmental instrumentality of the Commonwealth, created under Act 164; (iv) LUMA Energy ServCo, LLC, in its capacity as “Operator” pursuant to the T&D O&M Agreement (as defined below) (“T&D Operator”), a limited liability company organized under the laws of the Commonwealth; and (v) the Puerto Rico Public-Private Partnerships Authority (“Administrator” and, together with PREPA, Genco, Hydroco and T&D Operator, the “Parties” and each, a “Party”), a public corporation of the Commonwealth, created under Act No. 29 of the Legislative Assembly of Puerto Rico, enacted on June 8, 2009, as amended, known as the “Public-Private Partnership Authority Act” (“Act 29”). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in Article 1.

RECITALS

WHEREAS, PREPA owns and leases the transmission and distribution system and related facilities, equipment and other assets related to the transmission and distribution system in which PREPA has an ownership or leasehold interest (the “T&D System”);

WHEREAS, PREPA underwent a reorganization pursuant to which PREPA: (a) (i) created Genco, a wholly-owned subsidiary of PREPA; and (ii) transferred to Genco all of its thermal generation plants and the fuel contracts, assets and personnel related thereto (the “Legacy Generation Assets”), including those transferred to Genco pursuant to the Genco Capital Contribution Agreement; (b) (i) created Hydroco, a wholly-owned subsidiary of PREPA; and (ii) transferred to Hydroco all of its hydroelectric generating units, the public irrigation facilities and the assets related thereto (the “Hydropower Assets”), including those transferred to Hydroco pursuant to the Hydroco Capital Contribution Agreement; and (c) transferred out of PREPA to a wholly-owned subsidiary of PREPA certain other assets unrelated to the T&D System, the Legacy Generation Assets or the Hydropower Assets;

WHEREAS, as a result of such reorganization and associated transfers, (a) Genco owns the Legacy Generation Assets and (b) Hydroco owns the Hydropower Assets;

WHEREAS, PREPA, Administrator and T&D Operator have entered into that certain Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, dated as of June 22, 2020 (as amended, modified or supplemented from time to time in accordance with its terms, the “T&D O&M Agreement”), pursuant to which T&D Operator (a) took over the operation and management of the T&D System, including certain administrative, managerial and operational services, on June 1, 2021 and (b) assumed the role as T&D System operator, including (i) managing control center operations, including generation scheduling and economic/reliable T&D System dispatch; (ii) balancing the supply and demand of electricity, including reacting to changes in demand in real time, adjusting generation dispatch to be in balance with demand and maintaining the T&D System at safe operating levels in accordance with Prudent Utility Practices (as defined in the T&D O&M Agreement) and the System Operation Principles; (iii) conduct T&D System planning activities; (iv) develop and implement reliability standards appropriate for

the conditions in the Commonwealth; and (v) manage a transparent, equitable and open generator interconnection process;

WHEREAS, Genco, Administrator and the Person selected by the partnership committee established by Administrator (as defined below) on July 13, 2020 pursuant to Section 5 of Act No. 120 of the Legislative Assembly of Puerto Rico, enacted on June 21, 2018, as amended, known as the “Puerto Rico Electric System Transformation Act” and the provisions of Act 29 (“Genco Operator”) expect to enter into that certain Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (as amended, modified or supplemented from time to time in accordance with its terms, the (“Generation O&M Agreement”), pursuant to which Genco Operator would take over the operation and maintenance of the Legacy Generation Assets, including certain administrative, managerial and operational services;

WHEREAS, prior to Genco Operator taking over the operation and maintenance of the Legacy Generation Assets pursuant to the Generation O&M Agreement, Genco will continue to be responsible for the operation and maintenance of the Legacy Generation Assets;

WHEREAS, Hydroco will be responsible for the operation and maintenance of the Hydropower Assets; and

WHEREAS, given that the Legacy Generation Assets and the Hydropower Assets have been split from the T&D System such that (a) each of the T&D System, the Legacy Generation Assets and the Hydropower Assets are owned by separate corporate entities and (b) each of the T&D System, the Legacy Generation Assets and the Hydropower Assets are operated and maintained by separate corporate entities, the Parties wish to coordinate certain matters with respect to the Legacy Generation Assets and the Hydropower Assets.

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

Article 1

DEFINITIONS; INTERPRETATION

Section 1.1 Definitions. As used in this Agreement, the following capitalized terms have the respective meanings set forth below.

“Act 164” has the meaning set forth in the introductory paragraph.

“Act 29” has the meaning set forth in the introductory paragraph.

“Administrator” has the meaning set forth in the introductory paragraph.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, including through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

“Agreed Operating Procedures” has the meaning set forth in Section 4.7, and includes any Agreed Operating Procedures entered into on or before the Effective Date between T&D Operator and PREPA, as the case may be, with respect to the Legacy Generation Assets or the Hydropower Assets, respectively, as may be updated or amended from time to time.

“Agreement” has the meaning set forth in the introductory paragraph.

“Ancillary Services” has the meaning set forth in Section 4.5.

“Applicable Law” means any foreign, national, federal, state, Commonwealth, municipal or local law, constitution, treaty, convention, statute, ordinance, code, rule, regulation, common law, case law or other similar requirement enacted, adopted, promulgated or applied by any Governmental Body, including any Environmental Law, PROMESA and any order issued by the Title III Court, in each case applicable to the Parties.

“Budget Allocation Meeting” has the meaning set forth in Section 3.1(b)(i).

“Budgets” has the meaning set forth in Section 3.1(b)(i).

“Business Day” means any day that is not a Saturday, a Sunday or a day observed as a holiday by either the Commonwealth or the United States federal government.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.

“Commonwealth” has the meaning set forth in the introductory paragraph.

“Consent Decree” means the Consent Decree between PREPA and the United States of America (through the United States Department of Justice and the EPA), as entered by the United States District Court for the District of Puerto Rico on March 19, 1999 in Civil Action No. 93-2527(CCC), as modified on September 9, 2004, and as may be further modified in the future, including any successor consent decree thereto.

“Control”, “Controlled by” and similar expressions mean the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person (other than an individual), whether through the ownership of outstanding share capital (or equivalent interest), by contract or otherwise. Without limiting the foregoing, a Person shall be deemed to Control another Person (a) if such Person has directly or indirectly designated a majority of the board of directors (or equivalent governing body) of such other Person or (b) if such Person has the direct or indirect power, whether through ownership of outstanding share capital (or equivalent interest), by contract or otherwise, to designate a majority of the board of directors (or equivalent governing body) of such other Person.

“Dispatch” means the scheduling and control, directly or indirectly, manually or automatically, by T&D Operator of the generation of the Generation Units at each Legacy Generation Asset or Hydropower Asset in order to increase or decrease the electrical energy delivered to the T&D System in accordance with the System Operation Principles and the applicable Agreed Operating Procedures.

“Effective Date” has the meaning set forth in Section 2.1.

“Electricity” means the electrical energy, capacity and Ancillary Services available from one or more of the Legacy Generation Assets or one or more of the Hydropower Assets.

“Environmental Law” means (a) any law, statute, ordinance, code, rule, regulation, order, writ, injunction, decree, ruling, determination, award, standard, permit or variance of any Governmental Body, or any binding agreement with any Governmental Body, and (b) any consent order or decree, settlement agreement or other similar agreement between PREPA, Genco and/or Hydroco and the Puerto

Rico Department of Natural and Environmental Resources, EPA, the United States Department of Justice, or other relevant Governmental Body, in each case having the force of law and applicable from time to time, relating to (i) the conservation, protection, pollution, contamination or remediation of the environment or natural resources, (ii) any Hazardous Material, including investigation, study, remediation or abatement of such Hazardous Material, (iii) the storage, treatment, disposal, recycling or transportation of any Hazardous Material or (iv) human health or safety. For the avoidance of doubt, Environmental Law includes the Consent Decree.

“EPA” means the United States Environmental Protection Agency.

“Fiscal Year” means the period from July 1 through June 30 of the following year. Any computation made on the basis of a Fiscal Year shall be adjusted on a Pro Rata basis to take into account any Fiscal Year of less than 365/366 days.

“FOMB” means the Financial Oversight and Management Board for Puerto Rico.

“Fuel Charge Adjustment” means the applicable cost recovery rate provision, as approved by PREB from time to time pursuant to Applicable Law.

“Fuel Costs” means the costs and expenses related to fuel incurred by Genco which PREB approves for recovery from monies collected through the Fuel Charge Adjustment, net of any proceeds received by or on behalf of Genco from the sale of fuel.

“Genco” has the meaning set forth in the introductory paragraph and is subject to Section 1.2(d).

“Genco Accounts Funding Notice” has the meaning set forth in Section 3.3(a).

“Genco Budget” means, for any given Fiscal Year, the budget of (a) the non-fuel expenditures required to operate and maintain the Legacy Generation Assets and to provide the Genco Decommissioning Services for such Fiscal Year, together with the projected budget for the following two (2) Fiscal Years, in each case including monthly budgets of such expenditures and cash flows, and (b) any Genco Operator Fees, as such budget may be amended or adjusted from time to time with the approval of PREB; provided that in the event the amounts in clauses (a) and (b) for a given Fiscal Year have not been finalized in accordance with Section 3.1(d)(iii) by July 1 of such Fiscal Year, the applicable approved Genco Budget for the immediately preceding Fiscal Year (as the same may have been amended) shall remain in effect as a default budget until such time as the applicable Genco Budget for such Fiscal Year is so finalized; provided, further, that any such default budget shall be compliant with the then-applicable Rate Order.

“Genco Budget Notice” has the meaning set forth in Section 3.1(d)(ii).

“Genco Capital Contribution Agreement” means [that certain capital contribution agreement entered into on or prior to the Effective Date between PREPA and Genco pursuant to which PREPA transferred to Genco the Legacy Generation Assets].

“Genco Decommissioning Services” means the permitting, demolition, decontamination and dismantling or preparation for conversion, as applicable, of any of the Legacy Generation Assets, for waste disposal and for achievement of end-state conditions within a prescribed time, all of which, including costs, has been approved by PREB.

“Genco Fuel Account” has the meaning set forth in Section 3.5(b)(i).

“Genco Fuel Account Deposit” means, as of a given day (not more than two (2) Business Days before the date of the applicable Genco Accounts Funding Notice) in any given month, the amount required to replenish the Genco Fuel Account so as to maintain on such day an aggregate funding level in the Genco Fuel Account and the Other Genco Fuel Accounts equal to the sum of the forecasted Fuel Costs as approved by PREB for the subsequent two (2) months (which amount shall be the minimum working capital level that is required for purposes of this Agreement), taking into account all funds on deposit in the Genco Fuel Account and the Other Genco Fuel Accounts as of such day. For the avoidance of doubt, if at any time during the Term the forecasted Fuel Costs as approved by PREB for one (1) or more of the subsequent two (2) months do not exist, then the forecasted Fuel Costs as approved by PREB for the most recent prior one (1) month shall be used.

“Genco Interconnection Facilities” means all assets, equipment and facilities located on Genco’s side of each Interconnection Point, installed, operated and maintained by or on behalf of Genco for the purpose of interconnecting each Legacy Generation Asset to the T&D System, as further described in the LGA Interconnection Agreement.

“Genco Operating Account” has the meaning set forth in Section 3.4(b)(i).

“Genco Operating Account Deposit” means, as of a given day (not more than two (2) Business Days before the date of the applicable Genco Accounts Funding Notice) in any given month, the amount required to replenish the Genco Operating Account so as to maintain on such day an aggregate funding level in the Genco Operating Account, the Other Genco Operating Accounts, the Hydroco Operating Account and the Other Hydroco Operating Accounts equal to the sum of the then-approved Genco Budget and Hydroco Budget for the subsequent two (2) months, taking into account all funds on deposit in the Genco Operating Account, the Other Genco Operating Accounts, the Hydroco Operating Account and the Other Hydroco Operating Accounts as of such day.

“Genco Operator” has the meaning set forth in the Recitals and is subject to Section 1.2(d).

“Genco Operator Effective Date” has the meaning set forth in Section 1.2(d).

“Genco Operator Fees” means the maximum amounts for fixed and incentive compensation available to Genco Operator in a given Fiscal Year pursuant to the Generation O&M Agreement.

“Generation Budget” means, for any given Fiscal Year, the combination of the Genco Budget and the Hydroco Budget for such Fiscal Year.

“Generation O&M Agreement” has the meaning set forth in the Recitals.

“Generation Pass-Through Expenditures” means the costs and expenses (without markup for profit) incurred by or on behalf of Genco or Hydroco in the course of providing Electricity, including the costs and expenses incurred under this Agreement.

“Generation Unit” means each of the individual combustion or gas turbine generator units, steam turbine generator units and hydropower or irrigation generator units of each Legacy Generation Asset or each Hydropower Asset.

“Governmental Body” means any U.S. federal, state, Commonwealth, regional, municipal or local legislative, executive, judicial or other governmental board, agency, authority, commission, bureau, administration, court, instrumentality or other duly authorized body, including PREB and the FOMB (if then in existence), other than PREPA, Genco and Hydroco, and, in its capacity as such under this Agreement, Administrator, or any official thereof having jurisdiction with respect to any subject of this Agreement.

“Hazardous Material” means: (a) any waste, substance, object or material deemed hazardous under Environmental Law, including “hazardous substances” as defined in CERCLA and “hazardous waste” as defined in RCRA and any local counterpart law; (b) any oil or petroleum product, lead-based paint, per- or polyfluoroalkyl substances or polychlorinated biphenyl; and (c) any other pollutant, contaminant, material, substance or waste that has deleterious or hazardous properties and that is listed, defined or is subject to regulation under any Environmental Law.

“Hydroco” has the meaning set forth in the introductory paragraph.

“Hydroco Account Funding Notice” has the meaning set forth in Section 3.3(b).

“Hydroco Budget” means, for any given Fiscal Year, the budget of the non-fuel expenditures required to operate and maintain the Hydropower Assets and to provide the Hydroco Decommissioning Services for such Fiscal Year, together with the projected budget for the following two (2) Fiscal Years, in each case including monthly budgets of such expenditures and cash flows, as such budget may be amended or adjusted from time to time with the approval of PREB; provided that in the event the amounts above for a given Fiscal Year have not been finalized in accordance with Section 3.1(d)(iii) by July 1 of such Fiscal Year, the applicable approved Hydroco Budget for the immediately preceding Fiscal Year (as the same may have been amended in accordance with this Agreement) shall remain in effect as a default budget until such time as the applicable Hydroco Budget for such Fiscal Year is so finalized; provided, further, that any such default budget shall be compliant with the then-applicable Rate Order and to the extent it is not so compliant such default budget shall be reduced so as to be compliant with the then-applicable Rate Order.

“Hydroco Budget Notice” has the meaning set forth in Section 3.1(c)(ii).

“Hydroco Capital Contribution Agreement” means [that certain capital contribution agreement entered into on or prior to the Effective Date between PREPA and Hydroco pursuant to which PREPA transferred to Hydroco the Hydropower Assets].

“Hydroco Decommissioning Services” means the permitting, demolition, decontamination and dismantling or preparation for conversion, as applicable, of any of the Hydropower Assets, for waste disposal and for achievement of end-state conditions within a prescribed time, all of which, including costs, has been approved by PREB.

“Hydroco Interconnection Facilities” means all assets, equipment and facilities located on Hydroco’s side of each Interconnection Point, installed, operated and maintained by or on behalf of Hydroco for the purpose of interconnecting each Hydropower Asset to the T&D System, as further described in the Hydropower Interconnection Agreement.

“Hydroco Operating Account” has the meaning set forth in Section 3.6(b)(i).

“Hydroco Operating Account Deposit” means, as of a given day (not more than two (2) Business Days before the date of the applicable Hydroco Account Funding Notice) in any given month, the amount required to replenish the Hydroco Operating Account so as to maintain on such day an aggregate funding level in the Hydroco Operating Account and the Other Hydroco Operating Accounts equal to the then-approved Hydroco Budget for the subsequent two (2) months, taking into account all funds on deposit in the Hydroco Operating Account and the Other Hydroco Operating Accounts as of such day.

“Hydropower Assets” has the meaning set forth in the Recitals.

“Hydropower Cost” has the meaning set forth in Section 3.6(a).

“Hydropower Interconnection Agreement” means that certain interconnection agreement to be entered into on or about the Effective Date between PREPA and Hydroco with respect to the interconnection of the T&D System and the Hydropower Assets substantially and in all material respects in the form of Annex I.

“Initial Generation Budget” means the Generation Budget approved by PREB or certified by the FOMB and effective from July 1, 2022, through June 30, 2023, which Initial Generation Budget is consistent with the applicable Rate Order then in effect.

“Interconnection Agreements” means the LGA Interconnection Agreement and the Hydropower Interconnection Agreement.

“Interconnection Facilities” means the Genco Interconnection Facilities, the Hydroco Interconnection Facilities and the T&D Interconnection Facilities, as the case may be.

“Interconnection Point” means, (a) with respect to each Legacy Generation Asset, the physical demarcation point between the applicable Genco Interconnection Facilities, on the one hand, and the applicable T&D Interconnection Facilities, on the other hand, where Electricity from such Legacy Generation Asset is delivered or made available to the T&D System, and (b) with respect to each Hydropower Asset, the physical demarcation point between the applicable Hydroco Interconnection Facilities, on the one hand, and the applicable T&D Interconnection Facilities, on the other hand, where Electricity from such Hydropower Asset is delivered or made available to the T&D System. The Interconnection Points are further described in the LGA Interconnection Agreement and the Hydropower Interconnection Agreement.

“Joinder Agreement” has the meaning set forth in Section 8.11.

“Legacy Generation Assets” has the meaning set forth in the Recitals.

“LGA Interconnection Agreement” means that certain interconnection agreement to be entered into on or about the Effective Date between PREPA and Genco with respect to the interconnection of the T&D System and the Legacy Generation Assets substantially and in all material respects in the form of Annex I.

“Lien” means any and every lien, pledge, security interest, claim, mortgage, deed of trust, lease, charge, option, right of first refusal, easement or other real estate declaration, covenant, condition, restriction or servitude, transfer restriction under any encumbrance or any other restriction or limitation whatsoever, including mechanics’, materialmen’s, laborers’ and lenders’ liens.

“Losses” has the meaning set forth in Section 5.1(a).

“O&M Charge” has the meaning set forth in Section 3.4(a).

“Other Genco Fuel Accounts” has the meaning set forth in Section 3.5(b)(i).

“Other Genco Operating Accounts” has the meaning set forth in Section 3.4(b)(i).

“Other Hydroco Operating Accounts” has the meaning set forth in Section 3.6(b)(i).

“Other PREPA Budgets” has the meaning set forth in Section 3.1(b)(i).

“Party” or “Parties” has the meaning set forth in the introductory paragraph.

“Person” means any individual (including the heirs, beneficiaries, executors, legal representatives or administrators thereof), firm, corporation, company, association, partnership, limited partnership, limited liability company, joint stock company, joint venture, trust, business trust, unincorporated organization or other entity or a Governmental Body.

“PREB” means the Puerto Rico Energy Bureau, also known as the *Negociado de Energia de Puerto Rico*, an independent body created under Act No. 57 of the Legislative Assembly of Puerto Rico, enacted on May 27, 2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act”.

“PREB Actions” has the meaning set forth in Section 8.9.

“PREPA” has the meaning set forth in the introductory paragraph.

“PREPA Fuel Account” means the fuel account established by PREPA pursuant to Section 7.5(e)(i)(B) of the T&D O&M Agreement.

“PREPA Generation Expenditures Account” means the account established by PREPA pursuant to Section 7.5(e)(i) of the T&D O&M Agreement solely for purposes of funding O&M Charges and Hydropower Costs pursuant to this Agreement.

“Pro Rata” and similar expressions mean an adjustment to a cost, payment or other amount due over a period of time to account for it accruing over only a portion of such period.

“PROMESA” means the Puerto Rico Oversight, Management and Economic Stability Act enacted on June 30, 2016 (P.L. 114-187).

“Rate Order” means any rate order reflecting determinations and directives of, and requirements established by, PREB through its review of a Rate Order Modification Request and the subsequent rate review proceeding.

“Rate Order Modification Request” means any application submitted from time to time, or as otherwise required by Applicable Law or ordered by PREB, by T&D Operator to PREB requesting a change in customer rates or charges.

“RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.

“System Operation Principles” means the operation principles conditionally approved by PREB on June 1, 2021, and available on T&D Operator’s website at <https://lumapr.com/>, as may be amended from time to time in accordance with Applicable Law, including any operation procedures established in connection therewith, as may be amended from time to time.

“T&D Budget” has the meaning set forth in Section 3.1(b)(i).

“T&D Interconnection Facilities” means all assets, equipment and facilities located on PREPA’s side of each Interconnection Point, installed, operated and maintained by or on behalf of PREPA for the purpose of interconnecting each Legacy Generation Asset or each Hydropower Asset to the T&D System, as further described in the applicable Interconnection Agreement.

“T&D O&M Agreement” has the meaning set forth in the Recitals.

“T&D Operator” has the meaning set forth in the introductory paragraph.

“T&D System” has the meaning set forth in the Recitals.

“Term” has the meaning set forth in Section 2.2.

“Title III Case” means PREPA’s case under Title III of PROMESA in the U.S. District Court.

“Title III Court” means the U.S. District Court presiding over the Title III Case.

“United States” or “U.S.” means the United States of America.

Section 1.2 Interpretation; Construction.

(a) Headings. The table of contents and titles and headings to articles and sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Except as otherwise indicated, all references in this Agreement to “Articles”, “Sections” and “Annexes” are intended to refer to Articles and Sections of this Agreement and Annexes to this Agreement.

(b) Annexes. The Annexes referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein. In the event of an irreconcilable conflict, discrepancy, error or omission, the following descending order of precedence will govern: (i) this Agreement, (ii) the System Operation Principles, (iii) the applicable Agreed Operating Procedure, and (iv) the applicable Interconnection Agreement, unless, and then only to the extent that, PREB specifically provides otherwise.

(c) Construction. For purposes of this Agreement: (i) “include”, “includes” or “including” shall be deemed to be followed by “without limitation”; (ii) “hereof”, “herein”, “hereby”, “hereto” and “hereunder” shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (iii) “extent” in the phrase “to the extent” shall mean the degree to which a subject or other item extends and shall not simply mean “if”; (iv) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”; (v) “dollars” and “\$” shall mean United States Dollars; (vi) the singular includes the plural and vice versa; (vii) reference to a gender includes the other gender; (viii) “any” shall mean “any and all”; (ix) “or” is used in the inclusive sense of

“and/or”; (x) reference to any agreement, document or instrument means such agreement, document or instrument as amended, supplemented and modified in effect from time to time in accordance with its terms; (xi) reference to any Applicable Law means such Applicable Law as amended from time to time and includes any successor legislation thereto and any rules and regulations promulgated thereunder; and (xii) reference to any Person at any time refers to such Person’s permitted successors and assigns.

(d) Genco and Genco Operator. Notwithstanding anything to the contrary contained in this Agreement: (i) all references to Genco Operator in Articles 1 through 8 (other than Section 8.11 which shall be effective as of the Effective Date) shall not be effective until the date (“Genco Operator Effective Date”) on which (A) Genco Operator and the Parties have executed and delivered the Joinder Agreement pursuant to Section 8.11 and (B) Genco Operator is authorized to begin providing operation, maintenance and related services for the Legacy Generation Assets pursuant to the Generation O&M Agreement; and (ii) where there is a reference in this Agreement to “Genco and Genco Operator” or “Genco or Genco Operator” such reference (other than such reference in Section 2.2) shall be deemed to be a reference only to “Genco Operator” effective as of the Genco Operator Effective Date.

(e) Days, Months and Years. In this Agreement, (i) all references to days herein are references to calendar days, unless specified as Business Days, (ii) all references to months herein are references to calendar months, unless specified otherwise, and (iii) all references to years herein are references to calendar years, unless specified otherwise.

(f) Accounting Principles. All accounting and financial terms used herein, unless specifically provided to the contrary, shall be interpreted and applied in accordance with then generally accepted accounting principles in the United States, consistently applied.

Article 2

EFFECTIVE DATE; TERM; AGENT DESIGNATION

Section 2.1 Effective Date. This Agreement shall become effective on the date that it is executed by the Parties (the “Effective Date”), by which execution the Parties acknowledge and agree that the following conditions have been satisfied:

(a) receipt by the Parties of a resolution adopted by the board of directors of Administrator, in form and substance reasonably acceptable to PREPA, Genco, Hydroco and T&D Operator, authorizing the execution, delivery and performance by Administrator of this Agreement and the transactions contemplated hereby;

(b) receipt by the Parties of approval from PREB, in form and substance reasonably acceptable to Administrator, PREPA, Genco, Hydroco and T&D Operator, approving the form and substance of this Agreement, the Agreed Operating Procedures and the Interconnection Agreements; and

(c) receipt by the Parties of approval from the relevant Governmental Body(ies), in form and substance reasonably acceptable to Administrator, PREPA, Genco, Hydroco and T&D Operator, approving the reorganization of PREPA, including the formation of Genco and Hydroco.

Section 2.2 Term.

(a) This Agreement shall remain in full force and effect from the Effective Date through the date on which all the Legacy Generation Assets and Hydropower Assets have been

decommissioned, unless earlier terminated in accordance with the terms hereof (such period of time, the “Term”).

(b) If all of the Legacy Generation Assets have been decommissioned and one or more of the Hydropower Assets remains operational, then this Agreement shall continue in effect and the Parties shall amend this Agreement to reflect the removal of Genco and Genco Operator as parties to this Agreement and such other changes as may be necessary and mutually acceptable to the Parties. If all of the Hydropower Assets have been decommissioned and one or more of the Legacy Generation Assets remains operational, then this Agreement shall continue in effect and the Parties shall amend this Agreement to reflect the removal of Hydroco as a party to this Agreement and such other changes as may be necessary and mutually acceptable to the Parties.

(c) If the T&D O&M Agreement is terminated, then unless T&D Operator assigns all of its rights and obligations under this Agreement to a Person other than PREPA and is relieved of all such obligations and liabilities, PREPA shall assume all of the rights and obligations of T&D Operator under this Agreement and T&D Operator shall be relieved of all such obligations and liabilities. If the Generation O&M Agreement is terminated, then unless Genco Operator assigns all of its rights and obligations under this Agreement to a Person other than Genco and is relieved of all such obligations and liabilities, Genco shall assume all of the rights and obligations of Genco Operator under this Agreement and Genco Operator shall be relieved of all such obligations and liabilities.

Section 2.3 Agent Designation. T&D Operator will act as agent for PREPA under this Agreement in accordance with the T&D O&M Agreement. At such time as the Generation O&M Agreement is executed and becomes effective, Genco Operator will act as agent for Genco under this Agreement in accordance with the Generation O&M Agreement. If at any time (a) more than one Person is operating and maintaining the Legacy Generation Assets, or (b) more than one Person is operating and maintaining the Hydropower Assets, then, in each case, the Parties shall amend this Agreement to reflect such changes as may be necessary and mutually acceptable to the Parties.

Article 3 BUDGETS AND ACCOUNTS

Section 3.1 Generation Budget Preparation.

(a) Generally.

(i) If the Effective Date occurs in Fiscal Year 2023, then the Initial Generation Budget shall be used. If the Effective Date occurs after Fiscal Year 2023, then the then-approved Generation Budget shall be used. Thereafter, for any Fiscal Year in which a rate adjustment approved by PREB pursuant to a Rate Order Modification Request enters into effect, the Generation Budget used in connection with obtaining such rate adjustment shall be used.

(ii) Except as provided in Section 3.1(a)(i), the Generation Budget shall be prepared in accordance with the budget preparation process described in Section 3.1(b), Section 3.1(c) and Section 3.1(d).

(b) Budget Allocation Meeting.

(i) Except as provided in Section 3.1(a)(i), for any Fiscal Year in which there is a single base rate covering each of the T&D System and related assets, the Legacy Generation Assets and

the Hydropower Assets, Administrator, T&D Operator, Hydroco, PREPA, Genco and Genco Operator, shall no later than one hundred twenty-five (125) days prior to the commencement of the relevant Fiscal Year meet, to determine the allocation of such base rate and the resulting revenues among the non-generation budgets T&D Operator must prepare pursuant to the T&D O&M Agreement (collectively, the “T&D Budget”), the Genco Budget, the Hydroco Budget and the budgets for PREPA and its subsidiaries other than Genco and Hydroco (the “Other PREPA Budgets” and, together with the Genco Budget, Hydroco Budget and T&D Budget, the “Budgets”), which allocation shall be proportionate to, and consistent with, the cost allocation among the Budgets in the applicable Rate Order (such meeting, the “Budget Allocation Meeting”). For the avoidance of doubt, for any Fiscal Year in which there is a Budget Allocation Meeting, T&D Operator, Hydroco, PREPA, Genco and Genco Operator shall prepare and propose Budgets that are consistent with, and based on, the amount of funds allocated to each of the Budgets consistent with the terms of this Section 3.1(b).

(ii) If, during the Budget Allocation Meeting for a Fiscal Year, T&D Operator, Hydroco, PREPA, Genco and Genco Operator are unable to reach agreement on the allocation of the base rate among the Budgets for such Fiscal Year, then Administrator shall, within five (5) days of the Budget Allocation Meeting, determine the final allocation of the base rate among the Budgets for such Fiscal Year; provided that such determination shall be proportionate to, and consistent with, the cost allocation among the Budgets in the applicable Rate Order.

(iii) If after the Budget Allocation Meeting is held for a Fiscal Year pursuant to this Section 3.1(b) but before the start of such Fiscal Year the load forecast on which the allocation of the base rate was based changes, then Administrator, T&D Operator, Hydroco, PREPA, Genco and Genco Operator shall, as promptly as practicable, meet to determine the allocation of the base rate based on the new load forecasts among the Budgets, which allocation shall be proportionate to, and consistent with, the cost allocation among the Budgets in the applicable Rate Order.

(c) Hydroco Budget Preparation.

(i) Except as provided in Section 3.1(a)(i) and subject to the requirements of Section 3.1(b), for any Fiscal Year, Hydroco shall prepare the proposed Hydroco Budget for such Fiscal Year and, no later than one hundred fifteen (115) days prior to the commencement of the relevant Fiscal Year, submit to Genco and Genco Operator the proposed Hydroco Budget for such Fiscal Year. Upon receipt by Genco and the Genco Operator of the proposed Hydroco Budget, Genco and Genco Operator shall, acting reasonably, review the proposed Hydroco Budget to ensure compliance with the budget allocation of the base rate determined pursuant to Section 3.1(b) for such Fiscal Year.

(ii) If Genco or Genco Operator reasonably believes the proposed Hydroco Budget does not comply with the budget allocation of the base rate determined pursuant to Section 3.1(b) for such Fiscal Year, then Genco and Genco Operator shall notify Administrator, with copy to Hydroco, in writing of such potential non-compliance (“Hydroco Budget Notice”), which potential non-compliance shall be addressed as set forth in Section 3.1(d)(iii).

(d) Genco Budget Preparation.

(i) Except as provided in Section 3.1(a)(i) and subject to the requirements of Section 3.1(b), for any Fiscal Year, Genco and Genco Operator shall prepare the proposed Genco Budget for such Fiscal Year, consolidate such proposed Genco Budget with the proposed Hydroco Budget prepared

in accordance with Section 3.1(c) and, no later than one hundred five (105) days prior to the commencement of the relevant Fiscal Year, submit to T&D Operator the proposed Generation Budget for such Fiscal Year.

(ii) No later than ninety (90) days prior to the commencement of the Fiscal Year, T&D Operator shall submit to Administrator (A) the Generation Budget provided by Genco and Genco Operator pursuant to Section 3.1(d)(i) and (B) the T&D Budget, which proposed budgets T&D Operator shall have consolidated prior to their delivery to Administrator pursuant to Section 7.3(a) of the T&D O&M Agreement. If T&D Operator believes the proposed Generation Budget provided by Genco and Genco Operator to T&D Operator for consolidation with the T&D Budget does not comply with: (I) the applicable Rate Order, (II) any PREB-approved directive or requirement applicable to Hydroco, Genco or PREPA, (III) Applicable Law or (IV) the budget allocation of the base rate determined pursuant to Section 3.1(b) for such Fiscal Year, then T&D Operator, acting reasonably, may deliver to Administrator, with copy to Hydroco, Genco and Genco Operator, a written explanation of the potential issues with the proposed Generation Budget (“Genco Budget Notice”), which potential non-compliance shall be addressed as set forth in Section 3.1(d)(iii).

(iii) Once Administrator has received the proposed Generation Budget and the proposed T&D Budget, Administrator shall review the budgets to ensure compliance with the applicable Rate Order. Within forty-five (45) days following its receipt of such budgets, Administrator shall notify T&D Operator, Hydroco, Genco and Genco Operator whether the proposed budgets are compliant with the applicable Rate Order, and shall request, acting reasonably, any changes or modifications to the proposed budgets to conform the proposed budgets with the applicable Rate Order. In the event that a Hydroco Budget Notice or a Genco Budget Notice was delivered to Administrator, then Genco and Genco Operator, T&D Operator and, if applicable, Hydroco shall, as promptly as practicable, and, in any event, within the thirty (30) day period following receipt by Administrator of the proposed budgets, meet with Administrator and collaborate in good faith to resolve any differences with respect to the proposed budgets to ensure compliance with the applicable Rate Order, provided that if Administrator, Genco and Genco Operator, T&D Operator and, if applicable, Hydroco, collaborating in good faith cannot resolve any such differences with respect to the proposed budgets to ensure compliance with the applicable Rate Order, then any of Genco and Genco Operator, T&D Operator and, if applicable, Hydroco can seek resolution before PREB of any such differences with respect to the proposed budgets. For the avoidance of doubt, unless otherwise directed by PREB, in no event shall T&D Operator, Genco and Genco Operator or Hydroco seek resolution before PREB of any differences with respect to the proposed Generation Budget prior to meeting with Administrator as required by Section 3.1(d)(iii).

(e) PREB Rate Proceedings.

(i) Notwithstanding anything to the contrary contained in Section 3.1(c) or Section 3.1(d), for any Fiscal Year in which the proposed Generation Budget or the proposed T&D Budget requires a rate adjustment to be approved by PREB, T&D Operator shall have the right, at its sole discretion, to submit the proposed Generation Budget or the proposed T&D Budget for such Fiscal Year, together with a Rate Order Modification Request, directly to PREB rather than to Administrator.

(ii) If T&D Operator plans to submit to PREB a Rate Order Modification Request which contemplates modifications to the Generation Budget, then T&D Operator shall provide written notice to Genco and Genco Operator at least sixty (60) days prior to the date on which it plans to submit such Rate Order Modification Request and, upon receipt of such notice, Genco and Genco Operator shall cooperate in good faith with T&D Operator and Administrator to prepare a proposed Generation Budget to be included in or otherwise form the basis of such Rate Order Modification Request. Genco and Genco Operator shall provide reasonable further support to T&D Operator through any applicable

proceedings arising in connection with the Rate Order Modification Request, including providing any information requested by PREB that is within its possession or control.

(iii) In the event that the Rate Order Modification Request that T&D Operator plans to submit to PREB pursuant to Section 3.1(e)(ii) contemplates modifications to the Hydroco Budget portion of the Generation Budget, Genco and Genco Operator shall (A) notify Hydroco as soon as practicable upon receipt of notice from T&D Operator of the contemplated Rate Order Modification Request and (B) collaborate with Hydroco in the preparation of the Hydroco Budget portion of the proposed Generation Budget to be included in or otherwise form the basis of such Rate Order Modification Request. Hydroco shall further support T&D Operator (and Genco and Genco Operator in supporting T&D Operator) through any applicable proceedings arising in connection with the Rate Order Modification Request.

(iv) For the avoidance of doubt, any such Rate Order Modification Request shall be prepared and undertaken in accordance with the relevant requirements set forth under Applicable Law.

(v) For the avoidance of doubt, nothing in this Agreement shall be construed to prohibit Genco and Genco Operator or Hydroco from soliciting an audience with PREB at any applicable proceedings arising in connection with the Rate Order Modification Request or otherwise in order to advocate for any positions it may have with respect to the Genco Budget or Hydroco Budget portion of the Generation Budget, as applicable. The Parties shall appear before PREB as may be requested by PREB in any proceedings arising in connection with a Rate Order Modification Request.

Section 3.2 Generation Budget Amendments.

(a) Genco Budget Amendments.

(i) If in any Fiscal Year, Genco or Genco Operator becomes aware that Genco's expenditures for such Fiscal Year are expected to exceed the Genco Budget for such Fiscal Year, then (A) Genco and Genco Operator shall notify T&D Operator and Administrator of the expected shortfall, (B) T&D Operator shall notify PREB of the expected shortfall and (C) as promptly as practicable, Genco and Genco Operator shall prepare and submit to PREB, with copy to T&D Operator and Administrator, the proposed amendments to the Genco Budget and Generation Budget, which amendments must be consistent with the applicable Rate Order and shall require and be subject to approval by PREB.

(ii) Notwithstanding anything to the contrary contained in this Section 3.2(a), in the event that PREB takes any action or issues any order that could result in a change in the portion of rates that relate to the Legacy Generation Assets, then Genco and Genco Operator shall, as promptly as practicable, prepare and submit to PREB, with copy to T&D Operator and Administrator, the proposed amendments to the Genco Budget, which amendments must be consistent with the applicable Rate Order and shall require and be subject to approval by PREB.

(b) Hydroco Budget Amendments.

(i) If in any Fiscal Year, Hydroco becomes aware that Hydroco's expenditures for such Fiscal Year are expected to exceed the Hydroco Budget for such Fiscal Year, then (A) Hydroco shall notify T&D Operator, Administrator, Genco and Genco Operator of the expected shortfall, (B) T&D Operator shall notify PREB of the expected shortfall, (C) as promptly as practicable, Hydroco shall prepare and submit to Genco and Genco Operator, with copy to T&D Operator and Administrator, the proposed amendments to the Hydroco Budget, which amendments must be consistent

with the applicable Rate Order, and (D) as promptly as practicable, Genco and Genco Operator shall prepare and Genco and Genco Operator and Hydroco shall submit to PREB, with copy to T&D Operator and Administrator, the proposed amendments to the Genco Budget (which shall be based solely on incorporating the proposed amendments to the Hydroco Budget submitted by Hydroco to Genco and Genco Operator pursuant to Section 3.2(b)(i)(C)), which amendments must be consistent with the applicable Rate Order and shall require and be subject to approval by PREB.

(ii) Notwithstanding anything to the contrary contained in this Section 3.2(b), in the event that PREB takes any action or issues any order that could result in a change to the portion of rates that relate to the Hydropower Assets, then Hydroco shall, as promptly as practicable, prepare and submit to PREB, with copy to T&D Operator and Administrator, the proposed amendments to the Hydroco Budget, which amendments must be consistent with the applicable Rate Order and shall require and be subject to approval by PREB.

Section 3.3 Funding of Accounts and Payment of Expenditures Generally.

(a) Genco Accounts. Beginning in the month in which the Effective Date occurs and for each month thereafter, (i) no later than the fifth (5th) Business Day of each month, Genco and Genco Operator shall provide T&D Operator with written notice (the “Genco Accounts Funding Notice”) of the Genco Operating Account Deposit and the Genco Fuel Account Deposit for the relevant month, together with (A) supporting calculations showing the individual components of the Genco Operating Account Deposit and the Genco Fuel Account Deposit and (B) a certification that the calculation of the Genco Operating Account Deposit and the Genco Fuel Account Deposit is complete and accurate and (ii) no later than the eleventh (11th) Business Day of each month, T&D Operator shall deposit into (A) the Genco Operating Account an amount equal to the Genco Operating Account Deposit for the relevant month and (B) the Genco Fuel Account an amount equal to the Genco Fuel Account Deposit for the relevant month; provided that if, in any given month, Genco or Genco Operator has failed to deliver to T&D Operator the Genco Accounts Funding Notice required by clause (i) of this Section 3.3(a), then T&D Operator shall have no obligation to deposit all or any portion of (1) the Genco Operating Account Deposit into the Genco Operating Account for such month and (2) the Genco Fuel Account Deposit into the Genco Fuel Account for such month. Notwithstanding anything to the contrary contained in this Agreement, (I) in no event shall T&D Operator be required to transfer into: (x) the Genco Operating Account more than the aggregate amount of funds deposited into the PREPA Generation Expenditures Account available for reimbursement of Generation Pass-Through Expenditures under the T&D O&M Agreement and O&M Charges and Hydropower Costs under the then-approved Genco Budget and Hydroco Budget, respectively; and (y) the Genco Fuel Account more than the aggregate amount of funds deposited into the PREPA Fuel Account and available for reimbursement of fuel supply expenses under the T&D O&M Agreement and the forecasted Fuel Costs as approved by PREB, and (II) in no event shall T&D Operator be obligated to make up or fund any underage.

(b) Hydroco Account. Beginning in the month in which the Effective Date occurs and for each month thereafter, (i) no later than the fourth (4th) Business Day of each month, Hydroco shall provide Genco and Genco Operator with written notice (the “Hydroco Account Funding Notice”) of the Hydroco Operating Account Deposit for the relevant month, together with (A) supporting calculations showing the individual components of the Hydroco Operating Account Deposit and (B) a certification that the calculation of the Hydroco Operating Account Deposit is complete and accurate, and (ii) no later than the twelfth (12th) Business Day of each month, Genco and Genco Operator shall deposit into the Hydroco Operating Account an amount equal to the Hydroco Operating Account Deposit for the relevant month; provided that if, in any given month, Hydroco has failed to deliver to Genco and Genco Operator the Hydroco Account Funding Notice required by clause (i) of this Section 3.3(b), then Genco and Genco

Operator shall have no obligation to deposit all or any portion of the Hydroco Operating Account Deposit into the Hydroco Operating Account for such month. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Genco and Genco Operator be required to transfer into the Hydroco Operating Account more than the aggregate amount of funds deposited into the Genco Operating Account, and in no event shall Genco or T&D Operator be obligated to make up or fund any underage.

Section 3.4 Genco O&M Charges.

(a) Payment of O&M Charges. Genco shall pay all of its non-fuel costs and expenses, including any Genco Operator Fees payable to the Genco Operator under the Generation O&M Agreement, to the extent the Generation O&M Agreement has been executed, incurred in the course of operating and maintaining the Legacy Generation Assets (irrespective of Dispatch or the Electricity delivered or made available by Genco) and performing the Genco Decommissioning Services that are consistent with the then-approved Genco Budget (each such cost or expense, an “O&M Charge”).

(b) Genco Operating Account.

(i) On or prior to the Effective Date, Genco shall establish an operating account relating to the Legacy Generation Assets and the Hydropower Assets (the “Genco Operating Account”) into which T&D Operator shall deposit anticipated O&M Charges and Hydropower Costs from time to time in accordance with Section 3.3(a) and this Section 3.4(b) and from which Genco and Genco Operator shall withdraw funds from time to time only to (A) pay O&M Charges, (B) fund one or more operating accounts established by Genco which Genco and Genco Operator shall use only to pay O&M Charges (“Other Genco Operating Accounts”), and/or (C) fund the Hydroco Operating Account in accordance with Section 3.6(b)(ii).

(ii) As of the Effective Date, T&D Operator shall deposit into the Genco Operating Account an amount equal to the anticipated O&M Charges and Hydropower Costs for the following month, based on the then-approved Generation Budget.

(iii) Neither Genco nor Genco Operator shall withdraw funds from the Genco Operating Account or the Other Genco Operating Accounts other than for Genco or Genco Operator to pay O&M Charges or, in the case of the Genco Operating Account, to fund the Hydroco Operating Account or one or more of the Other Genco Operating Accounts. Neither Genco nor Genco Operator shall withdraw funds from the Genco Operating Account or the Other Genco Operating Accounts to pay O&M Charges other than for Genco or Genco Operator to pay O&M Charges that are Generation Pass-Through Expenditures.

(c) Reporting Requirements.

(i) Simultaneous with each withdrawal of funds from the Genco Operating Account or the Other Genco Operating Accounts, Genco or Genco Operator shall provide Administrator, with copy to T&D Operator, with written notice of such withdrawal, including a summary of the O&M Charges being paid.

(ii) Not later than nine (9) Business Days following the end of each month, Genco or Genco Operator shall provide Administrator, with copy to T&D Operator, with (A) a full accounting setting forth in reasonable detail the O&M Charges and Hydropower Costs actually incurred and paid using the funds transferred into the Genco Operating Account or the Other Genco Operating

Accounts during the prior month and (B) a written certification that all such O&M Charges are Generation Pass-Through Expenditures.

Section 3.5 Genco Fuel Costs.

(a) Payment of Fuel Costs. Genco shall pay all of its Fuel Costs.

(b) Genco Fuel Account.

(i) On or prior to the Effective Date, Genco shall establish a fuel account (the “Genco Fuel Account”) into which T&D Operator shall deposit anticipated Fuel Costs from time to time in accordance with Section 3.3(a) and this Section 3.5(b) and from which Genco or Genco Operator shall withdraw funds from time to time only to (A) pay Fuel Costs and/or (B) fund one or more fuel accounts established by Genco which Genco and Genco Operator shall use only to pay Fuel Costs (“Other Genco Fuel Accounts”).

(ii) As of the Effective Date, T&D Operator shall deposit into the Genco Fuel Account an amount equal to the anticipated Fuel Costs for the following month, based on the forecasted Fuel Costs as approved by PREB, which amount shall be the minimum working capital level contemplated by Section 7.5(e)(ii) of the T&D O&M Agreement.

(iii) Neither Genco nor Genco Operator shall withdraw funds from the Genco Fuel Account or the Other Genco Fuel Accounts other than for Genco or Genco Operator to pay Fuel Costs or, in the case of the Genco Fuel Account, to fund one or more of the Other Genco Fuel Accounts. Neither Genco nor Genco Operator shall withdraw funds from the Genco Fuel Account or the Other Genco Fuel Accounts to pay Fuel Costs other than for Genco or Genco Operator to pay Fuel Costs that are Generation Pass-Through Expenditures.

(c) Reporting Requirements.

(i) Simultaneous with each withdrawal of funds from the Genco Fuel Account or the Other Genco Fuel Accounts, Genco or Genco Operator shall provide Administrator, with copy to T&D Operator, with written notice of such withdrawal, including a summary of the Fuel Costs being paid.

(ii) Not later than nine (9) Business Days following the end of each month, Genco or Genco Operator shall provide Administrator, with copy to T&D Operator, with (A) a full accounting setting forth in reasonable detail the Fuel Costs actually incurred and paid using the funds transferred into the Genco Fuel Account or the Other Genco Fuel Accounts during the prior month and (B) a written certification that all such Fuel Costs are Generation Pass-Through Expenditures.

(iii) Genco and Genco Operator shall prepare and submit to T&D Operator such information and documents as T&D Operator may reasonably request in order for T&D Operator to comply with PREB rate filing requirements, including pricing information and fuel inventory. Genco and Genco Operator shall provide such documents and information to T&D Operator at such times as such Parties may mutually agree, but in no event later than seven (7) Business Days prior to the time T&D Operator is required to file such documents or information with PREB.

Section 3.6 Hydropower Costs.

(a) Payment of Hydropower Costs. Hydroco shall pay all of its non-fuel costs and expenses incurred in the course of operating and maintaining the Hydropower Assets (irrespective of Dispatch or the Electricity delivered or made available by Hydroco) and performing the Hydroco Decommissioning Services that are consistent with the then-approved Hydroco Budget (each such cost or expense, a “Hydropower Cost”).

(b) Hydroco Operating Account.

(i) On or prior to the Effective Date, Hydroco shall establish an operating account relating to the Hydropower Assets (the “Hydroco Operating Account”) into which Genco and Genco Operator shall deposit anticipated Hydropower Costs from time to time in accordance with Section 3.3(b) and this Section 3.6(b) and from which Hydroco shall withdraw funds from time to time only to (A) pay Hydropower Costs and/or (B) fund one or more operating accounts established by Hydroco which Hydroco shall use only to pay Hydropower Costs (“Other Hydroco Operating Accounts”).

(ii) On the day immediately following the Effective Date, Genco and Genco Operator shall deposit into the Hydroco Operating Account an amount equal to the anticipated Hydropower Costs for the following month, based on the then-approved Hydroco Budget.

(iii) Hydroco shall not withdraw funds from the Hydroco Operating Account or the Other Hydroco Operating Accounts other than to pay Hydropower Costs or, in the case of the Hydroco Operating Account, to fund one or more of the Other Hydroco Operating Accounts. Hydroco shall not withdraw funds from the Hydroco Operating Account or the Other Hydroco Operating Accounts to pay Hydropower Costs unless such Hydropower Costs are Generation Pass-Through Expenditures.

(c) Reporting Requirements.

(i) Simultaneous with each withdrawal of funds from the Hydroco Operating Account or the Other Hydroco Operating Accounts, Hydroco shall provide Administrator, with copy to T&D Operator, with written notice of such withdrawal, including a summary of the Hydropower Costs being paid.

(ii) Not later than eight (8) Business Days following the end of each month, Hydroco shall provide Administrator, with copy to T&D Operator, with (A) a full accounting setting forth in reasonable detail the Hydropower Costs actually incurred and paid using the funds transferred into the Hydroco Operating Account or the Other Hydroco Operating Accounts during the prior month and (B) a written certification that all such Hydropower Costs are Generation Pass-Through Expenditures.

Article 4

DISPATCH; OWNERSHIP, OPERATION AND MAINTENANCE OF INTERCONNECTION FACILITIES; RECORDS; METERING; ANCILLARY SERVICES; DECOMMISSIONING; AGREED OPERATING PROCEDURES

Section 4.1 Dispatch.

(a) Legacy Generation Assets. T&D Operator is authorized to Dispatch, and Genco and Genco Operator shall comply with T&D Operator’s Dispatch of, the Generation Units at the Legacy

Generation Assets in accordance with the System Operation Principles and the applicable Agreed Operating Procedures.

(b) Hydropower Assets. T&D Operator is authorized to Dispatch, and Hydroco shall comply with T&D Operator's Dispatch of, the Generation Units at the Hydropower Assets in accordance with the System Operation Principles and the applicable Agreed Operating Procedures.

Section 4.2 Ownership, Operation and Maintenance of Interconnection Facilities.

(a) Genco Interconnection Facilities. Genco shall own and Genco and Genco Operator shall operate and maintain the Genco Interconnection Facilities in accordance with the LGA Interconnection Agreement, the System Operation Principles and the applicable Agreed Operating Procedures. Neither Genco nor Genco Operator shall make any changes to the Genco Interconnection Facilities other than Genco or Genco Operator making changes in accordance with the LGA Interconnection Agreement.

(b) Hydroco Interconnection Facilities. Hydroco shall own, operate and maintain the Hydroco Interconnection Facilities in accordance with the Hydropower Interconnection Agreement, the System Operation Principles and the applicable Agreed Operating Procedures. Hydroco shall not make any changes to the Hydroco Interconnection Facilities other than in accordance with the Hydropower Interconnection Agreement.

(c) T&D Interconnection Facilities. PREPA shall own and T&D Operator shall operate and maintain the T&D Interconnection Facilities in accordance with the System Operation Principles and the applicable Interconnection Agreement and Agreed Operating Procedures. PREPA shall not make any changes to the T&D Interconnection Facilities other than in accordance with the applicable Interconnection Agreement.

Section 4.3 Records and Information.

(a) Records. Each Party shall create, maintain and make available for examination by the other Party all records and other data with respect to the operation and maintenance of the Legacy Generation Assets, the Hydropower Assets and the Interconnection Facilities, as the case may be, or as otherwise may be required for the administration and performance of this Agreement, in each case, in accordance with the applicable Agreed Operating Procedures.

(b) Information. Genco and Genco Operator shall: (i) provide T&D Operator with such information, data and assistance as may be reasonably necessary or appropriate for T&D Operator to perform its obligations (including with respect to any PREB rate or other proceeding or requirement) under this Agreement; and (ii) from time to time, as and when requested by T&D Operator, execute and deliver, or cause to be executed and delivered, all such documents and instruments and take, or cause to be taken, all such reasonable actions, as may be reasonably necessary for T&D Operator to perform its obligations under this Agreement.

Section 4.4 Metering.

(a) Legacy Generation Assets. All Electricity from the Legacy Generation Assets delivered or made available by Genco or Genco Operator at the applicable Interconnection Point shall be measured by meters and metering devices operated, maintained, tested and read in accordance with the LGA Interconnection Agreement and the applicable Agreed Operating Procedures.

(b) Hydropower Assets. All Electricity from the Hydropower Assets delivered or made available by Hydroco at the applicable Interconnection Point shall be measured by meters and metering devices operated, maintained, tested and read in accordance with the Hydropower Interconnection Agreement and the applicable Agreed Operating Procedures.

Section 4.5 Ancillary Services. Genco, Genco Operator and Hydroco shall, in accordance with the System Operation Principles and the applicable Agreed Operating Procedures, provide such ancillary services as T&D Operator may request from time to time pursuant to the applicable Agreed Operating Procedures (the “Ancillary Services”).

Section 4.6 Decommissioning.

(a) Legacy Generation Assets. Genco and Genco Operator, shall be responsible for all Genco Decommissioning Services. Genco or Genco Operator shall, in accordance with the System Operation Principles, notify T&D Operator of the expected commencement of any Genco Decommissioning Services.

(b) Hydropower Assets. Hydroco shall be responsible for all Hydroco Decommissioning Services. Hydroco shall, in accordance with the System Operation Principles, notify T&D Operator of the expected commencement of any Hydroco Decommissioning Services.

Section 4.7 Agreed Operating Procedures. Hydroco, T&D Operator, Genco and Genco Operator shall use commercially reasonable efforts to negotiate, finalize and execute individual operating procedures for each Legacy Generation Asset and each Hydropower Asset that is not subject to Agreed Operating Procedures as of the Effective Date substantially and in all material respects in the form of Annex II or otherwise as the applicable Parties may otherwise mutually agree (the “Agreed Operating Procedures”) as promptly as practicable and, in any event, within thirty (30) days after the Effective Date.

Article 5 INDEMNIFICATION

Section 5.1 Indemnification.

(a) Generally. No Party shall be responsible for any direct or indirect losses, damages, costs, expenses, liabilities, interest, deficiencies, awards, judgments, fines, assessments, penalties, forfeitures, obligations, deposits, taxes, costs, expenses, or other charges of any kind incurred (“Losses”) by another Party in connection with their obligations pursuant to the terms of this Agreement, except to the extent such Losses are a direct result of (i) the gross negligence or willful misconduct of a Party or any of such Party’s Affiliates or any of their respective directors, officers, employees, representatives, agents, contractors, subcontractors or suppliers or (ii) any failure to comply with the terms of this Agreement.

(b) Waiver of Consequential Damages. In no event shall any Party or any Affiliate thereof or any of their respective directors, officers, employees, agents, contractors, subcontractors or suppliers be liable to any other Party or any Affiliate thereof or any of their respective directors, officers, employees, agents, contractors, subcontractors or suppliers for any indirect, consequential, punitive, special, incidental or exemplary losses or damages (including for lost profits or lost business opportunity), whether such liability arises in contract, tort or otherwise.

Article 6 TERMINATION

Section 6.1 Termination.

(a) Generally. Termination of this Agreement shall occur only upon: (i) expiration of the Term of this Agreement as provided in Section 2.2; or (ii) mutual written agreement of the Parties.

(b) Discharge of Obligations. Termination of this Agreement shall not discharge any Party from any obligation it owes to the other Parties under this Agreement by reasons of any transaction, loss, cost, damage, expense or liability which shall occur or arise (or the circumstances, events or basis of which shall occur or arise) prior to termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at termination or whether the circumstances, events or basis of the same shall be known or unknown at termination) shall survive termination. Any indebtedness by one Party to another Party pursuant to this Agreement shall be considered payable within ninety (90) days of the termination of this Agreement.

Article 7 REPRESENTATIONS AND WARRANTIES

Section 7.1 Representations and Warranties. Each Party represents and warrants to each other Party as of the Effective Date as follows:

(a) Existence and Powers. Such Party (i) is qualified to do business and is in good standing in the Commonwealth and (ii) has the required corporate power and authority to enter into this Agreement, carry out its obligations hereunder and consummate the transactions contemplated hereby.

(b) Due Authorization and Binding Obligation. The execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the required corporate or other similar action on its part. This Agreement has been duly and validly executed and delivered by such Party, and (assuming due authorization, execution and delivery by the other Parties) this Agreement constitutes a legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar Applicable Law affecting creditors' rights generally and by general equity principles.

(c) No Conflicts. Neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereby will: (i) result in a material violation or breach of, or material default under, any provision of the organizational documents of such Party; (ii) result in a violation of, or give any Governmental Body the right to challenge any of the transactions contemplated hereby under, any Applicable Law applicable to such Party; (iii) (A) result in a violation or breach of, (B) constitute a default under, (C) result in the acceleration of or create in any party the right to accelerate, terminate or cancel or (D) require the consent of any other Person under, any material contract to which such Party is a party; or (iv) result in the creation or imposition of any Lien on any properties or assets of such Party.

(d) No Consents. No consent, declaration or filing with, or notice to, any Governmental Body is required by or with respect to such Party in connection with (i) the execution and delivery of this Agreement or (ii) the performance of its obligations hereunder, except as have been duly obtained or made.

(e) No Legal Prohibition. There is no Applicable Law in effect on the date hereof that would prohibit the execution, delivery or performance by such Party of this Agreement and the consummation of the transactions contemplated hereby.

Section 7.2 Compliance with Applicable Law. Each Party agrees that in the performance of its obligations under this Agreement it shall comply with all Applicable Laws.

Article 8 MISCELLANEOUS

Section 8.1 Notices. All notices or other communications to be delivered in connection with this Agreement shall be in writing and shall be deemed to have been properly delivered, given and received (a) on the date of delivery if delivered by hand during normal business hours of the recipient during a Business Day, otherwise on the next Business Day, (b) on the date of successful transmission if sent via email (with return receipt) during normal business hours of the recipient during a Business Day, otherwise on the next Business Day, or (c) on the date of receipt by the addressee if sent by a nationally recognized overnight courier or by registered or certified mail, return receipt requested, if received on a Business Day, otherwise on the next Business Day. Such notices or other communications must be sent to each respective Party at the address or email address set forth below (or at such other address or email address as shall be specified by a Party in a notice given in accordance with this Section 8.1).

If to PREPA:

[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Email: [_____]

If to Genco:

[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Email: [_____]

If to Hydroco:

[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Email: [_____]

If to T&D Operator:

LUMA Energy ServCo, LLC
PO Box 364267
San Juan, PR 00936-4267
Attention: [_____]
Telephone: [_____]
Email: [_____]

If to PREB:

[Puerto Rico Energy Bureau
World Plaza Building
268 Munoz Rivera Avenue

San Juan, Puerto Rico 00918
Attention: Edison Aviles Deliz
Telephone: (787) 523-6262
Email: eavilesdeliz@jrsp.pr.gov]

If to Administrator:

Administrator
PO Box 42001
San Juan, Puerto Rico 00940-2001
Attention: Executive Director – Fermín E. Fontanés Gómez
Telephone: (787) 722-2525 Ext. 15330
Email: Fermin.Fontanes@p3.pr.gov and
Administrator@p3.pr.gov

Section 8.2 Amendments. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties. Each such instrument shall be reduced to writing and shall be designated on its face an “Amendment” or an “Addendum” to this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that nothing in this Agreement shall (a) be or be deemed to be an amendment to the T&D O&M Agreement or once executed, the Generation O&M Agreement, or (b) result in Genco, Genco Operator or Hydroco being or being deemed to be third-party beneficiaries under the T&D O&M Agreement.

Section 8.3 Entire Agreement. This Agreement, together with the Annexes attached hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior oral or written agreements, understandings, proposals, representations or warranties relating to this Agreement, other than the T&D O&M Agreement and the Generation O&M Agreement. Without limiting the generality of the foregoing, this Agreement shall completely and fully supersede all other understandings and agreements among the Parties with respect to such transactions. The Parties agree that nothing in this Agreement shall amend or modify in any respect (a) the T&D O&M Agreement or the rights and obligations of Administrator, T&D Operator and PREPA thereunder or (b) the Generation O&M Agreement or the rights and obligations of Administrator, Genco Operator and Genco thereunder.

Section 8.4 Assignment and Transfer. No Party shall assign, transfer, convey, lease, encumber or otherwise dispose of its rights or obligations under this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, delayed or conditioned, and to the extent required by Applicable Law, PREB. Any attempt by a Party to assign, transfer, convey, lease, encumber or otherwise dispose of its rights or obligations under this Agreement without the prior written consent of Administrator and, to the extent required by Applicable Law, PREB, shall be void. If as part of the reorganization of PREPA ownership of the T&D System is assigned by PREPA to a Person, then the Parties shall amend this Agreement to recognize the rights and obligations of such Person under this Agreement and such other changes, in each case, as may be necessary and mutually acceptable to the Parties. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

Section 8.5 Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced in any situation or in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other term or provision hereof or the offending term or provision in any other situation or any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon any such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the

original intent of the Parties as closely as possible, in a mutually acceptable manner, in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 8.6 Survival. The rights and obligations of the Parties pursuant to this Section 8.6, Section 8.1 and Section 8.8 shall survive the expiration or termination of this Agreement. No expiration or termination of this Agreement shall (a) limit or otherwise affect the respective rights and obligations of the Parties accrued prior to the date of such termination or (b) preclude any Party from impleading any other Party in any legal proceeding originated by a third party as to any matter occurring during the Term. The rights and obligations of the Parties pursuant to Article 5 shall survive the expiration or termination of this Agreement for a period of twelve (12) months following the expiration or termination of this Agreement.

Section 8.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

Section 8.8 Governing Law. This Agreement and all matters, claims, controversies, disputes, suits, actions or proceedings arising out of or relating to this Agreement and the negotiation, execution or performance of this Agreement or any of the transactions contemplated hereby, including all rights of the Parties (whether sounding in contract, tort, common or statutory law, equity or otherwise) in connection therewith, shall be interpreted, construed and governed by and in accordance with, and enforced pursuant to, the internal laws of the Commonwealth (excluding any conflict of laws rule or principle which might refer such interpretation to the laws of another jurisdiction), except where the federal supremacy clause requires otherwise.

Section 8.9 PREB Actions. The Parties hereby acknowledge and agree that to the extent PREB (a) is not permitted under Applicable Law to carry out its rights, duties and obligations under this Agreement (“PREB Actions”), or (b) ceases to be an entity of the government of the Commonwealth, the related PREB Actions shall automatically become the rights, duties and obligations of Administrator, unless otherwise provided by Applicable Law.

Section 8.10 FOMB Powers. For the avoidance of doubt, nothing in this Agreement shall constitute a limitation on, or waiver by, the FOMB (if then in existence) of any of the FOMB’s rights or powers, including those rights or powers relating to the preparation and approval of budgets under PROMESA.

Section 8.11 Joinder. On the date that the Generation O&M Agreement is executed, [Genco/Administrator] shall cause Genco Operator to execute and deliver to the Parties the joinder agreement to this Agreement in the form attached hereto as Annex III (the “Joinder Agreement”). Within [three (3) Business Days] following receipt of the Joinder Agreement executed and delivered by Genco Operator, each of the Parties shall execute and deliver to the other Parties the Joinder Agreement. Effective upon the execution and delivery of the Joinder Agreement by Genco Operator and all of the Parties, Genco Operator shall become a “Party” to this Agreement and will have all of the rights and will be subject to all of the obligations of Genco Operator under and in accordance with the terms and conditions of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, PREPA, Genco, Hydroco, T&D Operator and Administrator each has caused this Agreement to be duly executed as of the day and year first above written.

PREPA

By: _____

Name: _____

Title: _____

GENCO

By: _____

Name: _____

Title: _____

HYDROCO

By: _____

Name: _____

Title: _____

T&D OPERATOR

By: _____

Name: _____

Title: _____

[Signature Page to PREPA-Genco-Hydroco Operating Agreement]

**PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS
AUTHORITY, solely in its capacity as ADMINISTRATOR**

By: _____

Name: _____

Title: _____

[Signature Page to PREPA-Genco-Hydroco Operating Agreement]

Annex I
Form of Interconnection Agreement

Annex II
Form of Agreed Operating Procedure

$$[\bullet], [\bullet]$$

email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Joinder Agreement for all purposes.

4. Governing Law. This Joinder Agreement and all matters, claims, controversies, disputes, suits, actions or proceedings arising out of or relating to this Joinder Agreement and the negotiation, execution or performance of this Joinder Agreement or any of the transactions contemplated hereby, including all rights of the Parties (whether sounding in contract, tort, common or statutory law, equity or otherwise) in connection therewith, shall be interpreted, construed and governed by and in accordance with, and enforced pursuant to, the internal laws of the Commonwealth (excluding any conflict of laws rule or principle which might refer such interpretation to the laws of another jurisdiction), except where the federal supremacy clause requires otherwise.

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed as of the day and year first above written.

[●], as Genco Operator

By: _____

Name:

Title:

Accepted: As of the day and year first above written

PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY, solely in its capacity as Administrator

By: _____

Name:

Title:

PREPA

By: _____

Name:

Title:

GENCO

By: _____

Name:

Title:

HYDROCO

By: _____

Name:

Title:

T&D OPERATOR

By: _____

Name:

Title:

DATED [·], 2022

AGREED OPERATING PROCEDURES

BETWEEN

[PREPA GENCO, LLC]

as Owner and Operator of the Legacy Generation Assets

and

LUMA Energy ServCo, LLC

As System Operator of the T&D System

with respect to

[NAME OF LG FACILITY]

OBJECTIVE OF THE AGREED OPERATING PROCEDURES

Objective of the Agreed Operating Procedures

This Agreed Operating Procedures (this “AOP”) are intended as a set of procedures to assist “[PREPA Genco LLC (“Genco”)], as owner and operator of the LG Facility (as defined below) (“LG Facility Operator”), and LUMA Energy ServCo, LLC, in its capacity as System Operator of the T&D System pursuant to the T&D O&M Agreement (as defined below) (“System Operator”; each of LG Facility Operator and System Operator a “Party” and together, the “Parties”), in the day-to-day management of *[name of LG facility listed on the title page]* (the “LG Facility”), including scheduling and Dispatch (as defined below). In the event of a conflict or ambiguity between the GGHOA (as defined below), the System Operation Principles (as defined below) and the AOP, the following descending order of precedent will govern: (i) GGHOA, (ii) the applicable System Operation Principles, and (iii) the AOP, unless, and then only to the extent that, PREB (as defined below) specifically provides otherwise. This AOP, once agreed to by the Parties, may be modified from time to time only with the written consent of the Parties.

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1. DEFINITIONS

Defined terms used herein shall have the meaning set forth below:

“Administrator” means the Puerto Rico Public-Private Partnerships Authority.

“AGC” means automatic generation control.

“Ancillary Services” means those services described in Section 5 hereof.

“Annual Performance Test” means the performance tests to be conducted each Calendar Year to determine the Available Capacity and the Heat Rate for each of the Units in accordance with the requirements and procedures to be agreed upon with System Operator.

“AOP” has the meaning set forth in the Objective of the Agreed Operating Procedures.

“AOP Procedure” refers to a single procedure set forth within this AOP.

“At Risk Situation” means any situation or occurrence at the LG Facility that is communicated to the TOC as having the potential to adversely affect LG Facility Declared Capability.

“Atmospheric Disturbances” means any weather system that causes an atmospheric disturbance which is typically accompanied with heavy cloud cover, strong winds and precipitation such as a hurricane or tropical storm.

“Available Capacity” means, for any hour, the net capacity made available at the Interconnection Point for Dispatch from the LG Facility to System Operator for that hour, expressed in kilowatts.

“Business Day” means any day that is not a Saturday, a Sunday or a day observed as a holiday by either the Commonwealth or the United States federal government.

“Calendar Year” means the twelve (12) month period beginning 12:00 midnight on December 31 and ending at 11:59 p.m. on the subsequent December 31.

“Commonwealth” means the Commonwealth of Puerto Rico.

“Declared Emergency” means an event declared as an emergency or major disaster in accordance with the provisions of the Stafford Act.

“Dependable Capacity” means the net electrical generating capacity of the LG Facility and each Unit (gross electric generating capacity less station use) expressed in kilowatts as determined pursuant to the Annual Performance Test, which shall also determine the optimal output to meet system load requirements at the lowest possible cost to reliably service customers while recognizing the Operational Limits of the LG Facility, and made available from the LG Facility to System Operator at the applicable Interconnection Point; provided that any excused or unexcused failure by the LG Facility to make available the quantity of Dependable Capacity consistent with LG facility Declared Capability shall be promptly notified in writing to Administrator, System Operator and PREB, which notice shall be for administrative purposes only and shall not give rise to any rights or obligations. Upon the retirement or decommissioning or ramp-down of the LG Facility, or any Unit within the LG Facility, the Dependable Capacity relating to the LG Facility shall be adjusted as necessary.

“Dispatch” means the orders and instructions of System Operator’s main power control center or back-up control center to schedule and control, directly or indirectly, manually, or automatically, the generation of

the LG Facility to increase or decrease the electrical energy delivered to the T&D System in accordance with the System Operation Principles and subject to this AOP and the LG Facility's Operational Limits.

"Dispatchable Mode" means a period during which the LG Facility will be on the AGC system (if available) with the turbine-generator governors in the frequency bias mode and voltage regulators in service, or off the AGC system and block-loaded at System Operator's request with the speed governors and voltage regulators in service.

"Electrical Metering Equipment" means all equipment required to measure and maintain the electrical output of the LG Facility.

"Emergency Response Plan" means the plan of action of the System Operator that outlines the procedures and actions necessary for responding to any emergency affecting or reasonably likely to affect the T&D System in effect at the time, and as may be modified by System Operator from time to time which includes and attaches SOP Procedure 28 Emergency Response Execution Procedure and SOP Procedure 29 Emergency Response Drills Procedure.

"Energy Imbalance" means for any hour, an increase or decrease in the delivery of the Net Electrical Output by the LG Facility, which offsets a foreseeable difference between generation supply and load on the T&D System.

"Facility Status Report" means a written report provided to the TOC every eight (8) hours indicating the LG Facility condition, including any Operational Limits or LG Facility Permit limits and the hourly net generation during the eight (8) hour period.

"FCA PPCA" refers to System Operator's regulatory requirements under PREB, for the Fuel Cost Adjustment-Power Purchase Cost Adjustment process which recovers costs from fuel and purchased power from ratepayers.

"Force Majeure Event" means any act, event, circumstance or condition (other than lack of finances) that (a) is beyond the reasonable control of and unforeseeable by, or which, if foreseeable, could not be avoided in whole or in part by the exercise of due diligence by, the Party relying on such act, event, circumstance or condition as justification for not performing an obligation or complying with any condition required of such Party under this AOP and (b) materially interferes with or materially increases the cost of performing such Party's obligations hereunder, to the extent that such act, event, circumstance or condition is not the result of the willful or negligent act, error or omission or breach of this AOP by such Party; provided that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as a willful or negligent act, error, omission or breach of this AOP by such Party. Subject to the requirements specified in the foregoing sentence, Force Majeure Event shall include, by way of example, and without limitation, the following acts, events, circumstances or conditions: (i) an act of God, landslide, lighting, earthquake, fire, explosion, flood or similar occurrence; (ii) strikes, boycotts, work stoppages, lockouts or other labor or employment disputes or disturbances, but only if occurring in the first year of this AOP; (iii) war, armed conflict, invasion, acts of terror, acts of civil or military authority, sabotage or similar occurrence, computer sabotage or virus, acts of a public enemy, acts of a foreign enemy, extortion, blockade, embargo, revolution, interference by military authorities, quarantine, epidemic, insurrection, riot or civil commotion or disturbance or civil disobedience; or (iv) any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities. A Force Majeure Event does not include an act of negligence or intentional wrongdoing. The Parties acknowledge and agree that none of the following acts, events, circumstances, or conditions shall constitute a Force Majeure Event: (1) reasonably anticipated weather conditions for the geographic area of the T&D System and Legacy Generation Assets, except to the extent such weather condition otherwise falls under one of the

circumstances described in (i) above, (2) an act of negligence or intentional wrongdoing, and (3) economic hardship.

“Forced Outage” means an non-scheduled disconnection or stoppage of the LG Facility due to failure or defect of the Unit or its equipment or another such event, including due to the operational or non-scheduled malfunctioning of equipment on the T&D System or human error that impacts the operation of the LG Facility.

“Fuel” means natural gas, propane, gasoline (vehicles), light distillate no. 2 fuel oil (diesel) or residual no. 6 fuel oil bunker fuel, as applicable.

“Fuel Delivery Point” means the point by which the care and custody of Fuel is conveyed from the transportation service provider, and/or the Fuel supplier, to the LG Facility Operator.

“Genco” has the meaning set forth in the Objective of this AOP.

“Generation Emergency Event” means a condition where all other available options have been exhausted and the result is a (a) Generation Outage or (b) any reduction in Dependable Capacity.

“Generation Outages” means Forced Outages, Scheduled Outages or Non-Scheduled Outages.

“GGHOA” means that certain Puerto Rico PREPA-Genco-Hydroco Operating Agreement, dated as of [____], by and among PREPA, Genco, [PREPA Hydroco, LLC], LUMA Energy Servco, LLC and Administrator, and any ancillary agreements thereto, providing for certain rights and responsibilities, including Fuel and non-Fuel budgeting and account funding.

“Grid Force Majeure Event” means a Force Majeure Event in the form of a hurricane or other severe Atmospheric Disturbance or event that damages the T&D System and curtails System Operator’s ability to Dispatch the LG Facility.

“Grid Restoration Period” has the meaning set forth in Section 15 hereof.

“Heat Rate” means the average thermal efficiency of the LG Facility’s ability to convert Fuel into Power and Electricity, determined for each Calendar Year pursuant to the Annual Performance Test.

“Integrated Resource Plan” means the then-approved 20-year long range plan for the Puerto Rico power system and supporting infrastructure, ad may be amended from time to time.

“Interconnection Point” means the physical demarcation point(s) where the output of the respective LG Facility is delivered or made available to the T&D System, as set forth in the Legacy Generation Assets Interconnection Agreement.

“Legacy Generation Assets” means the thermal generation plants and the fuel contracts, assets and personnel related thereto transferred from PREPA to Genco pursuant to the reorganization of PREPA.

“Legacy Generation Assets Interconnection Agreement” means that certain Legacy Generation Assets Interconnection Agreement, dated as of [____], by and between PREPA and Genco with respect to the interconnection of the T&D System and the LG Facility.

“LG Facility” has the meaning set forth in the Objective of this AOP.

“LG Facility Declared Capability” means, with respect to each Unit, the reliable capacity, actual heat rate curve, Ramp Rate, minimum load, Spinning Reserve, Reactive Supply and Voltage Control, hot start curve,

warm start curve, and cold start curve, which will be used for developing the daily interconnected facility Dispatch schedule, provide input for system planning, assist in determination of resource adequacy and be used as inputs for future integrated resource planning as defined in SOP Procedure 6 Interconnected Facilities Capabilities Procedure, in each case, which is initially provided by LG Facility Operator pursuant to Section 3.1(a) hereof and thereafter determined based on the Annual Performance Test.

“LG Facility Operator” has the meaning set forth in the Objective of this AOP and at times is referenced by the abbreviation “GFO” for the generic term “generation facility operator” which is used in the SOP and applies to all generators.

“LG Facility Permits” means all permits required for the LG Facility to operate in compliance with Commonwealth and federal law.

“LG Facility Supervisor” has the meaning set forth in Section 2 hereof.

“Maximum Recovery Period” means a period of thirty (30) consecutive days following the occurrence of a Grid Force Majeure Event.

“Minimum Dispatch Level” means, for any period, an amount, expressed in kilowatt hour, equal to [xx]% multiplied by the sum for all the hours in the period of the Available Capacity.

“MVAR” means a megavolt ampere of reactive power.

“Net Electrical Output” means the net electrical output, expressed in kilowatt hours, from the LG Facility measured at the metering point.

“Non-Scheduled Outage” means a partial or complete disconnection or stoppage of the generating capability of the LG Facility that is not a Scheduled Outage or a Forced Outage.

“Operational Limits” means the inability of the LG Facility, despite the exercise of reasonable efforts, to operate in accordance with the LG Facility Declared Capability, of which notice of such inability is provided to System Operator by LG Facility Operator.

“Party” and “Parties” has the meaning set forth in the Objective of this AOP.

“Power and Electricity” means the electrical energy, capacity, and Ancillary Services available from the LG Facility.

“PREB” means the Puerto Rico Energy Bureau, also known as the *Negociado de Energia de Puerto Rico*, an independent body created by Act No. 57 of the Legislative Assembly of Puerto Rico, enacted on May 27, 2014.

“PREPA” means the Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created under Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act”.

“Primary Frequency Response” means, either via AGC or manual control, the adjustment of power output level of the LG Facility that allows for the maintenance of desired system frequency as determined by System Operator.

“Prudent Utility Practice” means, at any particular time, with respect to LG Facility Operator or System Operator, as applicable, at any particular time, the practices, methods, techniques, conduct and acts that, at the time they are employed, are generally recognized and accepted by companies operating in the United States gas and/or oil-fired electric power generating plants business or electric transmission and distribution business, as applicable, as such practices, methods, techniques, conduct and acts are appropriate to the operation, maintenance, repair and replacement of assets, facilities and properties of the type covered by this AOP. The interpretation of acts (including the practices, methods, techniques, conduct and acts engaged in or approved by a significant portion of the electrical utility industry and/or electrical generation industry prior thereto) shall take into account the facts and the characteristics of the Legacy Generation Assets or the T&D System and the System Power Supply, as applicable, known at the time the decision was made. Prudent Utility Practice is not intended to be limited to the optimum or minimum practice, method, technique, conduct or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods, techniques, conduct or acts that a prudent operator would take to accomplish the intended objectives at just and reasonable cost consistent with reliability, safety, expediency and good customer relations.

“Ramp Rates” means the rate of time required for the each of the Units to change its per kilowatt output level from a particular output level to another output level.

“Reactive Supply and Voltage Control” means the capabilities of each of the Units to provide MVAR voltage support when the System Operator requires through primary or secondary controls and as provided in the LG Facility Declared Capability.

“Regulation and Frequency Response” means any immediate, proportional increase or decrease in the delivery of Net Electrical Output by the LG Facility in response to a frequency deviation within the bulk power system, which balances generation supply with load and maintains scheduled bulk power system frequency on a continuous basis.

“RTU” means remote terminal unit.

“SCADA” means supervisory control and data acquisition system.

“Scheduled Outage” means the planned partial or complete disconnection or stoppage of the generating capability of any of the Units that is for the purpose of inspection, testing, major overhauls, preventive maintenance, corrective maintenance, or improvement of the LG Facility, which has been included in the Scheduled Outage Program or for which proper notice has been otherwise previously given to System Operator in accordance with this AOP.

“Scheduled Outage Program” means the document prepared by LG Facility Operator and submitted to System Operator no later than July 1 of each Calendar Year, which includes specific information regarding the Scheduled Outages for the following three (3) years.

“Scheduled Outage Response” has the meaning set forth in Section 7.5(b) hereof.

“SOP Procedure” refers to any of the individual operation procedures established in connection with the SOP, a copy of which can be found at [●], as may be amended from time to time.

“Spinning Reserve” means the online generation capacity of the LG Facility which synchronized to the T&D System to respond to sudden changes in the bulk power system by means of primary or secondary frequency control.

“Start-up Ban” is a System Operator’s order to a LG Facility Operator to not start-up any of the interconnected facilities under their control until System Operator has deemed the start-up of such interconnected facilities safe to commence.

“Switchyard” means the switching infrastructure which links the LG Facility and the T&D System.

“System Power Supply” means electric capacity, energy and ancillary services from any power supply sources authorized under applicable law to operate in the Commonwealth.

“System Operator” has the meaning set forth in the Objective of this AOP.

“System Operation Principles” or “SOP” means, the operation principles conditionally approved by PREB on June 1, 2021, and available on System Operator’s website at <https://lumapr.com/>, as may be amended from time to time in accordance with applicable law, including any SOP Procedure.

“System Operations” means the department within System Operator responsible for dispatching electric generation Legacy Generation Assets to ensure the safe, reliable, and cost-efficient production of electric power and managing the T&D System for the safe delivery of that electric power to ratepayers.

“T&D Customers” means customers of the T&D System.

“T&D Emergency Event” means (a) any T&D Outage Event or (b) an unplanned disturbance that produces an abnormal system condition due to equipment failures/system operational actions (either intentional or unintentional) that result in the loss of system loads for more than fifteen (15) minutes or (c) a potential imminent threat to the T&D System that may result in a T&D Outage Event.

“T&D Outage Event” means an event as a result of which (a) at least twenty thousand five hundred (20,500) T&D Customers are interrupted or (b) at least one hundred fifty (150) outage jobs for the T&D System are logged, in each case, within a twenty-four (24) hour period and due to an act of God or, in case of a storm, a storm that is designated as such by the U.S. National Weather Service and shall end when a state is achieved in which fewer than one thousand (1,000) T&D Customers remain interrupted for a continuous period of eight (8) hours following such T&D Outage Event.

“T&D O&M Agreement” means that certain Operation and Maintenance Agreement, dated June 22, 2020, by and among PREPA, LUMA Energy, LLC, LUMA Energy Servco, LLC and Administrator.

“T&D Supervisors” has the meaning set forth in Section 2.1(c) hereof.

“T&D System” means the transmission and distribution system and related facilities, equipment and other assets related to the transmission and distribution system in which PREPA has an ownership or leasehold interest.

“TOC” means the transmission operations center which is also referred to as the control center.

“Unit” means an individual power generating unit, including steam generation, combined cycle, combustion turbine and diesel generation peaking unit located at the LG Facility.

2. COMMUNICATION

2.1 Overview:

- (a) The primary and secondary points of contact for System Operator and LG Facility Operator are identified in the table below. These individuals are the persons identified as being responsible within their respective companies to administer the AOP Procedures and communicate and update status as required.
- (b) LG Facility Operator shall provide System Operator, no less than sixty (60) days following the date of this AOP, with a list of the LG Facility Operator personnel responsible for supervising the operation and maintenance of the LG Facility and coordinating the operations of the LG Facility with the T&D System (each such person, an “LG Facility Supervisor” and together, the “LG Facility Supervisors”). The list of LG Facility Supervisors shall include the name, title, and contact information for each LG Facility Supervisor listed and shall be updated by LG Facility Operator at least once every quarter and more frequently if relevant personnel changes occur.
- (c) System Operator shall provide LG Facility Operator, no less than sixty (60) days following the date of this AOP, with a list of the System Operator personnel responsible for supervising the operation and maintenance of the T&D System and coordinating the operations of the T&D System with the LG Facility (each such person, a “T&D Supervisor” and together, the “T&D Supervisors”). The list of T&D Supervisors shall include the name, title, and contact information for each T&D Supervisor listed and shall be updated by System Operator at least once every quarter and more frequently if relevant personnel changes occur.
- (d) Certain AOP Procedures refer to and are governed by specific SOP Procedures identified herein. Certain of the SOP Procedures identified herein have specific contact points for either System Operator or LG Facility Operator and are identified in the appropriate AOP Procedure as the contact points for either System Operator or LG Facility Operator, as applicable, generally with a lower organizational role than the LG Facility Supervisors or T&D Supervisors, as applicable. If no such contact point is listed in any AOP Procedure, then the contact points set forth in the table below shall represent the individual responsible for those AOP Procedures.

Company	Title	Phone	Fax
System Operator			
System Operator			
LG Facility Operator			
LG Facility Operator			

3. **DECLARATION OF CAPABILITIES**

3.1 **Overview:**

- (a) The LG Facility shall provide, at the time of the execution of this AOP, to System Operator, the LG Facility Declared Capabilities of each Unit. Such declaration shall be substantially in accordance with the required reporting included in SOP Procedure 6 Interconnected Facilities Capabilities Procedure. Such LG Facility Declared Capability shall be updated by LG Facility Operator in accordance with SOP Procedure 6 Interconnected Facilities Capabilities Procedure.
- (b) This information is required by System Operator to execute its responsibilities along with development of an Integrated Resource Plan, and development of the resource adequacy plan and will be utilized in the development of SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure and general System Operator planning and development.

3.2 **Roles and Responsibilities:**

- (a) System Operator
 - (1) Manager control center operations is responsible for oversight of the TOC operations.
 - (2) Manager control center support is responsible for oversight of all transmission and interconnected facility policies, outage scheduling and T&D System related studies.
 - (3) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and works directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and senior transmission operator during the course of a shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
 - (4) Shift engineer is responsible for:
 - (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities the operation of both the main power and back-up power control center; and
 - (ii) Communication with primary contract for the LG Facility.
 - (5) Senior transmission operator is responsible for:

- (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.
- (6) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (b) LG Facility Operator
 - (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
 - (2) LG Facility backup operator is the GFO's designated backup for the LG Facility.

4. DISPATCH OF DEPENDABLE CAPACITY (MW)

4.1 Overview:

- (a) This AOP Procedure will define how the System Operator will interact with LG Facility personnel to ensure the Dispatch of Dependable Capacity.

4.2 Scope of Procedure:

- (a) This AOP Procedure encompasses the Dispatch of Dependable Capacity.

4.3 Procedure:

- (a) LG Facility Operator will report the initial LG Facility Declared Capability of each Unit to System Operator and update the LG Facility Declared Capability regularly in accordance with SOP Procedure 6 Interconnected Facilities Capabilities Procedure. LG Facility Operator will make available to System Operator via the System Operator-operated RTU, (i) the total Available Capacity of each Unit at the Interconnection Point, (ii) the operation (configuration) mode of each Unit, (iii) the active Ramp Rate (MW/min) of each Unit; (iv) the AGC limits for those facilities where AGC is enabled, available regulating limits of each Unit. The LG Facility personnel shall operate in accordance with SOP Procedure 6 Interconnected Facilities Capabilities Procedure. The most significant of these LG Facility Declared Capability measures related to reporting and tracking are identified in Appendices A.1 through A.4 hereto.
- (b) Before commencing any work, activities which could affect the output capabilities of the LG Facility, as assessed by the LG Facility Operator, LG Facility Operator shall notify the TOC that work is in progress and if, in LG Facility Operator's reasonable judgment, such work would affect the Available Capacity or create a potential risk to plant capabilities then System Operator shall be notified pursuant to SOP Procedure 26 Forced Outage Procedure. During a Forced Outage, upon LG Facility's receipt of a work authorization to go offline from System Operator, if LG Facility Operator has determined in its reasonable discretion that there is no present risk of extending the Forced Outage, a notification to the System Operator is sufficient. This effort shall comply with SOP Procedure 27 Outage Execution and Closeout Procedure, in the case of a Scheduled Outage.
- (c) All communications regarding the LG Facility status between LG Facility Operator and System Operator personnel shall be confirmed by email and/or fax as soon as possible and LG Facility Operator personnel and System Operator personnel shall conform to the specific requirements of each AOP Procedure as provided to the LG Facility Supervisor by System Operations.

4.4 Dispatch of Dependable Capacity:

- (a) LG Facility Operator shall provide System Operator the LG Facility's Dispatch capabilities and the LG Facility shall be operated in the Dispatchable Mode, as reported to System Operator either by the initial LG Facility Declared Capability or as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure.
- (b) System Operator shall Dispatch each Unit within its LG Facility Declared Capability.

4.5 Facilities Capabilities Procedure:

- (a) The TOC will determine the appropriate level of Dispatch by means of AGC, as reported to System Operator in accordance with SOP Procedure 6 Interconnected Facilities Capabilities Procedure. If the LG Facility does not currently have AGC, then the Dispatch will continue to be performed manually until such time as AGC capabilities are established. All reported capabilities presented to System Operator by the LG Facility Supervisor shall comply with environmental permit limitations for each Unit.
- (b) The LG Facility may be Dispatched during any hour from one hundred percent (100%) to the Minimum Dispatch Level, subject to the Ramp Rates as submitted regularly to System Operator in accordance with SOP Procedure 6 Interconnected Facilities Capabilities Procedure, which will include the Dispatch of Spinning Reserve capacity.

4.6 **Fast Start Capability:**

- (a) The actions required on short notice or during a T&D Emergency Event or Generation Emergency Event is described in this section. The LG Facility Operator shall follow direction according to SOP Procedure 28 Emergency Response Execution Procedure, the Emergency Response Plan, SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure, SOP Procedure 7 Black Start Procedure and in accordance with SOP Procedures as warranted to support such emergency situations, as applicable.

4.7 **Roles and Responsibilities:**

- (a) System Operator
 - (1) Manager control center operations is responsible for oversight of the TOC operations.
 - (2) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation; and
 - (ii) directing the senior transmission operator, transmission operator, senior shift engineer and shift engineer.
 - (3) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
 - (4) Shift engineer is responsible for:

- (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (5) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.
- (6) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (b) LG Facility Operator
 - (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
 - (2) LG Facility backup operator is the designated backup for the LG Facility.

5. ANCILLARY SERVICES

5.1 Overview:

- (a) Ancillary Services are those described below and comprise the portfolio of resources that are necessary to facilitate and support the continuous flow of electricity and the transmission of electric power. These services allow System Operator personnel to maintain the operating parameters and reliable operations of the T&D System, including the ability for the demand for electrical energy to be met in real time during an unplanned event.

5.2 Scope of Procedure:

- (a) The Ancillary Services consist of:
 - (1) Reactive Supply and Voltage Control;
 - (2) Operational Power Support;
 - (3) Regulation and Frequency Response;
 - (4) Energy Imbalance;
 - (5) Spinning Reserve capacity; and
 - (6) Emergency Dispatch and Status Reporting.

5.3 Procedure:

- (a) LG Facility Operator shall operate the LG Facility to maintain power delivery at continuous rated power output at the Interconnection Points at a power factor within the range of [TBD Range], unless System Operator, with Genco's approval, has established different requirements.
- (b) System Operator may require the LG Facility to provide or absorb reactive power from other Legacy Generation Assets when System Operator requests that LG Facility Operator operate the LG Facility outside the range specified in this subsection 5.3(a).

5.4 Reactive Power Support:

- (a) As the reactive power demand and the grid voltage varies, System Operator personnel shall request that the LG Facility Supervisor adjust the reactive power generation and/or the terminal voltage of the Units. However, System Operator personnel shall not require the LG Facility to operate beyond its LG Facility Declared Capability or Operational Limits as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure.

5.5 Operational Power Support:

- (a) During the provision of Reactive Supply and Voltage Control services, the LG Facility shall telemeter the status of its automatic voltage regulating equipment to System Operator on a real time basis. Such telemetering shall comply with SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure and SOP Procedure 6 Interconnected Facilities Capabilities Procedure.

5.6 Regulation and Frequency Response:

- (a) Units should be operated with primary control enabled whenever synchronized to the T&D System and with secondary control enabled, if applicable, at the request of the System Operator personnel. System Operator may require LG Facility Operator to provide Primary Frequency Response to the extent the LG Facility can do so within the LG Facility Declared Capability or as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure.

5.7 Energy Imbalance:

- (a) Energy Imbalance services will be provided following TOC personnel instructions via either AGC or verbal Dispatch instructions.

5.8 Spinning Reserve:

- (a) Spinning Reserve capacity will be provided by LG Facility as part of the Ancillary Services and as reported in accordance with the LG Facility Declared Capability or as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure.
- (b) The System Operator has the authority to:
 - (1) Order the Spinning Reserve capacity from time to time pursuant to SOP Procedure 14 Policy On Reserves Procedure; and
 - (2) utilize the Spinning Reserve capacity by dispatching the LG Facility up to its Dependable Capacity, in each case to the Operational Limits of the LG Facility's AGC and as reported in accordance with the LG Facility Declared Capability or as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure.
- (c) Units shall be operated with primary control enabled whenever synchronized to the T&D System and with secondary control enabled (if available) at the request of the System Operator personnel. If (i) Spinning Reserve capacity requested by the System Operator personnel, and (ii) the LG Facility is operating at less than the Dependable Capacity at the time of the Spinning Reserve capacity request, the applicable Ramp Rate shall be determined in accordance with the LG Facility Declared Capability or as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure.

5.9 Emergency Dispatch and Status Reporting:

- (a) Upon the occurrence of a Declared Emergency, System Operator personnel shall notify LG Facility personnel of such Declared Emergency. If requested by System Operator personnel, the LG Facility personnel shall place the Net Electrical Output within the Dispatch of the System Operator personnel for the duration of such Declared Emergency in accordance with SOP Procedure 28 Emergency Response Execution Procedure. The System Operator personnel shall dispatch the Units within the LG Facility Declared Capabilities limits in compliance with the Emergency Response Plan.
- (b) The LG Facility Operator shall provide regular Facility Status Report, per SOP Procedure 6 Interconnected Facilities Capabilities Procedure, to the System Operator, which may include:

- (1) Twice daily, in the morning and before the peak, pursuant to SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure, the LG Facility will run an energy accounting report, see Appendix A.2, which shall be made available to the Manager Control Center Operations; and
- (2) LG Facility Operator shall notify System Operator immediately if there is any pertinent or permanent change in the status of the LG Facility.

5.10 Roles and Responsibilities:

(a) System Operator

- (1) Manager control center operations is responsible for oversight of the TOC operations.
- (2) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation; and
 - (ii) directing the senior transmission operator, transmission operator, senior shift engineer and shift engineer.
- (3) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
- (4) Shift engineer is responsible for:
 - (1) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (5) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.

- (6) Transmission operator is responsible for
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (b) LG Facility Operator
 - (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
 - (2) LG Facility backup operator is the designated backup for the LG Facility.

6. SCHEDULING OF GENERATION

6.1 Overview:

- (a) System Operator will develop a Dispatch schedule and circulate such Dispatch schedule in accordance with SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure. LG Facility Operator responsibilities are defined in SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure.

6.2 Scope of Procedure:

- (a) This AOP Procedure encompasses the following:
 - (1) Target Dispatch Level;
 - (2) LG Facility regular Dispatch scheduling; and
 - (3) LG Facility Operator start-up and shut-down notifications.

6.3 Procedure:

- (a) System Operator shall establish a load forecast in accordance with SOP Procedure 1 Short Term Load Forecasting Procedure and a Dispatch schedule based on the interconnected facility reports included in SOP Procedure 6 Interconnected Facilities Capabilities Procedure and shall provide LG Facility Operator a day ahead schedule in accordance with SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure.

6.4 Target Dispatch Level:

- (a) The LG Facility shall be Dispatched and scheduled in accordance with the LG Facility Declared Capability or as updated in SOP Procedure 6 Interconnected Facilities Capabilities Procedure and in compliance with the LG Facility Permit limitations.

6.5 LG Facility Regular Dispatch Scheduling:

- (a) In accordance with SOP Procedure 19 Energy Dispatch, Scheduling, and Merit Order Procedure, on a regular basis, System Operator shall provide LG Facility Operator with an estimated hourly Dispatch schedule. This schedule shall be provided at a minimum on a day ahead basis each day for three (3) months based upon the Dispatch schedule developed by System Operator in the FCA PPCA filing to PREB.

6.6 LG Facility Operator Start-Up and Shut-Down Notifications:

- (a) During normal electrical system operating conditions, System Operator shall use all reasonable efforts to provide LG Facility Operator with advance notice to either start-up or shut down any Unit (System Operator will issue a work authorization to LG Facility Operator for documentation and execution).
- (b) At the time of start-up and shut-down, instruction must be given orally and confirmed by email and/or facsimile (using a work authorization) to the LG Facility Operator. A pro forma start-up and shut-down notice is included in Appendix A.4 to this AOP.

6.7 Roles and Responsibilities:

(a) System Operator

- (1) Manager control center operations is responsible for oversight of the TOC operations.
- (2) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation; and
 - (ii) directing the senior transmission operator, transmission operator, senior shift engineer and shift engineer.
- (3) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
- (4) Shift engineer is responsible for:
 - (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (5) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.
- (6) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.

(b) LG Facility Operator

- (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
- (2) LG Facility backup operator is the designated backup for the LG Facility.

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7. **SCHEDULED OUTAGES AND NON-SCHEDULED OUTAGES AND CAPACITY LIMITATIONS**

7.1 **Overview:**

- (a) LG Facility Operator and System Operator roles and responsibilities along with contact information and specific procedural steps for LG Facility Operator and System Operator related to outages are contained in SOP Procedure 27 Outage Execution and Closeout Procedure and SOP Procedure 26 Forced Outage Procedure. The specific responsibilities along with contact information for LG Facility Operator and System Operator related to capacity limitations are contained in SOP Procedure 6 Interconnected Facilities Capabilities Procedure, SOP Procedure 26 Forced Outage Procedure, and SOP Procedure 27 Outage Execution and Closeout Procedure.

7.2 **Scope of Procedure:**

- (a) This procedure encompasses the following:
- (1) Communication;
 - (2) Scheduled Outages; and
 - (3) Non-Scheduled Outages or capacity limitations.

7.3 **Communication:**

- (a) LG Facility operating personnel will communicate with the following TOC personnel:

Company	Title	Phone	Fax
System Operator			
System Operator			
System Operator			

7.4 **Generally:**

- (a) If the LG Facility has a Scheduled Outage or an Non-Scheduled Outage or capacity limitation, and such Scheduled Outage, Non-Scheduled Outage or capacity limitation occurs coincident with a Generation Emergency Event, T&D Emergency Event or Declared Emergency, LG Facility Operator shall make reasonable efforts, with System Operator's approval, which approval shall not be unreasonably withheld or delayed, to reschedule any such Scheduled Outage, Non-Scheduled Outage or capacity limitation or, if these have already commenced, to expedite the completion thereof.

7.5 **Scheduled Outages:**

- (a) No later than July 1 of each Calendar Year, LG Facility Operator shall submit to System Operator a Scheduled Outage Program for the following two (2) years.

- (b) Within sixty (60) days of receiving the proposed Scheduled Outage Program System Operator shall notify the LG Facility Operator whether the requested Scheduled Outage periods are acceptable (“Scheduled Outage Response”).
- (c) The Scheduled Outage Program shall provide the following information:
 - (1) date and time of commencement of each Scheduled Outage;
 - (2) Unit(s) (full or partial) to be scheduled down;
 - (3) major maintenance and required environmental inspections to be completed; and
 - (4) expected duration of each Scheduled Outage.

A pro forma Scheduled Outage Program is included as Appendix B.1 to this AOP.

- (d) LG Facility Operator shall only schedule Scheduled Outages during periods approved by System Operator subject to the terms of the GGHOA and SOP Procedure 27 Outage Execution and Closeout Procedure, which such approval shall not be unreasonably withheld or delayed.
- (e) System Operator shall publish and maintain a three (3) year rolling schedule of all Scheduled Outages.
- (f) If a Scheduled Outage was proposed for the period that System Operator has determined is not acceptable for a shut-down to occur, LG Facility Operator shall submit to System Operator an alternate date for any such Scheduled Outage and, if such alternate date is reasonably acceptable to System Operator, the Scheduled Outage will be added to the existing outage schedule.
- (g) System Operator shall have the right, upon ninety (90) days’ prior written notice, to revise the period during which LG Facility Operator shall not schedule a Scheduled Outage in accordance with SOP Procedures, or as otherwise mutually agreed to.
- (h) LG Facility Operator shall estimate the duration of each Scheduled Outage based upon the best estimate possible at the time. However, it is recognized that precise planning is not always possible given the nature of some outage work. If LG Facility Operator has reason to believe that the duration of a Scheduled Outage will exceed the planned duration, LG Facility Operator shall notify System Operator as soon as possible as to the cause of such delays and the additional time required to complete such Scheduled Outage. In such event, LG Facility Operator shall use reasonable efforts to return the LG Facility to operation in the shortest possible time following the end of the originally scheduled outage period and shall maintain reporting in accordance with this AOP.

7.6 Non-Scheduled Outage or Operational Limits:

- (a) LG Facility Operator shall use reasonable efforts to notify and coordinate all Non-Scheduled Outages or Operational Limits with System Operator. Such notifications shall be supported using SOP Procedure 27 Outage Execution and Closeout Procedure.
- (b) LG Facility Operator shall use reasonable efforts to coordinate and schedule Non-Scheduled Outages or Operational Limits to occur during times that will minimize any adverse effect on the operation of the T&D System or during times when the T&D System

facilities are out of service. This includes not scheduling Non-Scheduled Outages when the LG Facility is (i) projected to be Dispatched or (ii) scheduled for a Scheduled Outage and LG Facility Operator shall report such in accordance with Appendix B.2.

7.7 Post Outage Reporting and Documentation:

- (a) After any outage, LG Facility Operator shall prepare and submit outage reports required pursuant to SOP Procedure 25 Scheduling Planned T&G Outages Procedure, SOP Procedure 26 Forced Outage Procedure and SOP Procedure 27 Outage Execution and Closeout Procedure.

7.8 Roles and Responsibilities:

- (a) System Operator
 - (1) Manager control center operations is responsible for oversight of the TOC operations.
 - (2) Manager control center support is responsible for oversight of all transmission and interconnected facility policies, outage scheduling and T&D System related studies.
 - (3) Manager energy management is responsible for:
 - (i) energy planning;
 - (ii) energy balancing; and
 - (iii) SCADA.
 - (4) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation; and
 - (ii) directing the senior transmission operator, transmission operator, senior shift engineer and shift engineer.
 - (5) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
 - (6) Shift engineer is responsible for:

- (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (7) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.
- (8) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (b) LG Facility Operator
 - (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
 - (2) LG Facility backup operator is the designated backup for the LG Facility.

8. T&D SYSTEM OPERATION AND COMMUNICATION

8.1 Overview:

- (a) This AOP Procedure outlines and sets forth the communications process between System Operator and LG Facility Operator regarding the electrical transmission system.

8.2 Scope of Procedure:

- (a) This AOP Procedure encompasses communications between System Operator and the LG Facility Operator relating to the following:
 - (1) notifications for start-up and synchronization of any Units;
 - (2) notification for T&D System Scheduled Outages and Non-Scheduled Outages;
 - (3) Scheduled Outages, Non-Scheduled Outages and Generation Emergency Events requiring a reduction in generation or total or partial outage;
 - (4) equipment maintenance and inspection and switching practices at the LG Facility's 38kV, 115kV or 230kV Switchyard, as applicable;
 - (5) At Risk Situation;
 - (6) any changes in relay settings impacting the LG Facility;
 - (7) communication facilities linking the LG Facility and System Operator's Dispatch center; and
 - (8) PREB-related or other regulatory requests for information to support periodic reporting data or related to event-specific investigations.

8.3 Procedure:

- (a) Notifications Required for Start-up and Synchronization of the LG Facility
 - (1) The LG Facility Supervisor shall notify System Operator when it will be able to commence the start-up sequence of the LG Facility. System Operator shall confirm to LG Facility Operator with an instruction or when the start-up sequence can commence.
 - (2) The LG Facility Supervisor shall notify System Operator when the LG Facility will be at synchronous speed and in a position to be synchronized. System Operator shall instruct LG Facility Operator with a work authorization, which will set forth instructions to synchronize the LG Facility to the T&D System.
 - (3) Upon synchronization of the LG Facility, the Unit shall be loaded to its Minimum Dispatch Level as required to maintain compliance with all LG Facility Permits.
- (b) Notifications for start-ups synchronization of any of the Units
 - (1) The T&D Supervisor shall provide the LG Facility Supervisor with a three (3) year schedule, which shall be updated on a quarterly basis, at a minimum, of any

scheduled T&D System outages that could directly affect the LG Facility's output of electrical energy, and, if applicable, how much each of the Units generation could be limited, which shall, in all cases be in accordance with the Operational Limits and relevant LG Facility Permit limitations.

- (c) Scheduled Outages or Generation Emergency Events requiring a reduction in generation or partial outage
 - (1) SSE shall immediately notify LG Facility Operator, if affected, of any potential line overloads or emergencies that require a reduction in the LG Facility's generation and by how much generation should be reduced which shall in all cases be in accordance with the Operational Limits and relevant LG Facility Permits.
- (d) Equipment maintenance and inspection and switching practices at LG Facility 38kV, 115kV or 230kV Switchyard, as applicable
 - (1) For any maintenance activity to be conducted by LG Facility Operator on any equipment located within the LG Facility 38kV, 115kV or 230kV Switchyard that directly interfaces with the T&D System, LG Facility Operator shall coordinate such activities with the System Operator clearance office in accordance with SOP Procedure 20 Transmission Operations Procedure and obtain from the T&D Supervisor an order for each switching action to be executed at the LG Facility 38kV, 115kV or 230kV Switchyard. Such switching requests shall be submitted by LG Facility Operator Supervisor to T&D Supervisor, who shall authorize TOC to grant the requested orders.
- (e) At Risk Situations
 - (1) As soon as possible, LG Facility Operator shall notify the T&D Supervisor of any Generation Emergency Events at the LG Facility site that may have a direct impact upon the Dispatch level or Available Capacity of the LG Facility. LG Facility Operator shall use all reasonable efforts to minimize the impact on the Dispatch level or Available Capacity of the LG Facility caused by the Generation Emergency Event.
 - (2) LG Facility Operator shall coordinate with the TOC personnel, including the designated senior shift engineer and/or T&D Supervisors, before commencing any work in the Switchyard that could reasonably be expected to cause a Non-Scheduled Outage, a Forced Outage, or a capacity limitation.
- (f) Any changes in relay settings impacting each of the Units
 - (1) LG Facility Operator shall not change relay settings that may impact the T&D System without coordinating with, and obtaining a written authorization from the senior shift engineer or T&D Supervisor.
 - (2) System Operator shall not change relay settings that may impact the LG Facility without coordinating with, and obtaining a written authorization from, LG Facility Operator.
- (g) Communication facilities linking the LG Facility and System Operator's Dispatch center

- (1) For the purpose of telemetering, data acquisition, and AGC by System Operator (to the extent this equipment exists today), System Operator shall provide the following:
 - (i) one (1) dual ported RTU for data acquisition and generation control compatible with System Operator's energy management system;
 - (ii) two (2) voice grade telecommunication circuits for the dual ported RTU one to the TOC and the other to System Operator's back-up TOC personnel (as identified by System Operator);
 - (iii) one (1) voice grade telecommunication circuit for the LG Facility for the back-up-telemetry to the TOC;
 - (iv) one satellite phone for the LG Facility consistent with the Emergency Response Plan;
 - (v) a dedicated voice telephone extension for the purpose of accessing System Operator's dial-up electrical metering equipment and for communicating with the TOC;
 - (vi) for so long as facsimile communications are required by this AOP, telephone line and equipment to transmit and receive facsimile correspondence; and
 - (vii) telecommunications radio compatible with System Operator's trunking radio system.
- (h) PREB-related or other regulatory requests for information to support periodic reporting data or related to event-specific investigations
 - (1) In the case of any PREB-related or other regulatory request related to periodically reported data or an event-specific investigation, LG Facility Operator and System Operator shall coordinate schedules and timelines in good faith for document production to support PREB requirements. In the event that LG Facility Operator or System Operator cannot meet PREB or other regulatory timelines, LG Facility Operator and/or System Operator, as applicable, will summarize the reasons and request an extension from PREB in writing.

8.4 Roles and Responsibilities:

- (a) System Operator
 - (1) Manager control center support is responsible for oversight of all transmission and interconnected facility policies, outage scheduling and T&D System related studies.
 - (2) Manager energy management is responsible for:
 - (i) energy planning;
 - (ii) energy balancing; and

- (iii) SCADA.
- (3) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation; and
 - (ii) directing the senior transmission operator, transmission operator, senior shift engineer and shift engineer.
- (4) Senior Shift Engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
- (5) Shift engineer is responsible for:
 - (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (6) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.
- (7) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (b) LG Facility Operator

- (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
- (2) LG Facility backup operator is the designated backup for the LG Facility.

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9. **EMERGENCY COMMUNICATIONS**

9.1 **Overview:**

- (a) System Operator Declared Emergency related responsibilities, communications and actions are identified in the Emergency Response Plan and SOP Procedure 28 Emergency Response Execution Procedure and shall be utilized in all emergency situations.

9.2 **Scope of Procedure:**

- (a) This AOP Procedure encompasses the following:
 - (1) LG Facility noticed Generation Emergency Event;
 - (2) T&D System noticed T&D Emergency Event;
 - (3) guidelines for recovery from a widespread electrical blackout;
 - (4) 115 or 230KV transmission line loss of primary and secondary pilot protection;
 - (5) disturbance analysis reporting; and
 - (6) LG Facility Operator Declared Emergencies.

9.3 **Procedure:**

- (a) If, for purposes of safeguarding any equipment, LG Facility and/or personnel it is necessary for LG Facility Operator to take equipment and/or a Unit or Units out of service immediately, resulting in a reduction in the Net Electrical Output and/or the Available Capacity, LG Facility Operator shall notify the T&D Supervisor as soon as possible prior to the event.
- (b) LG Facility Operator shall use best efforts to maintain the Net Electrical Output and Available Capacity during such situations but in all cases shall keep System Operator informed as to the status of the Declared Emergency.
- (c) In the event of a T&D System-wide blackout, which results in a shut-down of the LG Facility, System Operator shall advise LG Facility Operator if it is possible to commence the start-up of the auxiliary equipment and the Units via a work authorization. In the event of a blackout condition, LG Facility Operator shall prepare the LG Facility for start-up and maintain this condition at the Interconnection Point during the period that the T&D System is blacked out or during the time which any Start-up Ban is issued. The moment in which the TOC has sufficient generating capacity at the Interconnection Point, the TOC shall authorize the auxiliary LG Facility black start generating Units (if such black start generating units exist and are operational at such time) and equipment to start. The minimum black start – start power requirements for each of the Units to start up the LG Facility are set forth in Appendix C to this AOP and shall be updated upon any change in the black start needs of the LG Facility.
- (d) After a T&D System disturbance resulting in an outage at an Interconnection Point, the LG Facility Operator shall not start any auxiliary equipment without authorization. LG Facility Operator shall abide by the procedure outlined in Section 8 hereof for the start-up of the LG Facility.

- (e) Upon restoration of power to the LG Facility following a blackout resulting from a Generation Emergency Event or a T&D Emergency Event, including T&D System disturbances, the LG Facility Operator shall coordinate the exporting of power to the T&D System and System Operator shall Dispatch the LG Facility in accordance with the LG Facility Declared Capability and the LG Facility Permit limitation.
- (1) LG Facility Operator shall establish, and coordinate System Operator support, related to emergency plans, including recovery from a local or widespread electrical blackout; voltage reduction to effect load curtailment; and other plans, which may arise.
- (f) Transmission Line Loss of Primary and Secondary Protection:
 - (1) Whenever LG Facility Operator or System Operator, as applicable, determines that both primary and back-up pilot relay protections for the LG Facility are not operating correctly, the LG Facility shall not be shut down without coordination with the designated T&D Supervisor or SEE. In this case, the LG Facility Operator shall coordinate to restore the pilot relay protection as soon as possible. The LG Facility and the T&D System shall be operated with the back-up protection while the work on the pilot protection is completed, and the LG Facility shall be Dispatched without affecting the security of the T&D System.

10. **PLANNING**

10.1 **Overview:**

- (a) The planning process is utilized in SOP Procedure 19 Energy Dispatch, Scheduling and Merit Order Procedure, SOP Procedure 25 Scheduling Planned T&G Outages Procedure, SOP Procedure 1 Short-Term Load Forecasting Procedure, SOP Procedure 7 Black Start Procedure, SOP Procedure 28 Emergency Response Execution Procedure, SOP Procedure 29 Emergency Response Drills Procedure, and the Emergency Response Plan. Each of these will include the appropriate communications, roles and responsibilities and procedure to execute system planning.

10.2 **Scope of Procedure:**

- (a) This AOP Procedure encompasses the monthly planning meetings and the overall process between LG Facility Operator and System Operator.

10.3 **Procedure:**

- (a) Monthly planning meetings and duties to execute this AOP:
 - (1) The following standards are applicable to the monthly planning meeting:
 - (i) Parties will arrange meeting dates and times for the following six (6) months at each meeting.
 - (ii) Agenda for the meetings will cover the following topics:
 - (A) review of prior meeting minutes and Parties' signatures to agree that these are an accurate record of the meeting;
 - (B) review of prior meeting uncompleted action items;
 - (C) Dispatch issues during last month;
 - (D) LG Facility issues that may impact the Available Capacity for next month;
 - (E) communications issues needing attention;
 - (F) LG Facility maintenance plans for the next three (3) months; and
 - (G) System Operator to present three (3) month Dispatch forecast based on the quarterly FCA PPCA filing submitted to PREB; and
 - (H) The monthly operations report pursuant to Section 10.4(b)(1) hereof.

10.4 **Roles and Responsibilities:**

- (a) System Operator

- (1) Manager control center operations is responsible for oversight of the TOC operations.
- (2) Manager control center support is responsible for oversight of all transmission and interconnected facility policies, outage scheduling and T&D System related studies.
- (3) Manager energy management is responsible for:
 - (i) energy planning;
 - (ii) energy balancing; and
 - (iii) SCADA.
- (4) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation; and
 - (ii) directing the senior transmission operator, transmission operator, senior shift engineer and shift engineer.
- (5) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the shift engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
- (6) Shift engineer is responsible for:
 - (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (7) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.

- (8) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (b) LG Facility Operator
 - (1) LG Facility Operator is responsible for:
 - (i) communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure; and
 - (ii) preparing a monthly operations report.
 - (2) LG Facility Backup Operator is the designated backup for the LG Facility.

11. FACILITY RECORDS

11.1 Overview:

- (a) Keep complete and accurate records and all other data required by the LG Facility for the purposes of proper administration of this AOP.

11.2 Procedure:

- (a) All such records shall be maintained for a minimum of five (5) years after the creation of such record or data and for any additional length of time required by regulatory agencies with jurisdiction over the Parties; provided, however, that neither Party shall dispose of or destroy any such records that are specifically designated by the other Party (even after five (5) years) without thirty (30) days' prior written notice to the other Party. If the other Party gives written notice to the notifying Party during such thirty (30) day period, then the notifying Party shall promptly deliver such records and data to the other Party wishing to retain such records.
- (b) LG Facility Operator shall maintain an accurate and up-to-date operating log at the LG Facility with records of:
 - (1) real and reactive power production for each hour;
 - (2) changes in operating status and Scheduled Outages;
 - (3) any unusual conditions found during inspections; and
 - (4) the Available Capacity.
- (c) Each Party shall provide reasonable support to the other Party for any new or ongoing PREB-ordered or other regulatory investigation or reporting requirement and that support shall not be unreasonably withheld, conditioned or delayed.
- (d) Either Party shall have the right from time to time, upon three (3) days written notice to the other Party or such other timeframe as may be mutually agreed by the Parties, and during regular business hours, to examine the records and data of the other Party relating to the performance of this AOP any time during the period the records are required to be maintained in accordance with this AOP Procedure.
- (e) System Operator and LG Facility Operator shall prepare and implement a backup and archiving plan that minimizes the loss of vital data upon the occurrence of any hardware failure or a catastrophic system loss.

12. METERING OF NET ELECTRICAL OUTPUT

12.1 Overview:

- (a) This AOP Procedure encompasses metering equipment interconnection, installation, maintenance notifications and repairs that will assist the calculation and verification of the Heat Rate to be used by System Operator for economic Dispatch purposes.

12.2 Scope of Procedure:

- (a) This AOP Procedure encompasses metering equipment interconnection, installation, maintenance, notifications, and repairs.

12.3 Procedure:

- (a) In accordance with the Legacy Generation Assets Interconnection Agreement, and SOP Procedure 5 Legacy T&G Demarcation Procedure, System Operator shall install at its own expense new high accuracy, low voltage meters, and operate, test, and maintain the LG Facility's metering and data acquisition equipment. System Operator shall provide metering quantities, in analog and/or digital form, to LG Facility Operator upon request. The LG Facility's metering (and data acquisition, as required) equipment shall be maintained in accordance with Prudent Utility Practice. If at any time metering or data acquisition equipment of the LG Facility is found to be inaccurate or defective, such equipment shall be adjusted, repaired, or replaced, to provide accurate metering.
- (b) System Operator shall own and maintain all Electrical Metering Equipment. LG Facility may install Electrical Metering Equipment for backup purposes subject to the GGHOA and SOP Procedure 5 Legacy T&G Demarcation, such backup Electrical Metering Equipment shall be subject to System Operator's approval. System Operator shall repair or replace all Electrical Metering Equipment within one (1) year of the date on which the GGHOA is executed.
- (c) Once a year, and from time to time, upon two (2) weeks' prior written notice to LG Facility Operator from System Operator, at System Operator's cost, System Operator shall test and calibrate the electrical metering equipment, including the back-up meter (if one exists), in accordance with Prudent Utility Practice.

12.4 Roles and Responsibilities

- (a) System Operator
 - (1) Demarcation project manager is responsible for representing the System Operator and coordinating all activities and deliverables.
 - (2) Project director is responsible for ensuring validity and safety of operations and assessing the impact of demarcation related tasks.
 - (3) Substation and metering technicians are responsible for assisting the lead personnel to permit site visits, prepare assessments as well as perform tasks related to demarcation.
- (b) LG Facility Operator

- (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.

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13. ANNUAL PERFORMANCE TEST

13.1 Overview:

- (a) SOP Procedure 6 Interconnected Facilities Capabilities Procedure identifies the requirements of each Unit's Annual Performance Test. All performance testing is identified in SOP Procedure 6 Interconnected Facilities Capabilities Procedure including testing (based on technology in use), specific parameters to be measured and reported, and how results are reported.

13.2 Scope of Procedure:

- (a) This AOP Procedure encompasses performance tests requirements and coordination.

13.3 Procedure:

- (a) For the first Calendar Year of this AOP, the LG Facility Operator shall (1) notify System Operator of the date of the planned Annual Performance Test and permit System Operator to send onsite witnesses to observe and, with the agreement of LG Facility Operator, approve such test and (2) coordinate with System Operator for the performance of the first of such Annual Performance Tests, which shall determine the Heat Rate, Dependable Capacity, Ramp Rate and Minimum Dispatch Level for the LG Facility for the first Calendar Year.
- (b) LG Facility Operator shall document the results of such Annual Performance Test and shall promptly submit such results to System Operator.
- (c) The LG Facility Operator shall be responsible for performance data and Annual Performance Test results as provided in this AOP.

13.4 Roles and Responsibilities:

- (a) System Operator
 - (1) Manager control center operations is responsible for oversight of the TOC operations.
 - (2) Manager control center support is responsible for oversight of all transmission and interconnected facility policies, outage planning and T&D System related studies.
 - (3) Manager energy management is responsible for:
 - (i) energy planning;
 - (ii) energy balancing; and
 - (iii) SCADA.
 - (4) Supervisor transmission and generation is responsible for:
 - (i) all transmission and interconnected facility operations and outage implementation, and

- (ii) directing the senior transmission operator, transmission operator, senior shift engineer and senior engineer.
- (5) Senior shift engineer is responsible for:
 - (i) the overall operation of the T&D System and working directly with the shift engineer and senior transmission operator to manage the overall technical operation of all interconnected facilities in a real-time setting;
 - (ii) the operation of both the main power and back-up power control centers;
 - (iii) supervision of the senior engineer and the senior transmission operator during the course of the shift; and
 - (iv) receiving and disseminating information received by the GFO under this AOP Procedure.
- (6) Shift engineer is responsible for:
 - (i) Dispatch of real and reactive power, as well as Ancillary Services, for all interconnected facilities; and
 - (ii) communication with primary contacts for the LG Facility.
- (7) Senior transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 230/115kV transmission lines and working with the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior shift engineer regarding frequency regulation, transmission flows and the current state of outages.
- (8) Transmission operator is responsible for:
 - (i) the routing and balance of real and reactive power through the 38kV transmission lines and working with the senior transmission operator and the senior shift engineer to jointly manage energy needs; and
 - (ii) coordinating with the senior transmission operator regarding frequency regulation, transmission flows and the current state of outages.
- (d) LG Facility Operator
 - (1) LG Facility Operator is responsible for communicating with System Operator in accordance with this AOP Procedure to allow System Operator's personnel to implement this AOP Procedure.
 - (2) LG Facility backup operator is the designated backup for the LG Facility.

14. **READINGS OF THE FUELS INVENTORY & MEASUREMENTS (AS APPLICABLE)¹**

14.1 **Overview:**

- (a) This AOP Procedure is intended to be a working document to facilitate reporting to PREB of the quarterly FCA-PPCA filing or reporting monthly variances.

14.2 **Scope of procedure:**

- (a) This AOP Procedure encompasses information provided by the LG Facility Operator and used by System Operator in its reporting to PREB of the quarterly FCA-PPCA filing or reporting monthly variances.

14.3 **Procedure:**

- (a) For notice of deliveries and supply of heavy oil, diesel and natural gas Fuel delivery:
 - (1) Each Party shall cooperate reasonably with the other Party to coordinate the supply and transportation of Fuel to the Fuel Delivery Point, providing the other Party such information as such Party shall reasonably request regarding the supply and transportation of the Fuel to the Fuel Delivery Point (on both a historical and estimated future basis) as is necessary to support the preparation and analysis of the quarterly FCA PPCA, and monthly reconciliation filings required for PREB.
 - (i) After receiving the daily Dispatch instructions, LG Facility shall confirm to System Operator that the Fuel required to satisfy the Dispatch instructions is available.
 - (ii) After receiving the monthly scheduled Dispatch, LG Facility shall confirm to System Operator that its Fuel inventory and scheduled Fuel deliveries are sufficient to meet System Operator's projected load requirements for the next thirty days.
 - (2) LG Facility Operator shall report to System Operator Fuel use for the immediately preceding month on the third Business Day of any given month.
- (b) The LG Facility shall report inventory at the beginning and end of each month and consumption data to System Operator for all Fuels utilized at the LG Facility by the third Business Day of each month as is necessary to support the preparation and analysis of the quarterly FCA PPCA, and monthly reconciliation filings required for PREB.
- (c) LG Facility shall install and maintain the fuel measurement facilities to accurately determine Fuel use to support System Operator's economic Dispatch of the LG Facility as is necessary to support the preparation and analysis of the quarterly FCA PPCA, and monthly reconciliation filings required for PREB.
 - (1) If one or more components of the fuel measurement facilities fails to function or a Party reasonably believes that such LG Facility inaccurately registers the volumes of Fuel delivered to the Fuel Delivery Point, LG Facility Operator shall exercise reasonable efforts to determine the volume of Fuel delivered during such period of

¹ This procedure applies only to the fully staffed plants: Aguirre, Costa Sur, Mayaguez, Cambalache, Palo Seco and San Juan.

failure or inaccurate registration and if necessary, report any such impact in the quarterly FCA-PPCA reconciliation process.

- (2) If a Party notifies the other Party of a material discrepancy between the quantity of Fuel delivered to the Fuel Delivery Point, either Party shall have the right to request an adjustment in the Fuel delivery records.
- (3) The Parties shall exercise their reasonable efforts to resolve such discrepancy (including with respect to adjustments for Fuel delivered during the fuel measurement review period).
- (d) LG Facility shall notify System Operator of any Fuel related issue that could result in the LG Facility not being able to meet such facility's expected Dispatch for the upcoming month as soon as reasonably possible after LG Facility becomes aware of the potentially adverse situation.

15. **GRID FORCE MAJEURE EVENTS**

15.1 **Overview:**

- (a) This AOP Procedure is intended to address specific Force Majeure Events between System Operator and LG Facility Operator that effect the T&D System.

15.2 **Scope of procedure**

- (a) This AOP Procedure encompasses the following:
 - (1) Duration of Atmospheric Disturbances and
 - (2) Communications, meetings, and reconciliations relating to Grid Force Majeure Events.

15.3 **Procedure for Duration of Atmospheric Disturbances:**

- (a) In the event of a Grid Force Majeure Event, the duration of each Grid Force Majeure Event (“Grid Restoration Period”) shall extend until the earlier of:
 - (1) the expiration of the Maximum Recovery Period;
 - (2) the date and hour that the restoration of the T&D System first permits System Operator to Dispatch the LG Facility within the Operational Limits and under the then-prevailing circumstances and limitation; and
 - (3) the date on which System Operator can repair or restore the applicable 38kV, 115Kv or 230kV LG Facility Switchyard, as applicable, at the Interconnection Point under the Maximum Recovery Period.

15.4 **Procedure for Communications, Meetings and Reconciliations Relating to Grid Force Majeure Events:**

- (a) Neither System Operator nor LG Facility Operator shall be excused by reason of a Grid Force Majeure Event from the obligation to maintain performance status information and reporting obligations under the AOP.
- (b) Upon the occurrence of a Grid Force Majeure Event (or an event that can reasonably be interpreted to be a Grid Force Majeure Event), System Operator shall (i) immediately or as soon as reasonably possible, notify LG Facility Operator of the occurrence of such Grid Force Majeure Event and (ii) schedule a meeting with LG Facility Operator within three (3) Business Days of the Grid Force Majeure Event.

16. **DEMARCATION AND OPERATION**

16.1 **Overview:**

- (a) SOP Procedure 5 Legacy T&G Demarcation Procedure outlines all demarcation related matters. The specific demarcation shall be agreed between System Operator and LG Facility Operator for the LG Facility in accordance with SOP Procedure 5 Legacy T&G Demarcation Procedure.

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IN WITNESS WHEREOF, the Parties hereto have caused this AOP to be executed as of the date first above written.

**[GENCO] AS LG FACILITY OWNER AND
OPERATOR**

By: _____
Name _____
Title: _____

**LUMA ENERGY SERVCO, LLC AS SYSTEM
OPERATOR**

By: _____
Name _____
Title: _____

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APPENDIX A – DISPATCH OF MW AND MVARs GENERATION

Appendix A outlines the requirements relating to (i) notification by LG Facility Operator to the TOC of the status of the LG Facility and (ii) accounting of the actual performance of the LG Facility and each Unit. Appendix A. 1 through A. 4 are for illustrative purposes, only. The actual data can be collected and presented as indicated in Appendix A.1 through A.4 or in a single spreadsheet.

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APPENDIX A.1 – FACILITY STATUS REPORT

The LG Facility Supervisor shall complete the following sections of the pro forma status report included to facilitate communication with the T&D Supervisor relating to the LG Facility status at the designated times.

Report Commencing Date:

Facility:

Time	Status of AVR - A/M (Automatic/Manual)						Status of Governor - B/U (Block/Un-Block)						Operation Condition of Complex	Causes of Active/Reactive Load Restrictions
	UNIT 1	UNIT 2	UNIT 3	UNIT 4	UNIT 5	UNIT 6	UNIT 1	UNIT 2	UNIT 3	UNIT 4	UNIT 5	UNIT 6		
00:00														
01:00														
02:00														
03:00														
04:00														
05:00														
06:00														
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APPENDIX A.2 – ENERGY ACCOUNTING REPORT

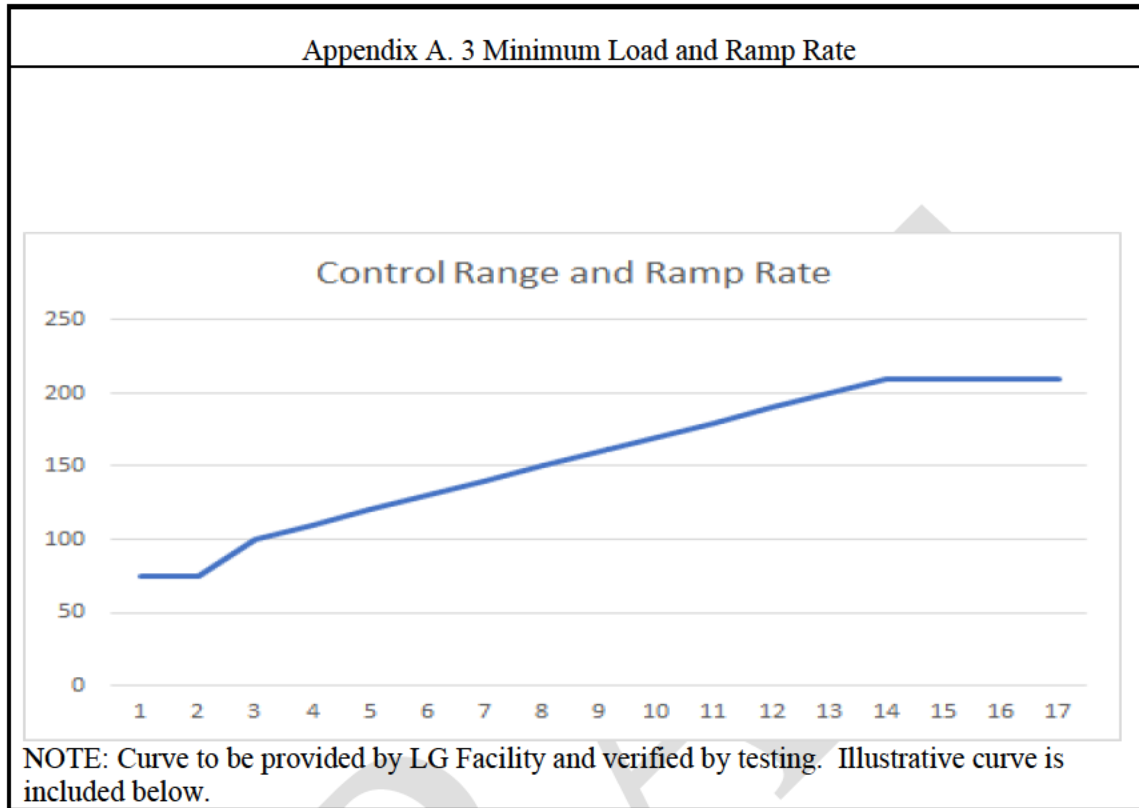
ENERGY ACCOUNTING REPORT

FACILITY NAME: _____

Report Start Report Finish	(DATE) (TIME) (DATE) (TIME) Integrated Net	Generating Unit Integrated Net Generation					
Hour Ending	MWh	UNIT 1	UNIT 2	UNIT 3	UNIT 4	UNIT 5	UNIT 6
01:00							
02:00							
03:00							
04:00							
05:00							
06:00							
07:00							
08:00							
09:00							
10:00							
11:00							
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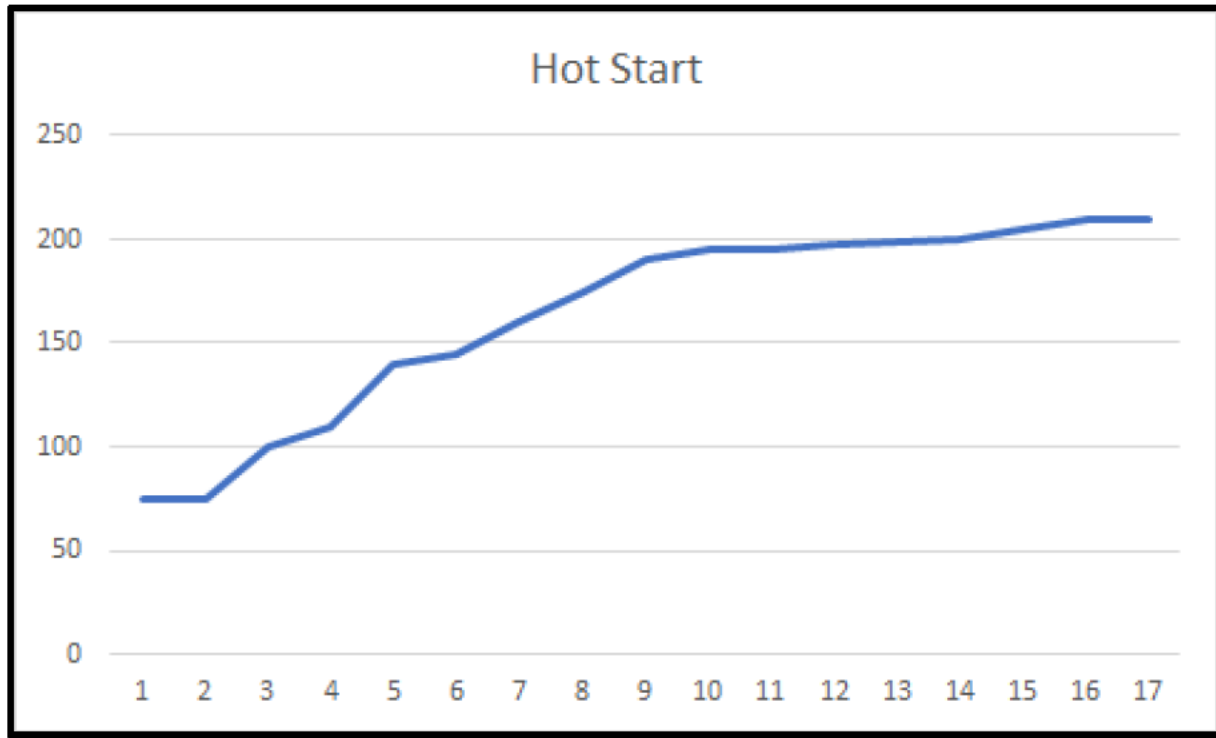
APPENDIX A.3 – MINIMUM DISPATCH LEVEL AND RAMP RATES

The table below is a Unit-specific curve based on design parameters and any Operational Limits.



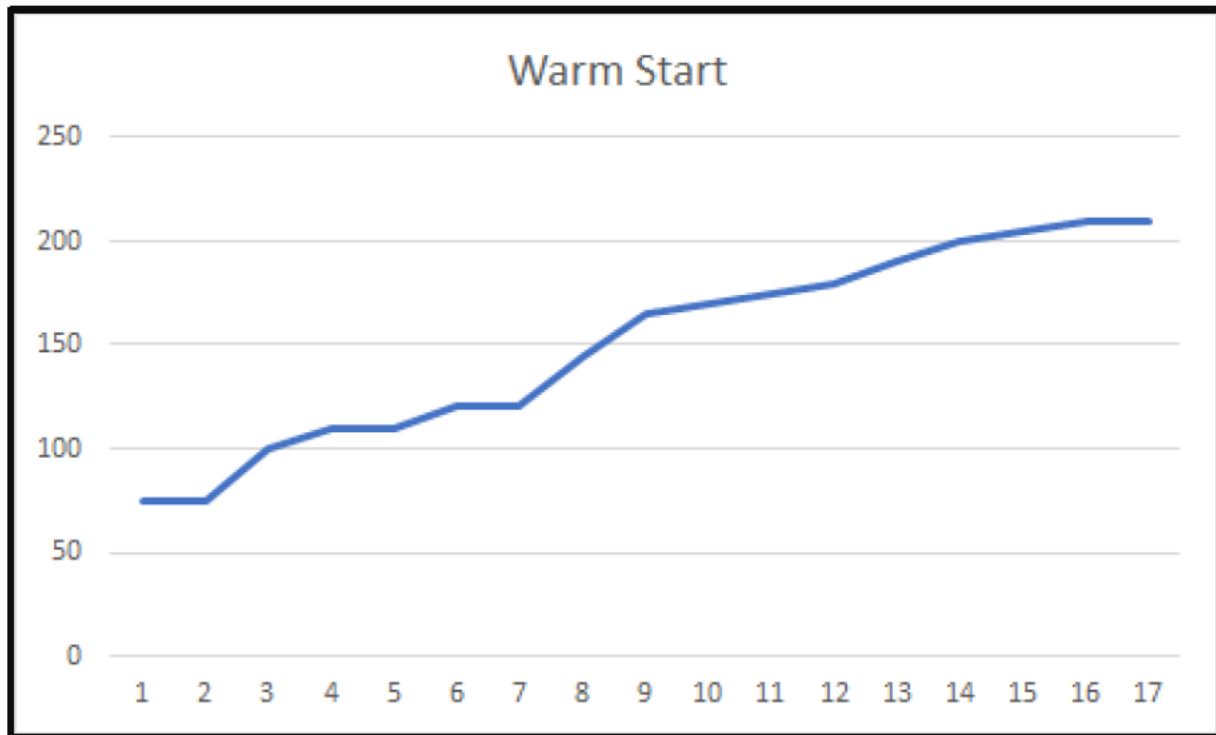
APPENDIX A.3A – HOT START CURVES

The tables below are three Unit-specific curves based on operational limitations.



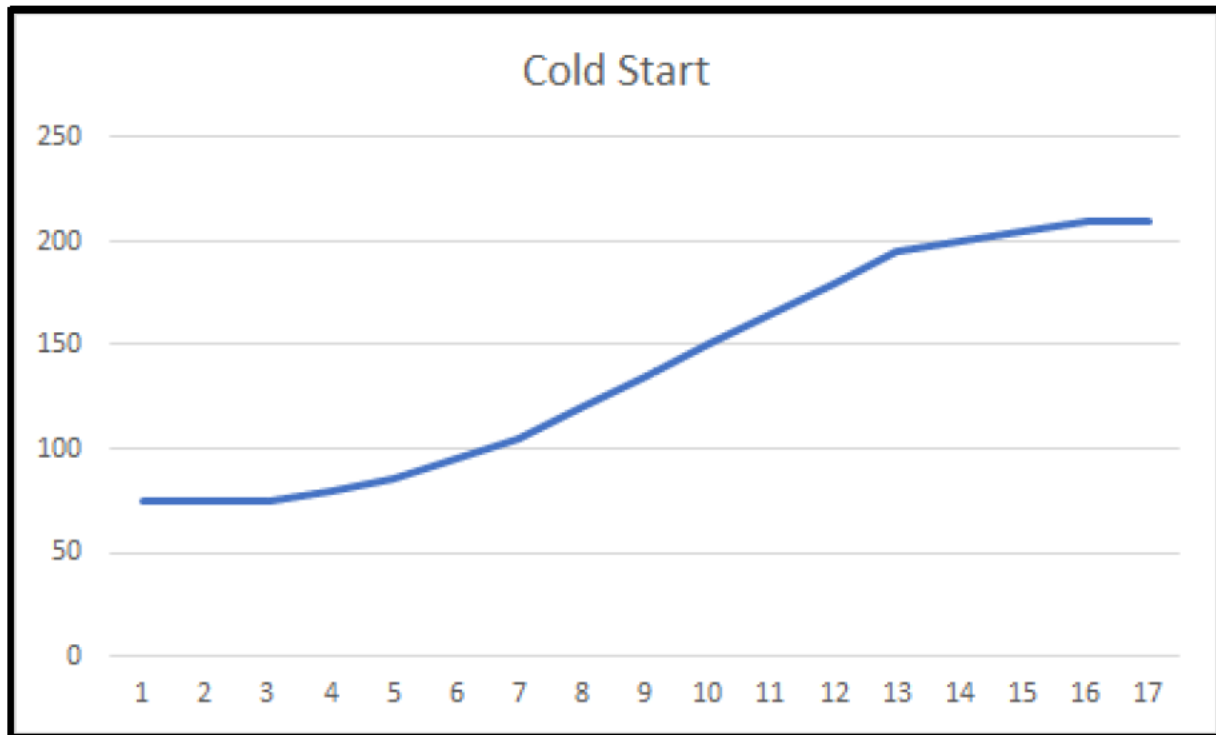
NOTE: Curve to be provided by Unit and verified by testing.

APPENDIX A.3B – WARM MINIMUM DISPATCH LEVEL AND RAMP RATE



NOTE: Curve to be provided by Unit and verified by testing

APPENDIX A.3C – COLD MINIMUM DISPATCH LEVEL AND RAMP RATE



NOTE: Curve to be provided by Unit and verified by testing.

APPENDIX A.4 – START-UP & SHUTDOWN NOTICE

The LG Facility Supervisor shall complete the following table in accordance with this AOP to notify System Operator of any start-up or shutdown of the LG Facility.

UNIT	Shutdown Requested		Unit Restarted		Total Time Unit Shutdown	Shutdown Type (Cold, Warm) Hot)
	Date		Date			
UNIT 1						
UNIT 2						
UNIT 3						
UNIT 4						
UNIT 5						
UNIT 6						

Shutdown Request:		Approval Signature:	
Facility:		Approval Signature:	
Start-Up Request:		Approval Signature:	
Facility:		Approval Signature:	

APPENDIX B – SCHEDULED OUTAGE PROGRAM AND NON-SCHEDULED OUTAGE NOTICES

Scheduled Outages – Pro Forma Procedure:

- 1) The LG Facility Supervisor shall complete the following sections of the Scheduled Outage Program and email and/or fax to System Operator by no later than July 1 of each Calendar Year:
 - date and time Scheduled Outage Program submitted to System Operator;
 - submitted by the LG Facility Supervisor, with signature;
 - date and time of commencement of each Scheduled Outage - being the point in time when the relevant Unit(s) are desynchronized and are no longer available for generation;
 - Unit number to be scheduled down;
 - outage details including outage type and a reference to any supplementary information; and
 - expected duration of each Scheduled Outage for the relevant Unit in hours from the date and time of desynchronization of the Unit to the date and time the Unit is once again available for generation.
- 2) System Operator shall acknowledge receipt of the Scheduled Outage Program by completing the Scheduled Outage Response and returning it to the LG Facility Supervisor.
- 3) During the execution of the Scheduled Outage, the LG Facility Supervisor shall indicate on the Scheduled Outage Program any delay in the completion of the Scheduled Outage. The LG Facility Supervisor shall include the following information on the Scheduled Outage Program and resubmit to System Operator.
 - revised Scheduled Outage completion date and time; and
 - reference attached information outlining the cause/causes of the delay.

Non-Scheduled Outages – Pro Forma Procedure:

- 4) The LG Facility Supervisor shall complete the following sections of the Non-Scheduled Outage Notice form and email and/or fax to the TOC no later than Thursday of each week at noon.
 - date and time of Non-Scheduled Outage or capacity limitation notice form submitted to System Operator;
 - submitted by the LG Facility Supervisor and signature;
 - date and time of commencement of Non-Scheduled Outage or capacity limitation - being the point in time when the relevant Unit(s) are desynchronized or limited in their generating capacity.
 - Unit number to be scheduled down or limited;
 - summary of caused Non-Scheduled Outage or capacity limitations.; and
 - expected duration of the Non-Scheduled Outage or capacity limitations for the relevant Unit in hours from the date and time of desynchronization or generation capacity limitation of the Unit to the date and time the Unit is once again available for generation, or the limitation has been removed. This date and time are to be revised as circumstances require through regular communication between LG Facility Operator and System Operator.

The TOC shall confirm to the LG Facility Supervisor the coordination of the requested works and the period assigned.

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APPENDIX B.1 – SCHEDULED OUTAGE PROGRAM

The LG Facility Supervisor shall complete the following table for each Scheduled Outage in accordance with this AOP to notify System Operator of each of the Units Scheduled Outages.

APPENDIX B.1 - Scheduled Outages Template

Date			Time		
Submitted by			Signature		
Received by			Signature		
Date and Time of Scheduled Outage	Unit	Scheduled Outage Details¹	Expected duration of Scheduled Outage²	Expected duration of Scheduled Outage²	Revised Completion Date and Time³
Supervisor in Charge:					

1. Include Scheduled Outage type. Specific work details of Scheduled Outage shall be attached to this pro forma.
2. Period from generating unit shutdown, to be once again available for generation, in hours.
3. System Operator should be notified as soon as possible of a delay in the Scheduled Outage Program. The expected completion date shall be entered and sent with this form to System Operator with details about the cause or causes of such delay.

NOTE: Additional outage plan information can be submitted on additional pages which shall be dated and labeled "Appendix B. 1 Scheduled Outage Plan for System Operator approval (Additional Outage Plan Data and Information)".

APPENDIX B.2 – NON--SCHEDULED OUTAGE AND CAPACITY LIMITATIONS NOTICE

The LG Facility Supervisor shall complete the following table in accordance with this AOP to notify System Operator of a Non-Scheduled Outage or capacity limitation.

APPENDIX B.2 - Non-Scheduled Outages

Date Submitted		Time Submitted	
Submitted by		Signature	
Received by		Signature	
Date and Time of Non-Scheduled Outage or Capacity Limitation	Unit to be Scheduled Down and Priority (ABC)	Non-Scheduled Outage or Capacity Limitations Details¹	Expected Duration of Non-Scheduled Outage or Capacity Limitation²

Notes:

1. Provide a summary of the Non-Scheduled Outage or capacity limitation and work to be done.
2. Period from generating unit shutdown or limitation effective elapsed time until unit became available for generation, or the limitation ended (in hours).

Additional outage plan information can be submitted on additional pages which shall be dated and labeled "Appendix B. 2 Non--Scheduled Outage and Capacity Limitations Notice (Additional Non-Scheduled Outage or Capacity Information)".

APPENDIX C – BLACK START – START-UP POWER REQUIREMENTS

The following table shall be filled out and updated from time to time if there are any changes to report the required power needs for the LG Facility to conduct a start-up from a black start condition.

Appendix C	
Start Up Power Requirements	
LG Facility:	
Unit:	
Power Requirements in MVA	
Duration in Minutes	

APPENDIX D – MODE OF OPERATION

LG Facility Operator shall provide the mode of operation available according to this AOP each day and at any time that each of the Units' capabilities changes at which time the following table shall be updated and submitted to the T&D Supervisor.

Operating Modes				
Mode of Ops	Description	Max MW	Min MW	AGC MW
Rankine	Fixed			
	Control			
Simple Cycle	Fixed			
	Control			
Combined Cycle	Fixed			
	Control			

LG Facility Operator shall report to System Operator the mode of operation and submit requisite appendices for each mode of operation offered to System Operator including base or fixed load, simple cycle mode, combined cycle mode and control reserve/AGC mode. Each mode shall be offered with the appropriate Reactive Supply and Voltage Control, Regulation and Frequency Response, Energy Imbalance and Spinning Reserve capacity service offerings clearly denoted in the mode and associated tables of the range of times available.

Reactive Supply and Voltage Control Services:

During the provision of Reactive Supply and Voltage Control services, LG Facility shall telemeter the status of its automatic voltage regulating equipment to System Operator on a real-time basis.

Regulation and Frequency Response Service:

Units should be operated with primary control enabled whenever synchronized to the grid and with secondary control enabled per the request of System Operator.

Energy Imbalance Services:

Energy Imbalance services will be provided following System Operator's instructions via either AGC or verbal Dispatch instructions.

Spinning Reserve Capacity:

System Operator shall have the right to (i) utilize the Spinning Reserve capacity from time to time and (ii) utilize the Spinning Reserve capacity by dispatching the LG Facility up to its Dependable Capacity, subject in each case to the Operational Limits of the LG Facility's AGC, where applicable.

LEGACY GENERATION ASSETS INTERCONNECTION AGREEMENT
BY AND BETWEEN
THE PUERTO RICO ELECTRIC POWER AUTHORITY (“PREPA”)
AND
PREPA GENCO LLC (“GENCO” OR “INTERCONNECTION CUSTOMER”)
[____], 20[__]

LEGACY GENERATION ASSETS INTERCONNECTION AGREEMENT

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This Legacy Generation Assets Interconnection Agreement (“Agreement”) is entered into this ____ day of ____, 20[__], by and between: (i) the Puerto Rico Electric Power Authority (“PREPA”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (“Commonwealth”), created by Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act”; and (ii) [*PREPA Genco LLC*] (“Genco” or “Interconnection Customer” and together with PREPA, the “Parties” and each, a “Party”), a public limited liability company and governmental instrumentality of the Commonwealth, created under Act No. 164 of the Legislative Assembly of Puerto Rico, enacted on December 16, 2009, as amended, known as the “Puerto Rico General Corporations Act.”

RECITALS

WHEREAS, PREPA owns and leases the T&D System;

WHEREAS, PREPA underwent a reorganization pursuant to which, among other things, PREPA (a) created Genco, a wholly-owned subsidiary of PREPA; and (b) transferred to Genco all of its thermal generation plants and the fuel contracts, assets and personnel related thereto (the “Legacy Generation Assets”), including those transferred to Genco pursuant to the Genco Capital Contribution Agreement;

WHEREAS, as a result of the PREPA reorganization, Genco owns the Legacy Generation Assets;

WHEREAS, PREPA, the Puerto Rico Public-Private Partnerships Authority (“Administrator”), a public corporation of the Commonwealth, created by Act No. 29 of the Legislative Assembly of Puerto Rico, enacted on June 8, 2009, as amended, known as the “Public-Private Partnership Authority Act” (“Act 29”), LUMA Energy, LLC, a limited liability company organized under the laws of Puerto Rico, and LUMA Energy ServCo, LLC (“T&D Operator”), a limited liability company organized under the laws of Puerto Rico, have entered into that certain Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, dated as of June 22, 2020 (as amended, modified or supplemented from time to time in accordance with its terms, the “T&D O&M Agreement”), pursuant to which T&D Operator (a) took over the operation and management of the T&D System, including certain administrative, managerial and operational services; and (b) assumed the role as T&D System operator, including (i) managing control center operations, including generation scheduling and economic/reliable T&D System dispatch; (ii) balancing the supply and demand of electricity, including reacting to changes in demand in real time, adjusting generation dispatch to be in balance with demand and maintaining the T&D System at safe operating levels in accordance with Prudent Utility Practices and the System Operation Principles; (iii) conduct T&D System planning activities; (iv) develop and implement reliability standards appropriate for the conditions in Puerto Rico; and (v) manage a transparent, equitable and open generator interconnection process;

WHEREAS, Genco, Administrator and the Person selected by the partnership committee established by Administrator on July 13, 2020, pursuant to Section 5 of Act No. 120 of the Legislative Assembly of Puerto Rico, enacted on June 21, 2018, as amended, known as the “Puerto Rico Electric System Transformation Act” and the provisions of Act 29 (“Genco Operator”),

expect to enter into that certain Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (as amended, modified or supplemented from time to time in accordance with its terms, the “Generation O&M Agreement”), pursuant to which Genco Operator will take over the operation and maintenance of the Legacy Generation Assets, including certain administrative, managerial and operational services;

WHEREAS, prior to the Genco Operator taking over the operation and maintenance of the Legacy Generation Assets pursuant to the Generation O&M Agreement, Genco will continue to be responsible for the operation and maintenance of the Legacy Generation Assets; and

WHEREAS, the Parties desire to delineate the terms and conditions associated with the interconnection of the Legacy Generation Assets with the T&D System.

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

Article 1

SCOPE AND LIMITATIONS OF AGREEMENT

Section 1.1 Purpose. This Agreement governs the terms and conditions under which the Legacy Generation Assets interconnect with and operate in parallel with the T&D System.

Section 1.2 No Agreement to Purchase or Deliver. This Agreement does not constitute an agreement to purchase or deliver energy, capacity, ancillary or other services, renewable energy certificates or other environmental attributes from the LGA Facilities. The execution of this Agreement does not constitute a request for, nor the provision of, any transmission delivery service and does not convey any right to deliver energy, capacity, ancillary or other services from the LGA Facilities to any specific customer or point of delivery.

Section 1.3 Limitations. Nothing in this Agreement is intended to affect, amend or supersede any other agreement between the Parties, including any of the Related Documents and Agreements. In the event of an irreconcilable conflict, discrepancy, error or omission, between this Agreement and any of the Related Documents and Agreements referred to herein, the following descending order of precedence will govern: (a) the GGHOA, (b) the System Operation Principles, (c) the applicable Agreed Operating Procedures and (d) this Agreement, in each case, unless, and then only to the extent that, PREB specifically provides otherwise.

Section 1.4 Responsibilities of the Parties.

(a) The Parties shall perform all of their respective obligations under this Agreement in accordance with all Applicable Laws, the System Operation Principles, the applicable Agreed Operating Procedures and Prudent Utility Practice.

(b) Interconnection Customer shall be fully responsible for the operation, maintenance, repair and inspection of the LGA Facilities and the Genco Interconnection Facilities in accordance with this Agreement, all Applicable Laws, the System Operation Principles, the applicable Agreed Operating Procedures and Prudent Utility Practice so as to reasonably minimize

the likelihood of a disturbance adversely affecting or impairing the T&D System. Interconnection Customer shall be responsible for all costs associated with owning, operating, maintaining, repairing and inspecting the Genco Interconnection Facilities and LGA Facilities in accordance with this Agreement.

(c) PREPA shall be fully responsible for the operation, maintenance, repair and inspection of the T&D System and PREPA Interconnection Facilities in accordance with this Agreement, all Applicable Laws, the System Operation Principles, the applicable Agreed Operating Procedures and Prudent Utility Practice so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the T&D System. PREPA shall be responsible for all costs associated with owning, operating, maintaining, repairing and inspecting the PREPA Interconnection Facilities and T&D System in accordance with this Agreement.

(d) PREPA shall provide Interconnection Service for the LGA Facilities at the applicable Interconnection Points.

Section 1.5 Operational Obligations. Interconnection Customer shall, at its sole cost, comply with: (a) any rules and procedures concerning the operation of the LGA Facilities and Genco Interconnection Facilities set forth in PREB approved orders, resolutions, directives or other requirements; (b) the System Operation Principles; and (c) the applicable Agreed Operating Procedures.

Section 1.6 Capitalized Terms. Capitalized terms used in this Agreement shall have the meanings specified in Appendix 1 attached hereto.

Article 2

INSPECTION, TESTING AND RIGHT OF ACCESS

Section 2.1 Equipment Testing and Inspection.

(a) Each Party shall, at its own cost, perform routine inspection and testing of its facilities and equipment in accordance with Prudent Utility Practice as may be necessary to ensure the continued interconnection of the LGA Facilities with the T&D System in a safe and reliable manner. Each Party shall have the right, upon advance written notice to the other Party, to request reasonable additional testing of the other Party's Interconnection Facilities, at the requesting Party's cost, in accordance with Prudent Utility Practice.

(b) Each Party shall notify the other Party in advance of testing its Interconnection Facilities, and the other Party shall have the right, at its own cost, to observe such testing pursuant to Article 2.1(c)(i).

(c) Each Party shall have the right, but not the obligation to:

(i) observe the other Party's tests and/or inspection of any of the system protection facilities and other protective equipment in its Interconnection Facilities;

(ii) review the settings of the other Party's system protection facilities and other protective equipment in its Interconnection Facilities; and

(iii) review the other Party's maintenance records relative to the Interconnection Facilities.

(d) A Party may exercise its rights under Article 2.1(c) from time to time as it deems reasonably necessary upon reasonable advance written notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of (a) any element or condition of the Interconnection Facilities, including the system protection facilities or other protective equipment, (b) the operation thereof, or (c) as a warranty as to the safety or reliability of same. Any information that a Party obtains through the exercise of any of its rights under Article 2.1(c) shall be deemed to be Confidential Information and treated as such in accordance with Article 9.

Section 2.2 Right of Access. Upon reasonable advance written notice by either Party (the "Access Party") to the other Party (the "Granting Party"), and subject to supervision by the Granting Party, the Granting Party shall furnish at no cost to the Access Party any rights of use, licenses, rights of way or easements with respect to lands owned or controlled by the Granting Party that are necessary to enable the Access Party to obtain ingress and egress to operate, maintain, repair, test (or witness testing), inspect, replace or remove its facilities and equipment to: (a) operate and maintain the LGA Facilities, the Interconnection Facilities and the T&D System in accordance with this Agreement; and (b) disconnect or remove the Access Party's facilities and equipment in accordance with this Agreement, including upon termination of this Agreement with respect to a particular LGA Facility. In exercising such rights of use, licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with the normal operation of the Granting Party's business and shall adhere to the written safety rules and procedures provided to the Access Party by the Granting Party, as may be changed from time to time, by the Granting Party and provided to the Access Party.

Article 3

EFFECTIVE DATE, TERM, AGENT DESIGNATION, TERMINATION AND DISCONNECTION

Section 3.1 Effective Date. This Agreement shall become effective upon execution by the Parties as of the date first written above ("Effective Date").

Section 3.2 Term of Agreement. This Agreement shall have a term of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.4.

Section 3.3 Agent Designation. T&D Operator will act as agent for PREPA under this Agreement in accordance with the T&D O&M Agreement. At such time as the Generation O&M Agreement is executed and becomes effective, Genco Operator will act as agent for Genco under this Agreement in accordance with the Generation O&M Agreement. If at any time more than one Person is operating and maintaining the Legacy Generation Assets, then the Parties shall amend this Agreement to reflect such changes as may be necessary and mutually acceptable to the Parties.

Section 3.4 Termination; Retirement.

(a) No termination of this Agreement shall become effective until the Parties have complied with all Applicable Laws applicable to such termination.

(b) Interconnection Customer shall comply with Applicable Law and follow SOP Procedure 4 Retirements in connection with the proposed retirement of all or any portion of an LGA Facility subject to this Agreement. This Agreement shall be deemed terminated solely as to such LGA Facility effective as of the date of such retirement in accordance with Applicable Law and SOP Procedure 4 Retirements. If Interconnection Customer plans on retiring an LGA Facility or any portion thereof and replacing it with new equipment and facilities capable of injecting energy at the same Interconnection Point(s) as the retiring LGA Facility, then the Parties shall negotiate a new, mutually agreeable generation interconnection agreement which shall supersede this Agreement.

(c) This Agreement shall terminate with respect to an LGA Facility pursuant to Article 3.4(b) and Article 7.1(b). All costs required to effectuate disconnection of an LGA Facility that has been terminated from this Agreement shall be borne by Interconnection Customer.

(d) The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

(e) The provisions of this Article 3.4 shall survive termination or expiration of this Agreement.

Section 3.5 Temporary Interruption of Interconnection Service.

(a) Temporary Interruption. Interconnection Service to any LGA Facility may be temporarily interrupted from the T&D System under the circumstances provided below; provided that such interruption shall continue only for so long as is reasonably necessary in accordance with Prudent Utility Practice.

(b) Isolating the LGA Facility. If PREPA determines that isolation of any of Interconnection Customer's LGA Facilities from the T&D System is necessary (a) to construct, install, repair, replace, remove, investigate or inspect any part of the T&D System or PREPA Interconnection Facilities or any other facilities or equipment of PREPA, or (b) because of emergency conditions, Forced Outages, Force Majeure Events or to ensure compliance with Prudent Utility Practice, then PREPA may, except in the case of emergency conditions, in which case Article 3.5(c) shall apply, isolate Interconnection Customer's premises and/or LGA Facilities from the T&D System through the interruption of Interconnection Service so long as PREPA has (i) notified Interconnection Customer of the reasons, timing and expected duration of the isolation and (ii) coordinated with Interconnection Customer to schedule the isolation of Interconnection Customer's premises and/or LGA Facilities from the T&D System.

(c) Emergency Conditions. The Emergency Response Plan shall be used for all emergency communications and actions related to all emergency conditions and notices including with respect to Interconnection Facilities.

(d) Routine Maintenance, Construction and Repair. PREPA may interrupt Interconnection Service or curtail the output of any LGA Facility for routine maintenance, construction and repairs on the T&D System and PREPA Interconnection Facilities in accordance with SOP Procedure 25 Scheduling Planned T&D Outages.

(e) Transmission Forced Outages. PREPA may interrupt Interconnection Service to effect immediate repairs on the T&D System or the PREPA Interconnection Facilities in accordance with SOP Procedure 25 Forced Outage Procedure.

(f) Adverse Operating Effects. PREPA shall use Reasonable Efforts to notify Interconnection Customer as soon as practicable if operation of any LGA Facility or Genco Interconnection Facilities may cause disruption or deterioration of service on the T&D System, or if operating any LGA Facility or Genco Interconnection Facilities could cause injury or damage to persons or property, including the T&D System or the PREPA Interconnection Facilities. Supporting documentation used to reach the decision to interrupt Interconnection Service shall be provided to Interconnection Customer upon request. If, after notice, Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, PREPA may interrupt Interconnection Service. PREPA shall use Reasonable Efforts to provide Interconnection Customer reasonable notice of such interruption, unless the provisions of Article 3.5(b) apply.

(g) Failure to Maintain Compliance with Agreed Operating Procedures. PREPA may interrupt Interconnection Service to any LGA Facility determined by PREPA to be malfunctioning or not operating in accordance with the System Operation Principles or the applicable Agreed Operating Procedures. PREPA shall use Reasonable Efforts to provide Interconnection Customer with prior notice, which shall state the reason(s) for PREPA's determination that an LGA Facility is malfunctioning or not operating in accordance with the System Operation Principles or the applicable Agreed Operating Procedures. If prior notice is not given, PREPA shall, upon request, provide Interconnection Customer written notice of the reason(s) for PREPA's determination that an LGA Facility was malfunctioning or not operating in accordance with the System Operation Principles or the applicable Agreed Operating Procedures. Interconnection Customer must provide PREPA reasonable proof that the LGA Facility is no longer malfunctioning and is otherwise operating in compliance with this Agreement, the System Operation Principles, the applicable Agreed Operating Procedures and any requirements specific to the LGA Facility at issue before the LGA Facility will be restored.

(h) Interruption of Service. PREPA may require Interconnection Customer to interrupt or curtail deliveries of electricity if such delivery of electricity could adversely affect PREPA's ability to safely and reliably operate and maintain the T&D System or PREPA Interconnection Facilities. PREPA shall use Reasonable Efforts to provide Interconnection Customer with prior notice. If prior notice is not given, PREPA shall, upon request, provide Interconnection Customer written documentation, after the fact, explaining the circumstances of the interruption or curtailment of Interconnection Service.

(i) Restoration of Interconnection Service. The Parties shall cooperate with each other to restore the LGA Facilities, Interconnection Facilities and the T&D System to their normal operating state as soon as reasonably practicable following an interruption of Interconnection Service.

(j) Coordination of Maintenance. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Interconnection Facilities, the LGA Facilities and, to the extent such preventive and corrective maintenance would interrupt, curtail or disconnect any LGA Facilities, the T&D Systems.

(k) Cooperation Regarding Control or Power Circuits. Each Party shall cooperate with the other in the inspection, maintenance and testing of control or power circuits that operate below 600 volts, AC or DC, including any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers and voltage and current transformers that directly affect the operation of either Party's facilities or equipment and may reasonably be expected to impact the other Party's facilities or equipment. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers or potential transformers.

Article 4

MODIFICATION OF FACILITIES

Section 4.1 Modifications.

(a) Either Party may undertake additions, upgrades or other modifications (collectively "Modifications") to its respective Interconnection Facilities, LGA Facilities or T&D System, as the case may be, including modifications required to maintain or upgrade (including equipment replacement, repair or adjustment) its respective Interconnection Facilities, LGA Facilities or T&D System, as the case may be; provided that Interconnection Customer must receive prior written approval from PREPA, such approval not to be unreasonable withheld, conditioned or delayed, before making any such Modification that would reasonably be expected to affect the T&D System or the PREPA Interconnection Facilities or interrupt the flow (or the manner of the flow) of electricity from the LGA Facility to the T&D System ("Material Modification"). If Interconnection Customer makes a Material Modification without PREPA's prior written approval, then PREPA shall have the right to temporarily disconnect the applicable LGA Facility.

(b) If Interconnection Customer plans to undertake a Material Modification, then Interconnection Customer shall provide PREPA sufficient information regarding such Material Modification prior to the commencement of work for such Material Modification so that PREPA may evaluate the potential impact of such Material Modification. Such information shall be deemed to be Confidential Information hereunder and shall include information concerning the proposed timing of such Material Modifications and whether such Material Modification is expected to interrupt the flow (or the manner of the flow) of electricity from the LGA Facility to the T&D System and such other information as PREPA may reasonably request. Interconnection Customer shall provide the relevant drawings, plans and specifications and such other information as PREPA may reasonably request to PREPA at least ninety (90) days in advance of the proposed date for commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. PREPA shall, within a reasonable amount of time from receipt of the last of such information required pursuant to this Article 4.1(b), notify Interconnection Customer whether it (a) approves of such Material

Modification, such approval not to be unreasonably withheld, conditioned or delayed, in which case Interconnection Customer may proceed with such Material Modification or (b) requires reasonable changes to such Material Modification and/or one or more other Material Modifications to the T&D System or PREPA Interconnection Facilities be completed in accordance with Article 4.1(c). Interconnection Customer may not commence work on any Material Modification until it has received approval from PREPA in accordance with this Article 4.1(b).

(c) If Interconnection Customer plans to undertake a Material Modification to its LGA Facilities, then in its notice to Interconnection Customer delivered pursuant to Article 4.1(b), PREPA shall provide Interconnection Customer an estimate of the cost and expense of any additional modifications to the T&D System or PREPA Interconnection Facilities necessitated by Interconnection Customer's proposed Material Modification. If Interconnection Customer elects to proceed with the Material Modification, then promptly after receiving notice from PREPA pursuant to this Article 4.1(c), the Parties will enter into a written agreement that will govern the costs and expenses associated with such additional modifications to the T&D System or PREPA Interconnection Facilities.

Section 4.2 Standards. Any Modifications shall be designed and constructed in accordance with this Agreement, all Applicable Laws, the System Operation Principles, the applicable Agreed Operating Procedures and Prudent Utility Practice.

Section 4.3 Modification Costs. Interconnection Customer shall be responsible for the costs and expenses associated with (a) any Modifications it undertakes, including any Modifications required to maintain or upgrade the Genco Interconnection Facilities consistent with Applicable Laws, the System Operation Principles, the applicable Agreed Operating Procedures and Prudent Utility Practice and (b) any additional modifications to the T&D System and PREPA Interconnection Facilities that are required pursuant to Article 4.1(c).

Article 5 COMMUNICATIONS

Section 5.1 Interconnection Customer Obligations. Interconnection Customer shall comply with SOP Procedure 21 Plant Level Communication with respect to all communications.

Section 5.2 Remote Terminal Units. Interconnection Customer shall comply with SOP Procedures 21 Plant Level Communications, 8 Telemetry and 9 Cybersecurity as they relate to remote terminal units and interconnectivity to the T&D System and SCADA.

Article 6 [RESERVED.]

Article 7
ASSIGNMENT, LIABILITY, INDEMNITY, FORCE MAJEURE AND
CONSEQUENTIAL DAMAGES

Section 7.1 Assignment.

(a) Genco shall provide written notice to PREPA of the pending sale of an existing LGA Facility, including whether the sale is a direct sale of the LGA Facility or the direct or indirect sale of the Person (the “Owner”) which owns the LGA Facility (collectively, a “Sale”). Genco shall promptly provide written notice to PREPA of the effective date of the Sale.

(b) In the event of any Sale of an LGA Facility, (a) the terms of this Agreement with respect to such LGA Facility shall terminate and (b) the LGA Facility shall be disconnected from the T&D System upon PREPA’s receipt from the Owner of a request for Interconnection Service and a new generator interconnection agreement, which request shall be submitted to PREPA within twenty (20) Business Days of the effective date of the Sale. Acting reasonably, PREPA shall enter into a new generator interconnection agreement with the Owner once the process for receipt of Interconnection Service is complete, and the terms of this Agreement with respect to that LGA Facility shall terminate effective upon execution of the new generator interconnection agreement.

(c) No Party shall assign, transfer, convey, lease, encumber or otherwise dispose of its rights or obligations under this Agreement without the prior written consent of (a) Administrator, which consent shall not be unreasonably withheld, delayed or conditioned, and (b) to the extent required by Applicable Law, PREB.

(d) Any attempted Sale or assignment, transfer, conveyance, lease, encumbrance or other disposition in violation of this Article 7.1 shall be void and of no force and effect.

Section 7.2 Indemnity. No Party shall be responsible for any direct or indirect losses, damages, costs, expenses, liabilities, interest, deficiencies, awards, judgments, fines, assessments, penalties, forfeitures, obligations, deposits, taxes, costs, offsets, expenses or other charges of any kind incurred (“Losses”) by another Party in connection with their obligations pursuant to the terms of this Agreement, except to the extent such Losses are a direct result of (a) the gross negligence or willful misconduct of a Party or any of such Party’s Affiliates or any of their respective directors, officers, employees, representatives, agents, contractors, Subcontractors or suppliers or (b) any failure to comply with the terms of this Agreement.

Section 7.3 Consequential Damages. In no event shall any Party or any Affiliate thereof or any of their respective directors, officers, employees, agents contractors, Subcontractors or suppliers be liable to any other Party or any Affiliate thereof or any of their respective directors, officers, employees, agents, contractors, Subcontractors or suppliers for any indirect, consequential, punitive, special, incidental or exemplary losses or damages (including for lost profits or lost business opportunity), whether such liability arises in contract, tort or otherwise.

Section 7.4 Force Majeure.

(a) As used in this Agreement, a “Force Majeure Event” shall mean any act, event, circumstance or condition (other than lack of finances) that (a) is beyond the reasonable control of and unforeseeable by, or which, if foreseeable, could not be avoided in whole or in part by the exercise of due diligence by, the Party relying on such act, event, circumstance or condition as justification for not performing an obligation or complying with any condition required of such Party under this Agreement, and (b) materially interferes with or materially increases the cost of performing such Party’s obligations hereunder, to the extent that such act, event, circumstance or condition is not the result of the willful or negligent act, error or omission or breach of this Agreement by such Party; provided that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as a willful or negligent act, error, or omission, or breach of this Agreement by such Party. Subject to the requirements specified in the foregoing sentence, Force Majeure Event will include, by way of example, and without limitation, the following acts, events, circumstances or conditions: (i) an act of God, landslide, lighting, earthquake, fire, explosion, flood or similar occurrence; (ii) strikes, boycotts, work stoppages, lockouts or other labor or employment disputes or disturbances, but only if occurring in the first year of this Agreement; (iii) war, armed conflict, invasion, acts of terror, acts of civil or military authority, sabotage or similar occurrence, computer sabotage or virus, acts of a public enemy, acts of a foreign enemy, extortion, blockade, embargo, revolution, interference by military authorities, quarantine, epidemic, insurrection, riot or civil commotion or disturbance or civil disobedience; or (iv) any order, regulation or restriction imposed by a Governmental Body. The Parties acknowledge and agree that none of the following acts, events, circumstances, or conditions shall constitute a Force Majeure Event: (1) reasonably anticipated weather conditions for the geographic area of the T&D System, Interconnection Facilities and LGA Facilities, except to the extent such weather condition otherwise falls under one of the circumstances described in (i) above, (2) an act of negligence or intentional wrongdoing, and (3) economic hardship.

(b) If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (“Affected Party”) shall promptly notify the other Party, in writing or, where otherwise impossible to provide written notice, via telephone, of the existence of the Force Majeure Event; provided that written notice shall be provided as soon as such notice is practicable. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration and the steps that the Affected Party is taking to mitigate the effects of the Force Majeure Event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the Force Majeure Event ends. The Affected Party shall be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party shall use Reasonable Efforts to resume its performance as soon as possible.

Article 8 INSURANCE

(A) Each Party agrees to maintain general liability insurance consistent with such Party's or its predecessor's commercial practice; provided that in any event such insurance shall include coverage for such Party's liabilities under this Agreement.

(B) The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages to persons or property that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

(C) The requirements contained herein as to the types of insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations of the Parties under this Agreement.

Article 9 CONFIDENTIALITY

(A) "Confidential Information" shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement, all design and operating specifications provided by Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as "Confidential." Confidential Information does not include information previously in the public domain or which enters the public domain (other than in breach of this Article 9). Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as "Confidential" notifies the other Party that it no longer is "Confidential."

(B) During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 9, each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public, except to the extent disclosure is: (a) required by Applicable Law; (b) required to fulfill obligations under this Agreement or to fulfill legal or regulatory requirements; (c) reasonably deemed by the receiving Party to be required in connection with a dispute or litigation between the Parties, including an action to enforce this Agreement; or (d) otherwise permitted by consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Prior to any disclosures of the other Party's Confidential Information under this Article 9, PREB or any other Governmental Body, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

(C) Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own confidential information.

(D) Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this Article 9 to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this Article 9.

(E) If requested by either Party, the other Party shall provide, in writing, the basis for asserting that any information provided by the other Party to the requesting Party is Confidential Information and warrants confidential treatment, and the requesting Party may disclose such writing to PREB. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

(F) If information requested by PREB from one of the Parties is Confidential Information, then such Party shall provide to the other Party prompt written notice of such request(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. The Party receiving the request from PREB shall be entitled to provide the requested information to PREB within the time provided for in the request for information and shall not be in breach of this Article 9. In providing the information to PREB, the Party may request that the information be treated as confidential and non-public in accordance with the Applicable Laws of the Commonwealth and that the information be withheld from public disclosure.

(G) Except as otherwise permitted in this Article 9, no Party shall release or disclose Confidential Information to any other Person, except to its Affiliates, Subcontractors, employees or consultants, or to parties who may be, or reconsidering providing financing to or equity participation with, Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such Person has first been advised of the confidentiality provisions of this Article 9 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any Person (other than to a Governmental Body as required by this Article 9) shall remain primarily responsible for any release by such Person of such Confidential Information in contravention of this Article 9.

(H) Each Party retains all rights, title and interest in the Confidential Information that it discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

(I) By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party.

(J) Upon termination of this Agreement with respect to any LGA Facility for any reason, each Party shall, within ten (10) days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, delete (with such destruction, erasure and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party with respect to that LGA Facility.

Article 10 DISPUTES

(A) The Parties agree to attempt to resolve all disputes arising under this Agreement according to the provisions of this Article 10.

(B) In the event of a dispute, either Party shall provide the other Party with a written notice of dispute, such notice to describe in detail the nature of the dispute and proposed resolution.

(C) Upon receipt of the notice described in Article 10(B), representatives from each Party shall meet or confer telephonically to resolve the dispute. If the dispute has not been resolved within twenty (20) Business Days after receipt of the notice, either Party may contact the Administrator for assistance in informally resolving the dispute. If the Parties are unable to informally resolve the dispute within sixty (60) days of contacting the Administrator, either Party may then file a formal complaint with PREB. In the event a Party does not file a formal complaint with PREB, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.

(D) Each Party agrees to conduct all negotiations in good faith.

(E) Each Party shall be responsible for its own costs incurred during the Article 10 dispute process.

Article 11 TAXES

(A) The Parties agree to comply with all tax-related Applicable Laws.

(B) Each Party shall cooperate with the other Party to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect PREPA's tax exempt status with respect to the issuance of bonds, including local furnishing bonds.

Article 12 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 12.1 Representations and Warranties of the Parties. Each Party makes the following representations and warranties as of the Effective Date:

(a) Such Party (a) is duly organized, validly existing and in good standing under the laws of the Commonwealth, (b) is qualified to do business in the Commonwealth and (c) has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into and perform its covenants and obligations under this Agreement.

(b) This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

(c) The execution, delivery and performance of this Agreement by such Party does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

Section 12.2 Other Representations, Warranties and Covenants. Each Party represents, warrants and covenants as of the Effective Date that (a) it has sought or obtained or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order or acceptance by any Governmental Body in connection with the execution, delivery and performance of this Agreement, and (b) it will provide to any Governmental Body notice of any actions under this Agreement that are required by Applicable Laws.

Article 13 MISCELLANEOUS

Section 13.1 Governing Law, Regulatory Authority, and Rules.

(a) The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the internal laws of the Commonwealth, without regard to its conflicts of law principles, except where the federal supremacy clause requires otherwise. This Agreement is subject to all Applicable Laws. Each Party expressly reserves the right to seek changes in, appeal or otherwise contest any laws, orders or regulations of a Governmental Body. Each Party's obligations under this Agreement shall be subject to its receipt of any required approval from one or more Governmental Body in form and substance satisfactory to such Party. Each Party shall in good faith seek and use Reasonable Efforts to obtain such other approvals.

(b) PREPA shall file this Agreement (and any amendment hereto) with the appropriate Governmental Body, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 9. Interconnection Customer shall reasonably cooperate with PREPA with respect to such filing and to provide any information reasonably requested by PREPA needed to comply with applicable regulatory requirements.

(c) The Parties hereby acknowledge and agree that to the extent PREB (a) is not permitted under Applicable Law to carry out its rights, duties and obligations under this Agreement ("PREB Actions") or (b) ceases to be an entity of the government of the Commonwealth, the related PREB Actions shall automatically become the rights, duties and obligations of Administrator. In the event that such PREB Actions become the rights, duties and obligations of Administrator, Administrator shall exercise such rights, duties and obligations (i) taking into account the standards, processes and procedures previously used by PREB with respect to PREB Actions, (ii) in a manner that does not adversely affect the exclusion from gross income of interest on obligations of PREPA, Genco, any of their Affiliates or another Governmental Body for federal income tax purposes under the Internal Revenue Code and (iii) taking into account any obligations under Section 10.1 of Act 120, to the extent applicable.

Section 13.2 Amendment. The Parties may amend this Agreement, including the Appendices attached hereto, only by a written instrument duly executed by both Parties.

Section 13.3 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies or benefits of any character whatsoever in favor of any persons, corporations, associations or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

Section 13.4 Waiver. The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right or duty of this Agreement. To be effective, any waiver of this Agreement must be in writing.

Section 13.5 Entire Agreement. This Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement (other than the GGHOA and the applicable Agreed Operating Procedures). There are no other agreements, representations, warranties or covenants that constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

Section 13.6 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

Section 13.7 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship or partnership between the Parties or to impose any fiduciary duty, partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertake for, or act on behalf of, to act as or be an agent or representative of, or to otherwise bind, the other Party.

Section 13.8 Severability. If any provision or portion of this Agreement shall, for any reason, be held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction or other Governmental Body, (a) such provision or portion shall be deemed separate and independent, (b) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (c) the remainder of this Agreement shall remain in full force and effect.

Section 13.9 Security Arrangements. Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. Interconnection Customer is expected to meet basic standards for electric system infrastructure and operational security, including physical, operational and cyber-security practices, in each case, in accordance with Applicable Laws and Prudent Utility Practices.

Section 13.10 Environmental Releases. Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead

abatement activities or any type of remediation activities related to any LGA Facility or any Interconnection Facility, each of which may reasonably be expected to affect the other Party. The notifying Party shall (a) provide the notice as soon as practicable; provided that such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence and (b) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Body addressing such events.

Section 13.11 Subcontractors.

(a) Nothing in this Agreement shall prevent a Party from utilizing the services of any Subcontractor as it deems appropriate to perform its obligations under this Agreement; provided that each Party shall require its Subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such Subcontractor.

(b) The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any Subcontractor it hires as if no subcontract had been made; provided that in no event shall PREPA be liable for the actions or inactions of Interconnection Customer or its Subcontractors with respect to obligations of Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any Subcontractor of such Party.

(c) The obligations under this Article 13.11 will not be limited in any way by any limitation of Subcontractor's insurance.

Section 13.12 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties.

Section 13.13 Conflicts. In the event of a conflict between the body of this Agreement and any Appendix attached hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

Section 13.14 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (a) the singular number includes the plural number and vice versa; (b) reference to any Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (d) reference to any Applicable Laws means such Applicable Laws as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (e) unless expressly stated otherwise, reference to any Article, or Appendix means such Article of this Agreement or such Appendix to this Agreement, as the

case may be; (f) “hereunder,” “hereof,” “herein,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (g) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (h) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding,” and “through” means “through and including.”

Section 13.15 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

Article 14

NOTICES

Section 14.1 General. Unless otherwise provided in this Agreement, any written notice, demand or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, sent by first class mail, postage prepaid or sent electronically to the person specified below:

If to PREPA:

[_____]

[_____]

Attention: Chief Executive Officer – [_____]

Telephone: [_____]

Email: [_____]

with copies to:

Administrator

PO BOX 42001

San Juan, Puerto Rico 00940-2001

Attention: Executive Director – Fermín E. Fontanés Gómez

Telephone: (787) 722-2525 Ext. 15330

Email: Fermin.Fontanes@p3.pr.gov and

Administrator@p3.pr.gov

If to Interconnection Customer:

[_____]

[_____]

Attention: Chief Executive Officer – [_____]

Telephone: [_____]

Email: [_____]

with copies to:

Administrator

PO BOX 42001

San Juan, Puerto Rico 00940-2001

Attention: Executive Director – Fermín E. Fontanés Gómez
Telephone: (787) 722-2525 Ext. 15330
Email: Fermin.Fontanes@p3.pr.gov and
Administrator@p3.pr.gov

If to Administrator:

Administrator
PO Box 42001
San Juan, Puerto Rico 00940-2001
Attention: Executive Director – Fermín E. Fontanés Gómez
Telephone: (787) 722-2525 Ext. 15330
Email: Fermin.Fontanes@p3.pr.gov and
Administrator@p3.pr.gov

Section 14.2 Changes to the Notice Information. Either Party may change this notice information contained within this Article 14 by giving five (5) Business Days written notice prior to the effective date of the change.

Article 15

INFORMATION ACCESS AND AUDIT RIGHTS

Section 15.1 Information Access. Each Party (“Disclosing Party”) shall make available to the other Party information that is in the possession of the Disclosing Party and is necessary in order for the other Party to: (a) verify the costs incurred by the Disclosing Party for which the other Party is responsible under this Agreement; and (b) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 15.1 and to enforce their rights under this Agreement.

Section 15.2 Reporting of Non-Force Majeure Events. Each Party (“Notifying Party”) shall notify the other Party when the Notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure Event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article 15.2 shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

Section 15.3 Audit Rights. Subject to the requirements of Article 15.4 and confidentiality under Article 9, each Party shall have the right, at its own cost, and upon prior reasonable notice to the other Party, to perform an annual audit of the other Party’s records pertaining to the other Party’s performance and satisfaction of its obligations under this Agreement. Any audit authorized by this Article 15.3 shall be performed at the offices where such records are maintained and shall be limited to those portions of such records that relate to each Party’s performance and satisfaction of obligations under this Agreement. Each Party shall keep such records for a period equivalent to the audit rights periods described in Article 15.4.

Section 15.4 Audit Rights Period. Records related to either Party’s performance or satisfaction of all obligations under this Agreement shall be subject to audit as follows: (a) for an

audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (b) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

[Signatures appear on next page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first written above.

[THE PUERTO RICO ELECTRIC POWER AUTHORITY]

By: _____
Name: _____
Title: _____

[INTERCONNECTION CUSTOMER]

By: _____
Name: _____
Title: _____

Appendix 1

Definitions

“Access Party” has the meaning stated in Article 2.2.

“Act 29” has the meaning stated in the preamble to this Agreement.

“Administrator” has the meaning stated in the recitals to this Agreement.

“Affected Party” has the meaning stated in Article 7.4(b).

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, including through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

“Agreed Operating Procedures” means, with respect to each LGA Facility, those agreed operating procedures agreed to by PREPA and Genco pursuant to the GGHOA, as the same may be amended from time to time.

“Agreement” has the meaning stated in the preamble to this Agreement.

“Applicable Law” means any foreign, national, federal, state, Commonwealth, municipal or local law, constitution, treaty, convention, statute, ordinance, code, rule, regulation, common law, case law or other similar requirement enacted, adopted promulgated or applied by any Governmental Body, including any Environmental Law, PROMESA and any order issued by the Title III Court, in each case applicable to the Parties.

“Business Day” means any day that is not a Saturday, a Sunday or a day observed as a holiday by either the Commonwealth or the United States federal government.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.

“Commonwealth” has the meaning stated in the preamble to this Agreement.

“Confidential Information” has the meaning stated in Article 9.1.

“Consent Decree” means the Consent Decree between PREPA and the United States of America (through the United States Department of Justice and the EPA), as entered by the United States District Court for the District of Puerto Rico on March 19, 1999 in Civil Action No. 93-2527(CCC), as modified on September 9, 2004, and as may be further modified in the future, including any successor consent decree thereto.

“Control”, “Controlled by” and similar expressions mean the power, directly or indirectly, to direct or cause the direction of the management and policies of an entity, whether through the ownership of outstanding share capital (or equivalent interest), by contract or otherwise. Without limiting the foregoing, a Person shall be deemed to control another Person (a) if such Person has

directly or indirectly designated a majority of the board of directors (or equivalent governing body) of such other Person or (b) if such Person has the direct or indirect power, whether through ownership of outstanding share capital (or equivalent interest), by contract or otherwise to designate a majority of the board of directors (or equivalent governing body) of such other Person.

“Disclosing Party” has the meaning stated in Article 15.1.

“Effective Date” has the meaning stated in Article 3.1.

“Emergency Response Plan” means the plan of action of the T&D Operator that outlines the procedures and actions necessary for responding to any emergency affecting or reasonably likely to affect the T&D System in effect at the time, and as may be modified by T&D Operator from time to time which includes and attaches SOP Procedure 28 Emergency Response Execution Procedure and SOP Procedure 29 Emergency Response Drills.

“Environmental Law” means (a) any law, statute, ordinance, code, rule, regulation, order, writ, injunction, decree, ruling, determination, award, standard, permit or variance of any Governmental Body, or any binding agreement with any Governmental Body, and (b) any consent order or decree, settlement agreement or other similar agreement between PREPA and/or Genco and the Puerto Rico Department of Natural and Environmental Resources, EPA, the United States Department of Justice, or other relevant Governmental Body, in each case having the force of law and applicable from time to time, relating to (i) the conservation, protection, pollution, contamination or remediation of the environment or natural resources; (ii) any Hazardous Material, including investigation, study, remediation or abatement of such Hazardous Material; (iii) the storage, treatment, disposal, recycling or transportation of any Hazardous Material; or (iv) human health or safety. For avoidance of doubt, Environmental Law includes the Consent Decree.

“FOMB” means the Financial Oversight and Management Board for Puerto Rico.

“Force Majeure Event” has the meaning stated in Article 7.4(a).

“Forced Outage” means an unplanned disconnection or stoppage of the LGA Facility due to failure or defect of the LGA Facility unit or its equipment, or another such event, including due to the operational or unplanned malfunctioning of equipment on the T&D System or human error that impacts the operation of the LGA Facility.

“Genco” has the meaning stated in the preamble to this Agreement.

“Genco Capital Contribution Agreement” means that certain capital contribution agreement entered into by PREPA and Genco on [●] pursuant to which PREPA transferred to Genco the Legacy Generation Assets.

“Genco Interconnection Facilities” means all assets, equipment and facilities located on Genco’s side of each Interconnection Point, installed, operated and maintained by or on behalf of Genco for the purpose of interconnecting each LGA Facility to the T&D System, as further described in Appendix 2.

“Genco Operator” has the meaning stated in the recitals to this Agreement.

“Generation O&M Agreement” has the meaning stated in the recitals to this Agreement.

“GGHOA” means that certain Puerto Rico PREPA-Genco-Hydroco Operating Agreement, dated as of [____], 2022, by and among PREPA, Genco, [*PREPA Hydroco LLC*], T&D Operator and Administrator.

“Governmental Body” means any U.S. federal, state, Commonwealth, regional, municipal or local legislative, executive, judicial or other governmental board, agency, authority, commission, bureau, administration, court, instrumentality or other duly authorized body, including PREB and the FOMB (if then in existence), other than PREPA and Genco, and, in its capacity as such under this Agreement, Administrator, or any official thereof having jurisdiction with respect to any subject of this Agreement.

“Granting Party” has the meaning stated in Article 2.2.

“Hazardous Material” means: (i) any waste, substance, object or material deemed hazardous under Environmental Law, including “hazardous substances” as defined in CERCLA and “hazardous waste” as defined in RCRA and any local counterpart law; (ii) any oil or petroleum product, lead-based paint, per- or poly-fluoroalkyl substances or polychlorinated biphenyl; and (iii) any other pollutant, contaminant, material, substance or waste that has deleterious or hazardous properties and that is listed, defined or is subject to regulation under any Environmental Law.

“Interconnection Customer” has the meaning stated in the preamble to this Agreement.

“Interconnection Facilities” means collectively the PREPA Interconnection Facilities and the Genco Interconnection Facilities.

“Interconnection Point” means, with respect to each LGA Facility, the physical demarcation point between the applicable Genco Interconnection Facilities and the applicable PREPA Interconnection Facilities where electricity from such LGA Facility is delivered or made available to the T&D System, as set forth in Appendix 2.

“Interconnection Service” means an interconnection service that allows Interconnection Customer to integrate the LGA Facilities with the T&D System in a manner that allows for the LGA Facilities to serve load in the Commonwealth.

“Legacy Generation Assets” has the meaning stated in the recitals to this Agreement.

“LGA Facility” means any power generating facility or complex located on any of the Legacy Generation Assets that is operated and maintained by or on behalf of Genco, including any such power generating facility or complex that is transferred by PREPA to Genco pursuant to the Genco Capital Contribution Agreement.

“Losses” has the meaning stated at Article 7.2.

“ManagementCo” has the meaning stated in the recitals to this Agreement.

“Material Modifications” has the meaning stated at Article 4.1(a).

“Modifications” has the meaning stated at Article 4.1(a).

“Notifying Party” has the meaning stated in Article 15.2.

“Owner” has the meaning stated in Article 7.1(a).

“Parties” and “Party” have the meanings stated in the preamble to this Agreement.

“Person” means any individual (including the heirs, beneficiaries, executors, legal representatives or administrators thereof), firm, corporation, company, association, partnership, limited partnership, limited liability company, joint stock company, joint venture, trust, business trust, unincorporated organization or other entity or a Governmental Body.

“PREB” means the Puerto Rico Energy Bureau, also known as the *Negociado de Energia de Puerto Rico*, an independent body created by Act No. 57 of the Legislative Assembly of Puerto Rico, enacted on May 27, 2014, as amended.

“PREB Actions” has the meaning stated in Article 13.1(c).

“PREPA” has the meaning stated in the preamble to this Agreement.

“PREPA Interconnection Facilities” means all assets, equipment and facilities located on PREPA’s side of each Interconnection Point, installed, operated and maintained by or on behalf of PREPA for the purpose of interconnecting each of the LGA Facilities to the T&D System, as further described in Appendix 2.

“Prudent Utility Practice” means, with respect to Genco or PREPA, as applicable, at any particular time, the practices, methods, techniques, conduct and acts that, at the time they are employed, are generally recognized and accepted by companies operating in the United States gas and/or oil-fired electric power generating plants business or electric transmission and distribution business, as applicable, as such practices (including timely reporting), methods, techniques, conduct and acts relate to the operation, maintenance, repair and replacement of assets, facilities and properties of the type covered by this Agreement. The interpretation of acts (including the practices, methods, techniques, conduct and acts engaged in or approved by a significant portion of the electrical utility industry and/or electrical generation industry prior thereto) shall take into account the facts and the characteristics of the Legacy Generation Assets or the T&D System and the System Power Supply, as applicable, known at the time the decision was made. Prudent Utility Practice is not intended to be limited to the optimum or minimum practice, method, technique, conduct or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods, techniques, conduct or acts that a prudent operator would take to accomplish the intended objectives at just and reasonable cost consistent with Applicable Law, reliability, public and employee safety, environmental compliance, expediency and good customer relations.

“Reasonable Efforts” shall mean, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Prudent Utility

Practice and are otherwise substantially equivalent to those a Party would take to protect its own interests.

“Related Documents and Agreements” means the GGOA, the Agreed Operating Procedures and the System Operation Principles.

“Release” means any emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration or release of Hazardous Materials from any source into or upon the environment.

“Sale” has the meaning stated in Article 7.1(a).

“ServCo” has the meaning stated in the recitals to this Agreement.

“SOP Procedure” refers to any of the individual operation procedures established in connection with the System Operation Principles, as may be amended from time to time.

“Subcontractor” means every Person (other than employees of such Person) employed or engaged by any Person directly or indirectly for the performance of any obligations under this Agreement, whether for the furnishing of labor, materials, equipment, supplies, services or otherwise.

“System Operation Principles” means the operation principles conditionally approved by PREB on June 1, 2021, and available on T&D Operator’s website at <https://lumapr.com/>, as may be amended from time to time in accordance with Applicable Law, including any operation procedures established in connection therewith, as may be amended from time to time.

“System Power Supply” means electric capacity, energy and ancillary services from any power supply sources authorized under Applicable Law to operate in the Commonwealth.

“T&D O&M Agreement” has the meaning stated in the recitals to this Agreement.

“T&D Operator” has the meaning stated in the recitals to this Agreement.

“T&D System” means the transmission and distribution facilities and related facilities, equipment and other assets related to the transmission and distribution system in which PREPA has an ownership or leasehold interest.

Appendix 2

One-line Diagrams Depicting the LGA Facilities, Interconnection Facilities and Interconnection Points

[NTD: To be attached to final draft.]