

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

**NEPR**

**Received:**

**May 6, 2024**

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**IN RE:**

GENERA PR LLC FUEL OPTIMIZATION  
PLAN

**CASE NO.:** NEPR-MI-2023-0004

**SUBJECT:** Request to Make Responses to Case  
No. NEPR-MI-2021-0014 April 11, 2024 Order  
Part of the Docket of the Case of Caption

**REQUEST TO MAKE RESPONSES TO CASE NO. NEPR-MI-2021-0014 APRIL 11, 2024  
ORDER PART OF THE DOCKET OF THE CASE OF CAPTION**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU:**

COMES NOW GENERA PR LLC (“Genera”), as agent of the Puerto Rico Electric Power Authority (“PREPA”),<sup>1</sup> through its counsels of record, and respectfully submits and prays as follows:

1. On February 21, 2024, Genera filed a document titled *Motion Submitting Revision to the Fuel Optimization Plan in Compliance with Resolution and Order Dated January 10, 2024* (“February 21<sup>st</sup> Motion”). In the February 21<sup>st</sup> Motion, Genera included as Exhibit A a revised Fuel Optimization Plan, and as Exhibit B, the letter from the P3 Authority dated February 16, 2024, which purportedly approved the January 10<sup>th</sup> Motion Fuel Optimization Plan, subject to several comments listed therein.

2. On February 21, 2024, Genera presented before the Energy Bureau a document titled *Request for Leave to Operate Palo Seco MP and Mayagüez CT with Natural Gas as the Primary Fuel* (“February 21<sup>st</sup> Fuel Swap Request”). Through the February 21<sup>st</sup> Fuel Swap Request,

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<sup>1</sup> Pursuant to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (“LGA OMA”), dated January 24, 2023, executed by and among PREPA, Genera, and the Puerto Rico Public-Private Partnerships Authority (“P3 Authority”), Genera is the sole operator and administrator of the Legacy Generation Assets (as defined in the LGA OMA) and the sole entity authorized to represent PREPA before the Energy Bureau with respect to any matter related to the performance of any of the O&M Services provided by Genera under the LGA OMA.

Genera sought authorization from the Energy Bureau to operate the Mayagüez CT (combustion turbines) and Palo Seco's MP (mobile pack) units using natural gas as the primary fuel. The petition was made in accordance with the mandates of Act No. 17-2019.<sup>2</sup> These units do not have retirement dates in the operative Integrated Resource Plan.<sup>3</sup>

3. On April 11, 2024, the Energy Bureau issued a Resolution and Order in Case No. NEPR-MI-2021-0014, *In Re: Maintenance and Repair Management of the Generation Units of the Puerto Rico Electric Power Authority*, titled *Status of GENERA's Generation Maintenance and Repairs, Dispatch Agreement of the Palo Seco Temporary Generation, and the Palo Seco FT8® MOBILEPAC® Dual Fuel Capabilities* ("April 11<sup>th</sup> Resolution"). In this resolution, the Energy Bureau requested further details on the dispatch agreements for the TM2500 CT Model 8 units at Palo Seco and examined the current fuel usage practices at the site. The Bureau notably emphasized the evaluation of natural gas in the newly acquired TM2500 units and adopting a uniform fuel strategy across all turbines at Palo Seco to enhance cost-efficiency and operational effectiveness. Consequently, the Energy Bureau **ordered** Genera to provide the necessary information to the Request for Information ("ROI") outlined in Attachment A of the April 11<sup>th</sup> Resolution.

4. On April 15, 2024, the Energy Bureau issued a Resolution and Order titled *Requirement of Information, Technical Conference, and Solicitation of Stakeholder Comments Including Evaluation of Fuel Change for Mayagüez Combustion Turbines and Palo Seco Mobile Packs* ("April 15<sup>th</sup> Resolution"). Pertinent to this Motion, in the April 15<sup>th</sup> Resolution, the Energy

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<sup>2</sup> See Act No. 17 of April 11, 2019, known as the "Puerto Rico Energy Public Policy Act" ("Act No. 17-2019").

<sup>3</sup> See *Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, In re. Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001, August 24, 2020. Minor modifications and/or clarifications to the Approved IRP were introduced through a *Resolution and Order on Reconsiderations* issued by the Energy Bureau on December 2, 2020, in case: *In re. Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, Case No. CEPR-AP-2018-0001.

Bureau noted that the proposed fuel swap is an element of the proposed fuel optimization plan initiatives that must be evaluated pursuant to the criteria applicable to all initiatives within the plan. However, it emphasized the independent importance of the proposed fuel swaps in public energy policy. The Energy Bureau highlighted that the fuel swap requires the Energy Bureau's approval to proceed on grounds not necessarily related to a fuel optimization plan—such as those involving changing fuels, altering how generating resources are used, or employing new or different generating resources. As such, the Energy Bureau determined that any such changes must be officially filed with the Energy Bureau for approval prior to implementation.

5. Following the analysis above, the Energy Bureau exercised its discretion in the April 15th Resolution and determined that it would evaluate the February 21<sup>st</sup> Fuel Swap Request in the captioned case. Accordingly, the Energy Bureau ordered the Clerk to include a copy of the February 21<sup>st</sup> Fuel Swap Request as part of the administrative record of the current case. Moreover, for proper evaluation of the February 21<sup>st</sup> Fuel Swap Request, the Energy Bureau issued the Requirements of Information in Attachment B, added the discussion of the February 21<sup>st</sup> Fuel Swap Request to the agenda of the Technical Conference scheduled for May 23, 2024, and invited public comments on the topic.

6. On April 16, 2024, Genera submitted a motion titled *Motion to Submit Response to Request for Information in Compliance with Resolution and Order Dated April 11, 2024*, to Case No. NEPR-MI-2021-0014 (“April 16<sup>th</sup> Motion”). The April 16<sup>th</sup> Motion included, as Exhibit A, a set of responses to the ROI contained in Attachment A of the April 11<sup>th</sup> Resolution. The responses to this ROI are related to fuel swaps and the benefits of having the Mayagüez CT and the Palo Seco MP operating with two fuels, with natural as the primary.

7. In light of the Energy Bureau's decision to evaluate the Fuel Swaps within the context of the Fuel Optimization Plan review, Genera hereby submits to this docket the response to question *GPR - PREB - NEPRMI20210014 - 20240411 #3(a)* from the April 16<sup>th</sup> Motion, along with its corresponding attachments, as Exhibit A to this motion. Additionally, the response to question *GPR - PREB - NEPRMI20210014 - 20240411 #3(b)* from the April 16<sup>th</sup> Motion, along with its corresponding attachments, is submitted as Exhibit B to this motion, as they pertain to the fuel swap initiatives. It is hereby requested that the Energy Bureau accept the responses identified by Genera as *GPR - PREB - NEPRMI20210014 - 20240411 #3(a)* and *GPR - PREB - NEPRMI20210014 - 20240411 #3(b)* and that these are made part of the record of the captioned case for all purposes. Genera respectfully submits that these responses provide additional valuable information that will aid the Energy Bureau's evaluation of Genera's request to implement Act 17-2019 mandates and have the Mayaguez CT and Palo Seco MP operate with two fuels, natural gas, the primary.

**WHEREFORE**, Genera respectfully requests that the Energy Bureau **take notice** of the above for all purposes and **accept** Genera's submission of the responses identified as *GPR - PREB - NEPRMI20210014 - 20240411 #3(a)* and *GPR - PREB - NEPRMI20210014 - 20240411 #3(b)* of the April 16<sup>th</sup> Motion into this docket.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 6<sup>th</sup> day of May 2024.

**ECIJA SBGB**  
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/s/ Jorge Fernández-Reboredo



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/s/ Alejandro López-Rodríguez  
Alejandro López-Rodríguez  
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TSPR 22,996

### **CERTIFICATE OF SERVICE**

We hereby certify that a true and accurate copy of this motion was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System.

In San Juan, Puerto Rico, this 6<sup>th</sup> day of May 2024

/s/ Alejandro López Rodríguez  
Alejandro López Rodríguez

Exhibit A

GPR - PREB - NEPRMI20210014 - 20240411 #3(a)

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GPR – PREB – NEPRMI20210014 – 20240411 #3(a)

## 3. Palo Seco FT8® MOBILEPAC® Dual Fuel Capabilities

- a. Describe any benefit associated with employing a single primary fuel for the peaking/emergency units that are currently located at the Palo Seco Steam Plant.

Response:

Genera respectfully asserts that fuel swaps and conversions of the existing generation assets to dual fuel, employing natural gas as the single primary fuel, is the most beneficial option for Puerto Rico and, thus, must be pursued as soon as possible. Genera's assertion that conducting fuel swaps and converting existing generation assets to dual fuel, with natural gas as the primary fuel, is a prudent course of action. This recommendation is economically beneficial and essential for compliance with Puerto Rico's laws, particularly Act 17-2019.<sup>2</sup> According to this legislation, all existing electric power plants, except those exclusively operating on renewable energy sources, must have the capacity to generate power from at least two fuels, one of which must be natural gas.<sup>3</sup> The

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<sup>2</sup> *Puerto Rico Energy Public Policy Act*, Act no. 17 of April 11, 2019 (“Act 17-2019”), 22 LPRA §§ 1141-1141f

<sup>3</sup> Fuel swaps and conversions must be carried out to comply with the laws of Puerto Rico, mainly Act 17-2019, which mandates that all existing electric power plants must be dual fuel and the primary fuel must be natural gas (“Every new or existing electric power plant, as of the date of approval of [Act 17-2019], other than those operating exclusively on renewable energy sources **shall have the capacity to generate power from two (2) or more fuels, one of which shall be natural gas[.]**” Section 1.1i; “(h) Modernizing the main generation assets and the fuel storage and supply infrastructure in order to make them highly efficient and **capable of operating safely and reliably with at least two (2) types of fossil fuels**, excluding coal and one of which shall be natural gas, that reduce greenhouse gas emissions and to integrate distributed

goal is to modernize generation assets, enhance fuel storage and supply infrastructure, and reduce greenhouse gas emissions. Genera has already submitted an initial request to the Puerto Rico Energy Bureau (PREB) for fuel swaps in Palo Seco and Mayaguez, aligning with these legal requirements. Further details regarding this request are outlined below.

On February 21, 2024, Genera presented a memo to PREB requesting leave to operate the Palo Seco FT8® MOBILEPAC® (“PS FT8”) and the Mayaguez (“Mayaguez CT”) (“Fuel Swaps Memo”) (Attachment A). Through the Fuel Swaps Memo, Genera requests approval from PREB to operate the PS FT8 and the Mayaguez CT using natural gas as the primary fuel instead of ultra-low sulfur diesel (ULSD). It must be stressed that the PS FT8 and the Mayaguez CT do not have retirement dates in the Operative IRP. As shown in the memo, these fuel swaps are projected to result in significant cost savings for PREPA's customers.

- Palo Seco FT8

The PS FT8 mobile packs consist of three 27MW dual-fuel combustion turbines that currently operate solely on ULSD. They have an existing permit to use natural gas as well. The analysis done and presented by Genera to PREB in the Fuel Swap Memo shows that switching to natural gas as the primary fuel for these units will yield significant savings to the ratepayer. In fuel costs, savings

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generation, including renewable energy sources to significantly reduce generation costs and fossil fuel dependence.” Section 1.15 (h); “To require **existing and future units that generate power from fossil fuels to be capable of operating with at least two (2) types of fossil fuels, one of which shall be natural gas**, to reduce greenhouse gas emissions and to increase the capacity of the electric power grid to integrate distributed generation and renewable energy” Section 1.5(5)(b)).

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are expected to be up to \$12.79 million annually.<sup>4</sup> The savings model is attached as Attachment C.

The key factors contributing to these savings are:

- Lower projected cost of natural gas (\$14.30/MMBtu) compared to ULSD (\$19.59/MMBtu) in FY2025
- High-capacity factor (33%) and heat rate (10,226 Btu/kWh) of the units, resulting in substantial fuel consumption efficiency
- **Mayagüez CTs**

The Mayagüez facility has four 55MW dual-fuel combustion turbines that currently run only on ULSD. These units require a permit modification to allow the use of natural gas. Nevertheless, they are mechanically designed and able to operate with natural gas as primary fuel, which is projected to save \$38.30 million annually. The savings model is attached as Attachment D.

The savings are driven by:

- Same fuel price differential between natural gas and ULSD as the Palo Seco units

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<sup>4</sup> Savings presented in this answer defer from those presented in the Fuel Swap Memo. For the Fuel Swap Memo Genera used the San Juan 5 & 6 FSPA prices as inputs for the model. Nevertheless, after the memo was presented, Genera, represented by an independent party retained by the Puerto Rico Public-Private Partnerships Authority, and as agent of PREPA, entered into a fuel sale and purchase agreement with NFEnergia to provide natural gas to several units throughout the island, including the PS FT8 and the Mayaguez CTs as points of delivery. (Attachment B). Registered at the Puerto Rico Comptroller's Office <https://consultacontratos.ocpr.gov.pr//contract/details?contractid=5484087> The figures shown in this response stem from the savings models for both sites that were updated with the new FSPA that would be used to purchase natural gas to used in the PS FT8 and Mayaguez units.

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- Higher capacity (55MW vs 27MW) and heat rate (10,364 Btu/kWh), resulting in greater fuel consumption efficiency

Furthermore, the proposed fuel swaps from ULSD to natural gas as the primary fuel offer significant environmental benefits, aligning with Puerto Rico's sustainability goals. Natural gas is a cleaner-burning fuel that emits fewer greenhouse gases and air pollutants compared to ULSD. According to the U.S. Environmental Protection Agency, natural gas combustion emits 50% less carbon dioxide than coal and 27% less than oil, contributing less to global warming and climate change. Additionally, natural gas produces lower levels of harmful air pollutants such as nitrogen oxides, sulfur dioxide, and particulate matter, improving air quality and reducing environmental issues like smog and acid rain. By transitioning to natural gas as the primary fuel, these projects represent a step forward in creating a more sustainable and environmentally friendly energy future for Puerto Rico.

In summary, the proposed fuel swaps for the PS FT8 and the Mayaguez CT leverage the dual-fuel capability of the existing units to take advantage of cheaper natural gas prices, resulting in over \$50 million in projected annual savings for PREPA's customers without any significant capital investment. The Fuel Swaps Memo outlines the technical specifications, permit details, and cost models supporting this proposal to reduce fuel costs and enhance energy security in Puerto Rico.

It is worth stressing that the Mayaguez and PS MP do not have retirement dates in the Operative IRP; thus, allowing these fuel swaps is aligned not only with the mandate of Act 17-2019 but also with the Energy Bureau's orders.

Specifically, regarding the question posed by PREB, having a single primary fuel in the Palo Seco site, as well as other sites, is the best option. Mainly if this fuel is natural gas, as mandated by Act 17-2019.

Operating combustion turbines with two types of fuel, with natural gas as the primary fuel, offers several advantages. Let's explore these benefits:

1. Fuel Flexibility:

Dual-fuel turbines can run on a wider range of fuels, including gaseous and liquid fuels. This flexibility allows operators to choose the most cost-effective or readily available fuel based on market conditions, availability, or other factors. For example, a turbine can switch between natural gas and diesel fuel, providing operational continuity even if one fuel supply is disrupted.

2. Economic Efficiency:

By using multiple fuels, turbines can optimize their performance based on fuel availability and cost. This can lead to better overall efficiency and reduced operational expenses. When one fuel becomes expensive or scarce, the turbine can seamlessly switch to the alternative fuel without major modifications.

3. Environmental Considerations:

Dual-fuel turbines can help reduce environmental impact. Some fuels produce fewer emissions than others. By using cleaner fuels when possible, dual-fuel turbines contribute to lower air pollution.

4. Reliability and Redundancy:



Having two fuel options enhances reliability. If one fuel supply fails, the turbine can switch to the backup fuel, ensuring continuous power generation. This redundancy is crucial for critical applications like emergency power systems or industrial processes.

In summary, dual-fuel turbines provide operational flexibility, economic benefits, environmental advantages, and increased reliability, making them a valuable choice for various applications.

Operating a turbine with a single fuel source has its drawbacks. Let's explore some of the disadvantages:

1. Limited Fuel Options:

Relying solely on one type of fuel restricts your options. If that fuel becomes scarce, expensive, or unavailable, the turbine's operation could be severely impacted. For example, if a gas turbine relies solely on natural gas and there's a disruption in supply, it may lead to downtime or reduced power generation.

2. Vulnerability to Fuel Shortages:

A single fuel source makes the turbine vulnerable to fuel shortages caused by geopolitical events, natural disasters, or supply chain disruptions. In critical situations, having only one fuel option can jeopardize power availability.

3. Dependency on Infrastructure:

A unit relying on a single fuel is highly dependent on the infrastructure supporting that specific fuel type (e.g., pipelines, storage facilities). Any failure or maintenance issue in this infrastructure can directly impact the turbine's operation.

4. Environmental Impact:

Some fuels have a higher environmental impact than others. Using a single fuel may contribute to air pollution, greenhouse gas emissions, or other ecological issues. Diversifying fuel sources allows for better environmental management.

5. Efficiency Considerations:

Different fuels have varying energy densities and combustion characteristics. A single fuel may not optimize the turbine's efficiency. Dual-fuel turbines, on the other hand, can switch to a more efficient fuel based on operational needs.

6. Lack of Redundancy:

A single-fuel turbine lacks redundancy. If the fuel supply is disrupted, there's no backup option. Redundancy is crucial for reliability in critical applications (e.g., emergency power systems).

7. Maintenance Challenges:

Using a single fuel may lead to specific maintenance challenges. Fuel-related issues (e.g., fouling, corrosion) can affect turbine performance. Dual-fuel systems provide flexibility during maintenance or fuel-related problems.

In brief, although single-fuel turbines offer benefits, diversifying fuel sources can reduce risks and improve operational resilience.

Furthermore, having a single primary fuel source (having dual fuel capabilities in all units) for the Palo Seco site is beneficial since it will promote simplicity and reduction of costs in maintenance, cost-savings in fuel purchase because

natural gas is less expensive than ULSD, minimizes the risk of disruption in the supply and allows focusing on targeted investments.

Therefore, for the reasons explained above, and mainly to allow Genera to comply with Act 17-2019, it is respectfully requested that PREB allow Genera to perform the fuel swaps of the PS FT8 and the Mayaguez CT as promptly as possible.



Via Electronic Submittal

<https://radicacion.energia.pr.gov/login>

Mr. Edison Avilés-Deliz  
Chairman and President  
Energy Bureau  
Public Service Regulatory Board  
268 Avenida Muñoz Rivera  
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Piso 7, Suite 704  
Hato Rey, Puerto Rico 00918

***Re: Request for Leave to Operate Palo Seco MP and Mayagüez CT with Natural Gas as Primary Fuel***

Dear Chairman Avilés-Deliz and Associate Commissioners:

For more than eight decades, Puerto Rico's electrical system was under the sole control of the Puerto Rico Electric Power Authority ("PREPA"), maintaining vertical integration across the entire production chain, from generation to transmission and distribution of electric power. With a customer base of around 1.5 million, PREPA held a monopoly on the island's electricity provision. However, despite its status and for many reasons, PREPA struggled to provide its customers with efficient service at reasonable costs. This challenge was further exacerbated by the devastation caused by hurricanes Irma and María in September 2017.

Recognizing the urgent need for a comprehensive overhaul, the Government of Puerto Rico embarked on a mission to modernize, sustain, and fortify its electrical system, aiming for enhanced reliability, efficiency, and affordability. This imperative led to the enactment of Act 120-2018<sup>1</sup> and Act 17-2019,<sup>2</sup> providing the legal framework to facilitate this transformation. Under this legislation, PREPA gained the authority to divest its

<sup>1</sup> Act. No. 120 of June 21, 2018, as amended.

<sup>2</sup> Act. No. 17 of April 11, 2019.

electric power generation assets and delegate operational responsibilities as deemed necessary. Act 120-2018 also granted PREPA and the Puerto Rico Public-Private Partnerships Authority ("P3 Authority") the mandate to oversee and execute the intricate processes involved in these transactions, paving the way for substantive reforms in the island's energy landscape.

On June 22, 2020, the Government of Puerto Rico successfully transferred the operation and maintenance of the T&D System to LUMA Energy, LLC ("LUMA"). After that, on January 25, 2023, PREPA as Owner, the P3 Authority as Administrator and Genera PR LLC ("Genera") as Operator, executed the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* ("Generation OMA") by which Genera is named as the sole agent of PREPA tasked with the operation and maintenance of the legacy generation assets ("LGA").<sup>3</sup> Per the terms of the Generation OMA, the main tasks that Genera has are to operate and maintain the LGA, manage fuel contracts, and supply and decommission units of the LGA as ordered by the Puerto Rico Energy Bureau of the Public Service Regulatory Board ("PREB"). With this historic step, Puerto Rico ensures the continuity of the transformation of the island's electricity system and the transition to the integration of renewable energy sources as outlined in the Integrated Resource Plan<sup>4</sup> ("2020 IRP") and Puerto Rico's public energy policy.

Genera took over the operation of the LGA on July 1, 2023, and it is working towards facilitating Puerto Rico's transition to a sustainable, cost-efficient, and stable energy system. As the new operator, Genera marks another significant stride towards the energy transformation needed and deserved by the people of Puerto Rico. Genera's objectives include facilitating the transition to renewable energy generation, adhering to the 2020 IRP sanctioned by the Energy Bureau, ensuring effective long-term planning of energy needs, optimizing plant operations to guarantee electric system stability, and fostering the development of a renewed, modern, and efficient system that promotes Puerto Rico's economic growth.

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<sup>3</sup> PREPA's base-load generation plants and combustion turbine peaking units.

<sup>4</sup> *Final Resolution and Order on the Puerto Rico Electric Power Authority Integrated Resource Plan* entered in case no. CEPR-AP-2018-0001, *In Re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*.

At Genera, we understand that one of the significant challenges for the people of Puerto Rico is bearing fuel costs used to generate power, and it is of the utmost importance that we deliver cost-effective energy solutions to PREPA's customers. Notably, the more significant impact of PREPA's customer bills is currently attributed to fuel costs. These costs are passed on to the customers, exposing them to market fluctuations influenced by various exogenous factors like seasonal changes, pandemics, wars, government changes, and market fluctuations.

Genera recognizes that the ultimate objective is to eliminate the use of fossil fuels, but the current system is not ready to retire the entire fossil-fueled fleet in the short-term. Therefore, Genera, with the approval of PREB, seeks to implement projects that can substantially reduce fuel costs with *no* or minimal capital investment and achieve fuel cost savings until units of the LGA are retired or replaced.

In furtherance of this commitment, Genera has identified several fuel-swapping projects that can significantly reduce fuel costs *without* incurring any capital expense. These projects will be implemented in a phased approach based on cost and time considerations. The purpose of this letter is to present and request PREB's leave to complete the first major project to reduce fuel costs: completing the fuel swaps of the Palo Seco mobile packs ("Palo Seco MP") (described below) and Mayagüez combustion turbines ("Mayagüez CT") (described below). **According to the following models, the fuel swaps for Palo Seco MP and Mayagüez CT are expected to result in savings exceeding \$65 million annually.**

Genera is committed to delivering solutions that address Puerto Rico's energy needs. We believe that the proposed fuel-swapping projects will reduce fuel costs and pollution and enhance Puerto Rico's energy security. We are confident that our approach will help LUMA's customers save money and contribute towards building a sustainable energy future.

#### I. Palo Seco MP

PREPA owns three PW Power Systems model FT8 MOBILEPAC dual-fuel capable combustion turbines installed at the Palo Seco Power Plant in Toa Baja ("Palo Seco MP")

with a nameplate capacity of 27MW each.<sup>5</sup> Genera operates these units in accordance with the Generation OMA. These units began commercial operation on October 2019 under an emergency waiver. The Palo Seco MP are available for power during peak hours and emergencies. The three generators provide the opportunity for fast response in the event of an emergency, lack of sufficient power generation on the Island or sudden increase in demand due to forced outages in the rest of the PREPA's generating fleet. The Palo Seco MP can operate in liquid fuel (diesel) and natural gas, thus having dual-fuel capabilities. Nevertheless, they operate solely on ultra-low sulfur diesel (ULSD) with 15 ppm max sulfur.

In 2023, the power plants produced a total net generation of 192,934MW, averaging 64,311 for each one, and operated at a capacity factor of 27%. The units had an average heat rate of 10,109 and a production cost of 24 cents per kilowatt-hour.

The Palo Seco MP units currently operate according to the Permit to Construct number PFE-70-0120-0010-II-C, issued by the Puerto Rico Department of Natural and Environmental Resources ("DNER"), which authorizes the construction of three turbines, PWPS model FT8 MOBILEPAC, using diesel fuel at a max rate of consumption of 2,053 gal/hr. They also use a water injection system as emissions control equipment. The limit fuel consumption outlined in the permit for all three turbines combined is 12,281,995 gallons of ultra-low sulfur diesel on a rolling 12-month basis. A modification of the construction permit was issued on April 24, 2023, which *allows using natural gas as fuel* with a maximum consumption rate of 289,020 scf/hr. The limit fuel consumption outlined in the permit for all three turbines combined is 2,530,868,932 scf of natural gas on a rolling 12-month basis.

## II. Mayagüez CT

PREPA owns four Pratt & Whitney FT8 Swift Pac, dual-fuel capable combustion units installed at the Mayagüez Power Plant in Mayagüez ("Mayagüez CT") with a nameplate capacity of 55MW each. These units officially began commercial operation in 2009. Genera operates these units as part of the Generation OMA. Similar to the Palo Seco MP, the Mayagüez CT are available for power during peak hours and emergencies, can run on liquid fuel or natural gas, and provide the opportunity for fast response in the

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<sup>5</sup> Referred to as "MegaGen" in the 2020 IRP.

event of an emergency, lack of sufficient power generation on the Island or sudden increase in demand due to forced outages in the rest of the PREPA's generating fleet. The Mayagüez CT are designed and mechanically operate in liquid fuel (diesel) and natural gas. Nevertheless, they operate solely on ULSD with 15 ppm max sulfur content.

In 2023, the power plant produced a total net generation of 354,449MW, averaging 88,612 for each one, and operated at a capacity factor of 18%. The units had an average heat rate of 10,987 and a production cost of 24 cents per kilowatt-hour.

The Mayagüez CT operate according to the Permit to Construct, number PFE-50-0307-0286-I-II-C, issued by DNER, which authorizes the construction of four units Pratt & Whitney FT8 Swift Pac using fuel oil #2 at a max rate of consumption of 1,984 gal/hr and using a water injection system as emissions control equipment, as described in Section II of said Permit. The limit fuel consumption outlined in the permit for all four units combined is 46,987,485.7 gallons of fuel oil #2 on a rotatory 365-day basis. The Mayagüez CT currently is not permitted to operate using natural gas. Still, as soon as PREB issues its approval to do the fuel swap, Genera will begin the process of amending the current permit.

### **III. Units operate with ULSD**

The Palo Seco MP and the Mayagüez CT are designed and can operate by burning diesel and natural gas as fuels. However, currently, both operate solely with ULSD. ULSD is the most expensive grade of diesel in the market, not only because of the low sulfur content but also due to the high demand for this fuel worldwide. Furthermore, because diesel is considered both an emergency and a military fuel, natural disasters and geopolitical conflicts around the world result in extremely high price volatility and, in extreme cases, shortages of supplies of ULSD for extended periods. For reference, Table 1 below shows the historical and forecasted prices of ULSD for the last three years and up to FY2025.



Table 1

ULTRA LOW SULFUR DIESEL AVERAGE PRICE IN \$/BBL PER FISCAL YEAR			
PRICE	Variance Y-to-Y		
FY '21	74.0311	--	
FY '22	131.1028	77.1%	
FY '23	142.2877	8.5%	
FY '24	129.2523	-9.2%	Up to Feb. 5, 2024
FY '24	109.2700	-15.5%	Forecast

In addition to the general “macro” price and supply challenges described above, PREPA has also suffered constraints with the local supply of ULSD due to intrinsic factors such as limited storage capacity and maritime and vessel capacity restrictions. As a result, the supply of diesel during emergencies and high-demand periods has been a factor in the operation of these units.

Despite having lower sulfur content than regular diesel, ULSD still emits higher levels of greenhouse gases, particulate matter, and other harmful pollutants than less pollutant fuels, such as natural gas.

#### IV. Fuel swap to natural gas as primary fuel and ULSD as backup

Switching the primary fuel to operate the Palo Seco MP and the Mayagüez CT from ULSD to natural gas will benefit PREPA’s customers. One of the most significant benefits is the savings in fuel costs.

Genera has prepared an illustrative Fuel Swap Savings Model for each project. A thorough explanation of the model and the information used in each is detailed below.

### a. Palo Seco MP fuel swap savings

Attached to this letter is the Palo Seco Fuel Swap Cost Savings Model (Appendix A). A breakdown of the model presented in Table 2 is provided in the following sections, with a narrative “walk-through” also outlined below.

Table 2

		PS PWPS FT8		x3 FT8 units
		Gas	Diesel	in Palo Seco
1	<b>Fuel Swap Savings</b>			
2	Capacity <i>MW</i>	27.0	27.0	
3	(x) Capacity Factor %	33%	33%	
4	(x) Hours ( <i>in a year</i> ) <i>hr</i>	8,760	8,760	
5	Generation <i>MWh</i>	79	79	236
6	(x) Heat Rate (HHV) <i>Btu/KWh</i>	10,226	10,226	
7	Fuel Consumption <i>TBtu</i>	0.8	0.8	2
8	(x) Fuel Price <i>\$/MMBtu</i>	\$11.25	\$18.80	
9	[A] Annual Fuel Cost <i>\$mm</i>	\$9.07	\$15.15	
10	Fuel Cost Savings <i>\$/MMBtu</i>	-	\$7.55	
11	Annual Fuel Cost Savings <i>\$mm</i>	-	\$6.09	\$18.26
12	Generation Cost <i>\$/KWh</i>	\$0.115	\$0.192	
13	[B] Generation Cost Savings <i>\$/KWh</i>	-	\$0.077	

The following is a “walk-through” of the model.

### i. Inputs and methodology

#### 1. Unit performance and operational inputs

Based on the units’ historical performance, their Maximum Dependable Capacity is 27 MW. Per the environmental permit, the Capacity Factor is 33%. The breakdown of this calculation is detailed in Table 3.

Table 3

Mega Gen Utilization Capacity		unit	Formula/Source
[ A ] NG Max Fuel Consumption Rate	289,020	scf/hr	Emission Source Construction Permit Modification 24 Apr 2023 Section II
[ B ] NG Fuel Consumption Limit (12-month rotating period)	2,530,868,932	scf/year	Emission Source Construction Permit 09 Apr 2022 Section IV.13.b
[ C ] Operational hr Limit per year	8,756.73	hr/year	[C]=[B]/[A]
[ D ] Operational hr Limit per day	23.99	hr/day	[D]=[C]/365
[ E ] Operational hr Limit per day per unit (3 units)	8.00	hr/day/unit	[E]=[D]/3
[ F ] Utilization Capacity	33	%	[F]=([E]/24)*100

From the inputs above, the generation output for each of the Palo Seco MP is 79 MWh ((27 MW Capacity x 33% Capacity Factor x 8,760 hours in a year) / 1000 = 79 MWh).

The Heat Rate of 10,226 Btu/kWh for these units is based on their 2023 performance. The 79 MWh multiplied/times the 10,226 Btu/kWh Heat Rate results in 0.8 TBtu of fuel

consumption for each unit, meaning that the three units consume a total of ~2 TBtu of fuel.

## 2. Fuel price forecast input

Per the most recent analysis, on average for FY2025, ULSD is forecasted to cost \$18.80/MMBtu, while liquified natural gas ("LNG") in San Juan is forecasted to cost \$10.25/MMBtu. However, there is a logistics cost to supplying LNG to Palo Seco MP. Conservatively, Genera has assumed a \$1 adder to the cost of LNG to cover such logistics cost premium, resulting in an \$11.25 / MMBtu cost for LNG in Palo Seco MP. The differential between ULSD and LNG in this exercise results in \$7.55 / MMBtu, which, on an annual basis, is \$6.09 million for each unit.

Therefore, the result of the Palo Seco fuel MP swap, which converts the Palo Seco MP units from using USLD as fuel to using natural gas as primary fuel and ULSD as backup fuel, results in an \$18.26 million saving for the ratepayer of Puerto Rico.

### b. Mayagüez CT fuel swap savings

Attached to this letter is the Mayagüez Fuel Swap Cost Savings Model (Appendix B). The breakdown of the model presented in Table 4 is provided in the following sections, with a narrative walk-through also outlined below.

Table 4

		P&W FT8		X4 FT8 units in Mayagüez
		Gas	Diesel	
1	Fuel Swap Savings			
2	Capacity	MW	54.0	
3	(x) Capacity Factor	%	34%	
4	(x) Hours ( <i>in a year</i> )	hr	8,760	
5	Generation	MWh	160	639
6	(x) Heat Rate (HHV)	Btu/kWh	10,364	
7	Fuel Consumption	TBtu	1.7	7
8	(x) Fuel Price	\$/MMBtu	\$11.25	
9	[A] Annual Fuel Cost	\$mm	\$18.64	\$31.15
10	Fuel Cost Savings	\$/MMBtu	-	\$7.55
11	Annual Fuel Cost Savings	\$mm	-	\$12.51
12	Generation Cost	\$/kWh	\$0.117	\$0.195
13	[B] Generation Cost Savings	\$/kWh	-	\$0.078

The following is a “walk-through” of the model.

## i. Inputs and methodology

### 1. Unit performance and operational inputs

Based on the units’ historical performance, their Maximum Dependable Capacity is 54 MW. Per the environmental permit, the Capacity Factor is calculated to be 34%. The breakdown of this calculation is detailed in Table 5.

Table 5

	Mega Gen Utilization Capacity		unit	Formula/Source
[A]	Diesel Max Fuel Consumption Rate	1,984	scf/hr	Construction Permit Modification PFE-50-0307-0286-I-II-C Section II
[B]	Diesel Fuel Consumption Limit (12-month rotating period)	46,987,486	scf/year	Construction Permit Modification PFE-50-0307-0286-I-II-C
[C]	Operational hr Limit per year	23,682.015	hr/year	$[C]=[B]/[A]$
[D]	Operational hr Limit per day	64.88	hr/day	$[D]=[C]/365$
[E]	Operational hr Limit per day per unit (8 units)	8.11	hr/day/unit	$[E]=[D]/3$
[F]	Utilization Capacity	34	%	$[F]=([E]/24)*100$

From the inputs above, the generation output for each of the Mayagüez CT unit is 160 MWh ((54 MW Capacity x 34% Capacity Factor x 8,760 hours in a year) / 1000 = 160 MWh).

The Heat Rate of 10,364 Btu/kWh for these units is based on their 2023 performance. The 160 MWh multiplied/times the 10,364 Btu/kWh Heat Rate results in 1.7 TBtu of fuel consumption for each of the units, which means that the four units consume a total of ~8 TBtu of fuel.

## 2. Fuel price forecast input

Per the most recent analysis, on average for FY2025, ULSD is forecasted to cost \$18.80/MMBtu, while LNG in San Juan is forecasted to cost \$10.25/MMBtu. However, there is a logistics cost to supplying LNG to Mayagüez. Conservatively, Genera has added a \$1 adder to the cost of LNG to cover such logistics cost premiums, resulting in a \$11.25 / MMBtu cost for LNG in Mayagüez. The differential between ULSD and LNG in this exercise results in \$7.55 / MMBtu, which, on an annual basis, is \$12.51 million for each unit.

Therefore, the result of the Mayagüez CT fuel swap, which switches the Mayagüez CT units from using ULSD as fuel using natural gas as primary fuel and ULSD as backup fuel, results in a \$50.04 million saving for the LUMA ratepayer of Puerto Rico.

## V. Environmental Benefits

The cost savings that the fuel swaps will generate are not the only benefit that these projects will yield. Swapping fuels from ULSD as primary fuel to natural gas as primary fuel and ULSD as backup fuel also generates significant environmental benefits, thus making this project a step forward in creating a more sustainable energy future for Puerto Rico. Natural gas is a cleaner burning fuel that emits fewer greenhouse gases and particulate matter. According to the US Environmental Protection Agency, the combustion of natural gas emits 50% less carbon dioxide than coal and 27% less CO<sub>2</sub> than oil. Moreover, natural gas also emits fewer nitrogen oxides and sulfur dioxide than diesel and gasoline, which are major contributors to smog, acid rain, and other environmental problems.

When it comes to environmental benefits, using natural gas as compared to ULSD provides several advantages. Firstly, natural gas emits fewer greenhouse gases such as carbon dioxide and methane than ULSD. This makes it a more environmentally friendly option as it contributes less to global warming and climate change. Secondly, natural gas produces lower levels of harmful air pollutants such as nitrogen oxides, sulfur dioxide, and particulate matter than ULSD. This means that it can help reduce air pollution and improve air quality. Finally, natural gas is a cleaner-burning fuel that can help reduce the carbon footprint as compared to ULSD, which is a fossil fuel.

## VI. Alignment with 2020 IRP and Energy Public Policy

The fuel swaps proposed herein are aligned with the 2020 IRP. Neither the Palo Seco MP nor the Mayagüez CT are retired in the Modified Action Plan.

Back in 2018, PREPA requested PREB to allow the conversion of the Mayagüez CT to burn natural gas. Nevertheless, the request was tied to the development and investment in infrastructure, including the development of a new ship-based LNG terminal. When PREB evaluated the proposal, it found it unreasonable to consider expenditures in an LNG infrastructure, thus denying the conversion of the 200 MW Mayagüez peakers to burn natural gas. However, the Energy Bureau ordered the retention of the peakers since the units are a recent generation resource installed in 2009, and there is no expectation that their economic or age-related retirement might occur during the Modified Action Plan period. Thus, currently, there is no expectation to retire the Mayagüez CT.

Regarding the Palo Seco MP, these are also considered part of the fleet during the Modified Action Plan period, and there are no plans to retire them. Moreover, PREB allowed for a limited replacement of the peaking resources, which is constrained to 147MW. This calculation included the capacity of the Palo Seco MP. Thus, currently, there is no expectation to retire the Palo Seco MP.

Moreover, the fuel swaps herein proposed are aligned with Puerto Rico's energy public policy. This project seeks to maximize the benefits of the existing fleet instead of acquiring new fossil-fueled generation assets until PREB decides that it has to be replaced or repurposed. The fuel swaps will provide cost savings to customers during the transition to the new and transformed generation system.

The fuel swaps proposed herein follow the mandates of Puerto Rico legal requirements. The laws of Puerto Rico promote the integration of small-scale electric power plants with the capacity to operate with a diversified fuel mix, one of which shall be natural gas, that reduces greenhouse gas emissions, with more modern technology and associated infrastructure and high-efficiency capacity, and capable of integrating distributed generation and renewable energy into the electric power grid. Every new or existing electric power plant, other than those operating exclusively on renewable



energy sources, shall be able to generate power from two or more fuels, one of which shall be natural gas.

The project to complete the fuel swaps for the Palo Seco MP and the Mayagüez CT aligns with the abovementioned policy. Moreover, it goes beyond these requirements since Genera is proposing to maximize the use of existing units and make them compliant with the policy and legal requirements mentioned above **without making capital investments** in upgrades or purchasing new fossil-fueled generation assets.

This project is also aligned with Puerto Rico's goal to achieve 100% renewable energy by 2050. Through the 2020 IRP, PREB ordered an unprecedented procurement process that aims towards furthering this goal. In compliance with this, PREB has launched a series of RFPs to procure the purchase of over 3,500MW of renewable generation and 1,500MW in 4-hour cycles of battery energy storage. However, renewable and battery storage systems alone do not provide the same services as baseload units that will be retired after integrating utility-scale renewable energy projects. Therefore, systems that supply the necessary services must be integrated with renewable generation.

Puerto Rico is also experiencing significant growth in the integration of distributed generation. The T&D Operator has been key in this accelerated interconnection. Rooftop solar systems, representing approximately 680 MW, were connected to Puerto Rico's grid through 2023. To date, these systems are producing generation for the homeowners and business owners that have them and for the grid through the net metering program. Integrating this energy into the system benefits in terms of adding generation, but, like the latter example, they require ancillary services to maintain stability and avoid disturbances.

The services needed to continue the support of renewable energy integration, such as frequency regulation, voltage control, inertia capacity, short-circuit capacity, and fast spinning reserve, are necessary to maintain stability in the electric system. Thus, small gas turbines will add much-needed support to the integration of resilient and sustainable generation, providing ancillary services to the grid. Furthermore, once the large base load units are retired, Puerto Rico must maintain a diversified portfolio of generation resources, including dispatchable and dependable generation. This is important because renewable resources like solar and wind are intermittent, and their output can vary based on weather conditions, making it difficult to ensure a steady

electricity supply. Dispatchable generation sources like natural gas are essential for balancing the grid. A mix of generation sources can help mitigate supply disruptions and price volatility in the energy market. Dispatchable generation sources can provide a reliable and consistent source of electricity that can be dispatched on demand to meet changing energy needs.

The Mayagüez CT and Palo Seco MP have the necessary features to offer the essential services listed above. However, by swapping the fuel of these units, Genera can provide these services to the grid at a lower cost than if they were to use ULSD.

#### VII. No impact on rates

The Mayagüez CT and Palo Seco MP power plants are currently operating on ULSD. Both are already equipped to operate on natural gas. The only requirement is to replace outdated or damaged components that have become obsolete over the years. Genera management will perform all necessary work to make these units ready for natural gas operation. Thus, **the fuel swaps proposed herein will not affect base rates or riders and will be completed at no cost to LUMA's customers.** Further, it is expected that these projects will also have additional savings, like O&M costs because fire hours for service are more in gas than in ULSD operation.

#### VIII. Fuel supply

Natural gas will be supplied via LNG ISO tanks to the Palo Seco MP and Mayagüez CT via a sale and purchase agreement that is being procured in the market via a competitive process administered by the P3 Authority and their designated Third-Party Procurement Officer. The resulting fuel agreement will establish the applicable price and other terms and conditions for the gas fuel.

## IX. Conclusion

Genera hereby requests the evaluation of fuel swaps for Palo Seco MP and Mayagüez CT to achieve savings exceeding \$65 million annually. These swaps will bring about financial benefits and help reduce pollutants and contaminants in Puerto Rico.

The project is essential in transforming the Puerto Rico generation system into a cost-effective, sustainable, and reliable one. Therefore, Genera urges PREB to evaluate the project's benefits and allow to operate the Palo Seco MP and Mayagüez CT using natural gas as the primary fuel and ULSD as the backup fuel.

Respectfully,

A handwritten signature in black ink, appearing to read "Katuska Bolaños".

Katuska Bolaños  
Chief Regulatory Officer  
Genera PR LLC

CC.

Fermín Fontanés-Gómez, Executive Director  
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Palo Seco Fuel Swap Cost Savings

		PWPS FT8		x3 FT8 units in Palo Seco		Notes
		Gas	Diesel			
Fuel Swap Savings						
1	Capacity	MW	27.0	27.0		Maximum Capacity Dependable From Environmental Permit (calc in <Environmental Permit> tab.
2	(x) Capacity Factor	%	33%	33%		
3	(x) Hours (in a year )	hr	8,760	8,760		
4	Generation	MWh	79	79	236	
5	(x) Heat Rate (HHV)	Btu/KWh	10,226	10,226		From Operation raw data <MP Raw_data Accum. 2023> Tab.
6	Fuel Consumption	TBtu	0.8	0.8		
7	(x) Fuel Price	\$/MMBtu	\$11.25	\$18.80		From Fuel Team Forecast for FY2025. (<Fuels Price Forecast - MAIN> tab) + \$1/MMBtu premium for logistics cost for Palo Seco.
8	[A] Annual Fuel Cost	\$mm	\$9.07	\$15.15		
9	Fuel Cost Savings	\$/MMBtu	-	\$7.55		<< Generation cost saving only to production of the FT8s in Palo Seco
10	Annual Fuel Cost Savings	\$mm	-	\$6.09	\$18.26	
11	Generation Cost	\$/KWh	\$0.115	\$0.192		
12	[B] Generation Cost Savings	\$/KWh	-	\$0.077		

Mobile Pack RW FT-8 (Central Palo Seco)	Gross Production (MW)	Net Production (MW)	Fuel Consumption (Bbl)	HHV (Valor calorífico)	BTU (energía del combustible)	Net Heat Rate (Btu/kWh) Eficiencia de la unidad
MP 1 (1411)	66,676.10	66,646.40	118,268.76	5,809,820	687,120,189,794	10,310
MP 2 (1410)	61,651.40	61,620.30	108,926.73	5,809,820	632,844,694,489	10,270
MP 3 (1412)	64,689.00	64,668.00	112,398.14	5,809,820	653,012,979,164	10,098
Total	193,016.50	192,934.70	339,593.63		1,972,977,863,447	10,226

Datos 2023

GENERA PR  
 FUELS DEPARTMENT  
 Fuel Prices Forecast Calculation

Date	18-Jan-23
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Diesel (ULSD)	NOTE: Adder for ULSD is \$7.75/Bbl
month	Future Price/bbl
Jan-24	\$115.59
Feb-24	\$117.90
Mar-24	\$115.22
Apr-24	\$119.28
May-24	\$111.69
Jun-24	\$111.01
Jul-24	\$110.54
Aug-24	\$110.74
Sep-24	\$110.93
Oct-24	\$110.54
Nov-24	\$109.75
Dec-24	\$109.20
Jan-25	\$108.67
Feb-25	\$108.17
Mar-25	\$107.86
Apr-25	\$107.80
May-25	\$107.37
Jun-25	\$107.09
FY 25	
Average for FY25 = \$109.06 /Bbl	
\$18.80 /MMBtu	

NY ULSD	Gulf Coast ULSD	Pine Gulf Coast Refineries *Summer (Pine Gulf Coast + 3002)	Average of NY + GCub
2.6496	2.5471	2.5671	2.6084
2.5989	2.5089	2.5289	2.5589
2.5402	2.4652	2.4852	2.5127
2.5010	2.4285	2.4485	2.4748
2.4836	2.4136	2.4336	2.4586
2.4754	2.4039	2.4239	2.4497
2.4767	2.4077	2.4277	2.4522
2.4798	2.4133	2.4333	2.4566
2.4769	2.3979	2.4179	2.4474
2.4683	2.3688	2.3888	2.4286
2.4602	2.3507	2.3707	2.4155
2.4499	2.3356	2.3556	2.4028
2.4348	2.3272	2.3472	2.3910
2.4139	2.3334	2.3634	2.3837
2.4005	2.3439	2.3639	2.3822
2.3896	2.3343	2.3543	2.3720
2.3825	2.3280	2.3480	2.3653

Fuel Oil #6	NOTE: Adder for FO#6 is \$4.30/Bbl
month	Future Price/bbl
Jan-24	\$94.66
Feb-24	\$96.29
Mar-24	\$95.17
Apr-24	\$94.41
May-24	\$93.72
Jun-24	\$93.08
Jul-24	\$92.49
Aug-24	\$91.91
Sep-24	\$91.33
Oct-24	\$90.75
Nov-24	\$90.20
Dec-24	\$89.65
Jan-25	\$89.18
Feb-25	\$88.62
Mar-25	\$88.45
Apr-25	\$88.08
May-25	\$87.73
Jun-25	\$87.38
FY 25	
Average for FY25 = \$89.66 /Bbl	
\$14.23 /MMBtu	

USGC Correlation	BRENT Correlation	Average
99.56	93.03	96.29
97.91	92.42	95.17
96.75	92.07	94.41
95.70	91.74	93.72
94.83	91.33	93.08
94.05	90.92	92.49
93.36	90.46	91.91
92.65	90.01	91.33
91.97	89.54	90.75
91.34	89.07	90.20
90.71	88.60	89.65
90.21	88.15	89.18
89.84	87.79	88.82
89.48	87.41	88.45
89.11	87.05	88.08
88.78	86.68	87.73
88.44	86.31	87.38

LNG San Juan	Henry Hub
month	Future Price/MMBtu
Jan-24	9.5119
Feb-24	9.6016
Mar-24	9.2750
Apr-24	9.2681
May-24	9.3509
Jun-24	9.5050
Jul-24	9.6648
Aug-24	9.7177
Sep-24	9.6947
Oct-24	9.7821
Nov-24	10.2283
Dec-24	10.7990
Jan-25	11.1250
Feb-25	10.9390
Mar-25	10.4629
Apr-25	10.1444
May-25	10.1616
Jun-25	10.3192
FY 25	
Average for FY25 = \$10.1444	
\$10.25 /MMBtu	

LNG CS + ECO	Henry Hub
month	Future Price/MMBtu
Jan-24	2.619
Feb-24	2.697
Mar-24	2.413
Apr-24	2.407
May-24	2.479
Jun-24	2.613
Jul-24	2.752
Aug-24	2.798
Sep-24	2.778
Oct-24	2.854
Nov-24	3.242
Dec-24	3.733
Jan-25	4.020
Feb-25	3.860
Mar-25	3.446
Apr-25	3.169
May-25	3.184
Jun-25	3.321
FY 25	
Average for FY25 = \$10.25 /MMBtu	
\$9.25 /MMBtu	

Henry Hub	Future Price/MMBtu
2.619	8.5119
2.697	8.6016
2.413	8.2750
2.407	8.2681
2.479	8.3509
2.613	8.5050
2.752	8.6648
2.798	8.7177
2.778	8.6947
2.854	8.7821
3.242	9.2283
3.733	9.7990
4.020	10.1250
3.860	9.9390
3.446	9.4629
3.169	9.1444
3.184	9.1616
3.321	9.3192
FY 25	
Average for FY25 = \$9.25 /MMBtu	

Nomenclature

NY ULSD = CME Group NY Harbor ULSD Futures - Settlements  
 Gulf Coast ULSD = CME Group Gulf Coast ULSD (Platts) Futures - Settlements  
 BRENT = CME Group Brent Last Day Financial Futures Settlements  
 Henry Hub = CME Group Henry Hub Natural Gas Futures - Settlements  
 Marine 0.5% + 4.30 = Platts 0.5% Dvd US Atlantic Coast Barge + \$4.30 adder per barrel  
 BRENT daily = ICE Brent settlement for specific day for contract month  
 USGC Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using USGC 0.5% S historical data  
 BRENT Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using BRENT historical data

NOTE:  
 As established on Exhibit C - Fuel Price, of the FSPA agreed between NFE and PREPA, the adder shall be adjusted as follows:

NFE  
 115% \* Henry Hub + \$7.50 (During months 13-24 of the Initial Contract term)  
 115% \* Henry Hub + \$6.50 (During months 25 until the end of Initial Contract term)  
 August 1, 2023 marks the beginning of the 25<sup>th</sup> month of Initial Contract Term, so adder will be reduced as shownby highlighted formula.

Mega Gen Utilization Capacity			
NG Max Fuel Consumption Rate	289,020	scf/hr	Emission Source Construction Permit Modification 24 Apr 2023 Section II
NG Fuel Consumption Limit (12 month rotating period)	2,530,868,932	scf/year	Emission Source Construction Permit 09 Apr 2022 Section IV.13.b
Operational hr Limit per year	8756.726	hr/year	
Operational hr Limit per day	23.99	hr/day	
Operational hr Limit per day per unit (3 units)	8.00	hr/day/unit	
Utilizacion Capacity	33	%	





## Mayagüez Fuel Swap Cost Savings

		P&W FT8		x4 FT8 units in Mayaguez	Notes
		Gas	Diesel		
1	Fuel Swap Savings				
2	Capacity	MW	54.0	54.0	Maximum Capacity Dependable From Environmental Permit (calc in <Environmental Permit> tab.
3	(x) Capacity Factor	%	34%	34%	
4	(x) Hours (in a year)	hr	8,760	8,760	
5	Generation	MWh	160	160	
6	(x) Heat Rate (HHV)	Btu/KWh	10,364	10,364	From Operation raw data <Generation Raw_data Accum. 2023> Tab.
7	Fuel Consumption	TBtu	1.7	1.7	
8	(x) Fuel Price	\$/MMBtu	\$11.25	\$18.80	From Fuel Team Forecast for FY2025 (<Fuels Price Forecast - MAIN> tab) + \$1/MMBtu premium for logistics cost for Mayaguez.
9	[A] Annual Fuel Cost	\$mm	\$18.64	\$31.15	
10	Fuel Cost Savings	\$/MMBtu	-	\$7.55	
11	Annual Fuel Cost Savings	\$mm	-	\$12.51	<< Generation cost saving only to production of the FT8s in Mayaguez
12	Generation Cost	\$/KWh	\$0.117	\$0.195	
13	[B] Generation Cost Savings	\$/KWh	-	\$0.078	

Mobile Pack PW FT-8 (Central Palo Seco)	Gross Production (MW)	Net Production (MW)	Fuel Consumption (Bbl)	HHV (Valor calorífico)	BTU (energía del combustible)	Net Heat Rate (Btu/kWh) Eficiencia de la unidad
Unit 1A & 1B	114,417,600	114,280,298	203,525	5,725,727	1,165,329,160,248	10,197
Unit 2A & 2B	65,884,000	65,804,938	120,039	5,725,727	687,310,486,096	10,445
Unit 3A & 3B	60,388,700	60,316,233	108,579	5,725,727	621,693,024,846	10,307
Unit 4A & 4B	114,184,600	114,047,580	209,462	5,725,727	1,199,321,370,015	10,516
Total	354,874,900	354,449,049	641,605	5,725,727	3,673,654,041,204	10,364

Datos 2023

GENERA PR  
 FUELS DEPARTMENT  
 Fuel Prices Forecast Calculation

Date	18-Jan-23
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Diesel (ULSD)	NOTE: Adder for ULSD is \$7.75/Bbl
month	Future Price/bbl
Jan-24	\$115.59
Feb-24	\$117.90
Mar-24	\$115.22
Apr-24	\$119.28
May-24	\$111.69
Jun-24	\$111.01
Jul-24	\$110.54
Aug-24	\$110.74
Sep-24	\$110.93
Oct-24	\$110.54
Nov-24	\$109.75
Dec-24	\$109.20
Jan-25	\$108.67
Feb-25	\$108.17
Mar-25	\$107.86
Apr-25	\$107.80
May-25	\$107.37
Jun-25	\$107.09

FY 25  
 Average for FY25 = \$109.06 /Bbl  
 \$18.80 /MMBtu

NY ULSD	Gulf Coast ULSD	Pine Gulf Coast Refineries *Summer* (Pine Gulf Coast + 3002)	Average of NY + GCub
2.6496	2.5471	2.5671	2.6084
2.5989	2.5089	2.5289	2.5589
2.5402	2.4652	2.4852	2.5127
2.5010	2.4285	2.4485	2.4748
2.4836	2.4136	2.4336	2.4586
2.4754	2.4039	2.4239	2.4497
2.4767	2.4077	2.4277	2.4522
2.4798	2.4133	2.4333	2.4566
2.4769	2.3979	2.4179	2.4474
2.4683	2.3688	2.3888	2.4286
2.4602	2.3507	2.3707	2.4155
2.4499	2.3356	2.3556	2.4028
2.4348	2.3272	2.3472	2.3910
2.4139	2.3334	2.3634	2.3837
2.4005	2.3439	2.3639	2.3820
2.3896	2.3343	2.3543	2.3720
2.3825	2.3280	2.3480	2.3653

**Nomenclature**  
 NY ULSD = CME Group NY Harbor ULSD Futures - Settlements  
 Gulf Coast ULSD = CME Group Gulf Coast ULSD (Platts) Futures - Settlements  
 BRENT = CME Group Brent Last Day Financial Futures Settlements  
 Henry Hub = CME Group Henry Hub Natural Gas Futures - Settlements  
 Marine 0.5% + 4.30 = Platts 0.5% Dvd US Atlantic Coast Barge + \$4.30 adder per barrel  
 BRENT daily = ICE Brent settlement for specific day for contract month  
 USGC Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using USGC 0.5% S historical data  
 BRENT Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using BRENT historical data

Fuel Oil #6	NOTE: Adder for FO#6 is \$4.30/Bbl
month	Future Price/bbl
Jan-24	\$94.66
Feb-24	\$96.29
Mar-24	\$95.17
Apr-24	\$94.41
May-24	\$93.72
Jun-24	\$93.08
Jul-24	\$92.49
Aug-24	\$91.91
Sep-24	\$91.33
Oct-24	\$90.75
Nov-24	\$90.20
Dec-24	\$89.65
Jan-25	\$89.18
Feb-25	\$88.62
Mar-25	\$88.45
Apr-25	\$88.08
May-25	\$87.73
Jun-25	\$87.38

FY 25  
 Average for FY25 = \$89.66 /Bbl  
 \$14.23 /MMBtu

USGC Correlation	BRENT Correlation	Average
99.56	93.03	96.29
97.91	92.42	95.17
96.75	92.07	94.41
95.70	91.74	93.72
94.83	91.33	93.08
94.05	90.92	92.49
93.36	90.46	91.91
92.65	90.01	91.33
91.97	89.54	90.75
91.34	89.07	90.20
90.71	88.60	89.65
90.21	88.15	89.18
89.84	87.79	88.82
89.48	87.41	88.45
89.11	87.05	88.08
88.78	86.68	87.73
88.44	86.31	87.38

LNG San Juan	Henry Hub
month	Future Price/MMBtu
Jan-24	9.5119
Feb-24	9.6016
Mar-24	9.2750
Apr-24	9.2681
May-24	9.3509
Jun-24	9.5050
Jul-24	9.6648
Aug-24	9.7177
Sep-24	9.6947
Oct-24	9.7821
Nov-24	10.2283
Dec-24	10.7990
Jan-25	11.1250
Feb-25	10.9390
Mar-25	10.4629
Apr-25	10.1444
May-25	10.1616
Jun-25	10.3192

Average for FY25 = \$10.25 /MMBtu

LNG CS + ECO	month
Jan-24	2.619
Feb-24	2.697
Mar-24	2.413
Apr-24	2.407
May-24	2.479
Jun-24	2.613
Jul-24	2.752
Aug-24	2.798
Sep-24	2.778
Oct-24	2.854
Nov-24	3.242
Dec-24	3.733
Jan-25	4.020
Feb-25	3.860
Mar-25	3.446
Apr-25	3.169
May-25	3.184
Jun-25	3.321

FY 25  
 Average for FY25 = \$10.25 /MMBtu

Henry Hub	Future Price/MMBtu
Jan-24	8.5119
Feb-24	8.6016
Mar-24	8.2750
Apr-24	8.2681
May-24	8.3509
Jun-24	8.5050
Jul-24	8.6648
Aug-24	8.7177
Sep-24	8.6947
Oct-24	8.7821
Nov-24	9.2283
Dec-24	9.7990
Jan-25	10.1250
Feb-25	9.9390
Mar-25	9.4629
Apr-25	9.1444
May-25	9.1616
Jun-25	9.3192

FY 25  
 Average for FY25 = \$9.25 /MMBtu

**NOTE:**  
 As established on Exhibit C - Fuel Price, of the FSPA agreed between NFE and PREPA, the adder shall be adjusted as follows:  
 NFE  
 115% \* Henry Hub + \$7.50 (During months 13-24 of the Initial Contract term)  
 115% \* Henry Hub + \$6.50 (During months 25 until the end of Initial Contract term)  
 August 1, 2023 marks the beginning of the 25<sup>th</sup> month of Initial Contract Term, so adder will be reduced as shownby highlighted formula.

Mayaguez Utilization Capacity			
Diesel Max Fuel Consumption Rate	1,984	scf/hr	Construction Permit Modification PFE-50-0307-0286-I-II-C Section II
Diesel Fuel Consumption Limit (365 day rotating period)	46,987,486	scf/year	Construction Permit Modification PFE-50-0307-0286-I-II-C Sec III.A.32
Operational hr Limit per year	23682.015	hr/year	
Operational hr Limit per day	64.88	hr/day	
Operational hr Limit per day per unit (8 turbines)	8.11	hr/day/unit	
Utilizacion Capacity	34	%	

Mediante presentación electrónica

<https://radicacion.energia.pr.gov/login>

Sr. Edison Avilés-Deliz  
Presidente  
Negociado de Energía  
Junta Reglamentadora del Servicio Público  
268 Avenida Muñoz Rivera  
Edificio World Plaza  
Piso 7, Suite 704  
Hato Rey, Puerto Rico 00918

***Re: Solicitud de Permiso para Operar Palo Seco MP y Mayagüez CT con Gas Natural como Combustible Primario***

Estimado Presidente Avilés-Deliz y Comisionados Asociados:

Durante más de ocho décadas, el sistema eléctrico de Puerto Rico estuvo bajo el control exclusivo de la Autoridad de Energía Eléctrica de Puerto Rico ("AEE"), manteniendo una integración vertical en toda la cadena de producción, desde la generación hasta la transmisión y distribución de energía eléctrica. Con una base de clientes de alrededor de 1.5 millones, la AEE ostentaba el monopolio del suministro eléctrico de la isla. Sin embargo, a pesar de su estatus y por múltiples razones, la AEE luchaba por ofrecer a sus clientes un servicio eficiente a costos razonables. Este reto se vio agravado por la devastación causada por los huracanes Irma y María en septiembre de 2017.

Reconociendo la urgente necesidad de una revisión integral, el Gobierno de Puerto Rico se embarcó en una misión para modernizar, sostener y fortalecer su sistema eléctrico, con el objetivo de mejorar la confiabilidad, la eficiencia y la asequibilidad. Este imperativo llevó a la promulgación de la Ley 120-2018<sup>1</sup> y la Ley 17-2019, que proveen el marco legal para facilitar esta transformación. Bajo esta legislación, la AEE obtuvo

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<sup>1</sup> Ley. Núm. 120 de 21 de junio de 2018 y según enmendada.

la autoridad para desintegrar sus activos de generación de energía eléctrica y delegar responsabilidades operacionales según se estime necesario. La Ley 120-2018 también otorgó a la AEE y a la Autoridad para las Alianzas Público-Privadas de Puerto Rico ("AAPP") el mandato de supervisar y ejecutar los complicados procesos involucrados en estas transacciones, allanando el camino para reformas sustantivas en el panorama energético de la isla.

El 22 de junio de 2020, el Gobierno de Puerto Rico transfirió exitosamente la operación y mantenimiento del Sistema de T&D a LUMA Energy, LLC ("LUMA"). Posteriormente, el 25 de enero de 2023, la AEE como Propietaria, la AAPP como Administradora y Genera PR LLC ("Genera") como Operador, suscribieron el Contrato de Operación y Mantenimiento de las Instalaciones de Generación Térmica de Puerto Rico ("OMA de Generación" o "OMA") mediante el cual se nombra a Genera como único agente de la AEE encargado de la operación y mantenimiento de los activos de generación heredados ("LGA" por sus siglas en inglés). Según los términos del OMA de Generación, las tareas principales de Genera son operar y mantener los LGA, gestionar los contratos de combustible, suministrar combustibles y decomisar las unidades de los LGA según lo ordene el Negociado de Energía de Puerto Rico ("NEPR"). Con este paso histórico, Puerto Rico asegura la continuidad de la transformación del sistema eléctrico de la isla y la transición hacia la integración de fuentes de energía renovable, tal y como se recoge en el Plan Integrado de Recursos<sup>2</sup> ("PIR 2020") y en la política pública energética de Puerto Rico.

Genera asumió la operación del LGA el 1 de julio de 2023 y está trabajando para facilitar la transición de Puerto Rico hacia un sistema energético sostenible, eficiente y estable. Como nuevo operador, Genera marca otro paso significativo hacia la transformación energética que necesita y merece el pueblo de Puerto Rico. Los objetivos de Genera incluyen facilitar la transición a la generación de energía renovable, adherirse al PIR 2020 aprobado por el Negociado de Energía, asegurar la planificación efectiva a largo plazo de las necesidades energéticas, optimizar la operación de las plantas para garantizar la estabilidad del sistema eléctrico y fomentar el desarrollo de un sistema

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<sup>2</sup> *Resolución Final y Orden sobre el Plan Integrado de Recursos de la Autoridad de Energía Eléctrica de Puerto Rico* presentada en el caso núm. CEPR-AP-2018-0001, *In Re: Revisión del Plan de Recursos Integrados de la Autoridad de Energía Eléctrica de Puerto Rico*.

renovado, moderno y eficiente que promueva el crecimiento económico de Puerto Rico.

En Genera, entendemos que uno de los retos significativos para el pueblo de Puerto Rico es cubrir los costos del combustible utilizado para generar energía, y es de suma importancia que ofrezcamos soluciones energéticas costo efectivas a los clientes de LUMA. En particular, el impacto más significativo de las facturas de los clientes de LUMA se atribuye actualmente a los costos de combustible. Estos costos se transfieren a los clientes, exponiéndolos a las fluctuaciones del mercado influenciadas por diversos factores exógenos como cambios estacionales, pandemias, guerras, cambios gubernamentales y fluctuaciones del mercado.

Genera reconoce que el objetivo final es eliminar el uso de combustibles fósiles, pero el sistema actual no está preparado para retirar toda la flota operada con combustibles fósiles a corto plazo. Por lo tanto, Genera, con la aprobación del NEPR, busca implementar proyectos que puedan reducir sustancialmente los costos de combustible *sin* inversión de capital o con una inversión mínima y lograr ahorros en costos de combustible hasta que se retiren o sustituyan las unidades del LGA.

En cumplimiento con este compromiso, Genera ha identificado varios proyectos de cambio de combustible principal que pueden reducir significativamente los costos de combustible *sin* incurrir en gasto de capital. Estos proyectos se ejecutarán por fases en función de consideraciones de costo y tiempo. El propósito de esta carta es presentar y solicitar la autorización del NEPR para completar el primer proyecto importante para reducir los costos de combustible: completar los cambios de combustible principal de las unidades móviles de Palo Seco ("Palo Seco MP") (descritos a continuación) y las turbinas de combustión de Mayagüez ("Mayagüez CT") (descritas a continuación). **Según los siguientes modelos, se espera que los cambios de combustible principal de Palo Seco MP y Mayagüez CT generen un ahorro superior a los \$65 millones anuales.**

Genera se compromete a ofrecer soluciones que respondan a las necesidades energéticas de Puerto Rico. Creemos que los proyectos de cambio de combustible principal propuestos reducirán los costos de combustible, la contaminación y mejorarán la seguridad energética de Puerto Rico. Estamos seguros de que nuestro

enfoque ayudará a los clientes de la AEE a ahorrar dinero y contribuir a la construcción de un futuro energético sostenible.

## I. Palo Seco MP

La AEE es propietaria de tres turbinas de combustión PW Power Systems modelo FT8 MOBILEPAC con capacidad de combustible dual instaladas en la Central Eléctrica de Palo Seco en Toa Baja ("Palo Seco MP") con una capacidad nominal de 27MW cada una<sup>3</sup>. Genera opera estas unidades de acuerdo con el OMA de Generación. Estas unidades comenzaron su operación comercial en octubre de 2019 bajo una dispensa de emergencia. Las unidades de Palo Seco están disponibles para suministrar energía durante las horas pico y las emergencias. Los tres generadores proveen la oportunidad de respuesta rápida en caso de emergencia, falta de suficiente generación de energía en la Isla o aumento repentino en la demanda debido a apagones forzados en el resto de la flota generatriz de la AEE. Las unidades de Palo Seco pueden operar en combustible líquido (diésel) y gas natural, teniendo así capacidades de combustible dual. No obstante, actualmente operan únicamente con diésel ultra bajo en azufre (ULSD) con 15 ppm máximo de azufre.

En 2023, las centrales produjeron una generación neta total de 192,934 MW, con una media de 64,311 cada una, y funcionaron con un factor de capacidad del 27%. Las unidades tenían una potencia térmica ("heat rate") media de 10,109 y un costo de producción de 24 centavos por kilovatio-hora.

Las unidades de Palo Seco MP operan actualmente de acuerdo al Permiso de Construcción número PFE-70-0120-0010-II-C, emitido por el Departamento de Recursos Naturales y Ambientales de Puerto Rico ("DRNA"), el cual autoriza la construcción de tres turbinas, PWPS modelo FT8 MOBILEPAC, utilizando combustible diésel a una tasa máxima de consumo de 2,053 gal/hr. También utilizan un sistema de inyección de agua como equipo de control de emisiones. El límite de consumo de combustible establecido en el permiso para las tres turbinas combinadas es de 12,281,995 galones de *ultra-low sulfur diesel (ULSD)* en un período renovable de 12

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<sup>3</sup> Denominado "MegaGen" en el PIR 2020.



meses. El 24 de abril de 2023 se emitió una modificación del permiso de construcción que ***permite utilizar gas natural como combustible*** con un consumo máximo de 289,020 scf/hora. El límite de consumo de combustible establecido en el permiso para las tres turbinas combinadas es de 2,530,868,932 scf de gas natural durante 12 meses consecutivos.

## II. Mayagüez CT

La AEE es propietaria de cuatro unidades de combustión Pratt & Whitney FT8 Swift Pac, con capacidad de combustible dual, instaladas en la Central Eléctrica Mayagüez en Mayagüez ("Mayagüez CT") con una capacidad nominal de 55MW cada una. Estas unidades comenzaron oficialmente su operación comercial en 2009. Genera opera estas unidades como parte del OMA de Generación. Al igual que las unidades móviles de Palo Seco, las turbinas de combustión de Mayagüez están disponibles para energía durante horas pico y emergencias, pueden funcionar con combustible líquido o gas natural, y proveen la oportunidad de respuesta rápida en caso de emergencia, falta de suficiente generación de energía en la Isla o aumento repentino en la demanda debido a apagones forzados en el resto de la flota generadora de la AEE. Las turbinas de combustión de Mayagüez están diseñadas y operan mecánicamente en combustible líquido (diésel) y gas natural. No obstante, actualmente operan solo con ULSD con un contenido máximo de azufre de 15 ppm.

En 2023, la central produjo una generación neta total de 354,449MW, con una media de 88,612 por cada una, y funcionó con un factor de capacidad del 18%. Las unidades tenían una potencia térmica ("heat rate") media de 10,987 y un costo de producción de 24 céntimos por kilovatio-hora.

Las Mayagüez CT operan de acuerdo al Permiso de Construcción, número PFE-50-0307-0286-I-II-C, emitido por el DRNA, el cual autoriza la construcción de cuatro unidades Pratt & Whitney FT8 Swift Pac utilizando diésel #2 a una tasa máxima de consumo de 1,984 gal/hr y utilizando un sistema de inyección de agua como equipo de control de emisiones, según descrito en la Sección II de dicho Permiso. El límite de consumo de combustible descrito en el permiso para las cuatro unidades combinadas es de 46,987,485.7 galones de diésel #2 en una base rotativa de 365 días.

Las Mayagüez CT actualmente no tiene permiso para operar utilizando gas natural. Aún así, tan pronto el NEPR emita su aprobación para hacer el cambio de combustible principal, Genera comenzará el proceso de enmendar el permiso actual.

### III. Unidades que operan con ULSD

Las Palo Seco MP y las Mayagüez CT están diseñadas y pueden funcionar quemando diésel y gas natural como combustibles. Sin embargo, en la actualidad, ambos funcionan únicamente con ULSD. El ULSD es el grado de diésel más caro del mercado, no sólo por su bajo contenido en azufre, sino también por la gran demanda de este combustible en todo el mundo. Además, dado que el diésel se considera un combustible de emergencia tanto como militar, las catástrofes naturales y los conflictos geopolíticos en todo el mundo provocan una volatilidad de precios extremadamente alta y, en casos extremos, escasez de suministros de ULSD durante periodos prolongados. Como referencia, la Tabla 1 muestra los precios históricos y previstos del ULSD en los últimos tres años y hasta el año fiscal 2025.

Tabla 1

DIESEL ULTRA BAJO EN AZUFRE PRECIO PROMEDIO EN \$/BBL POR AÑO FISCAL			
PRECIO	Variación Y-a-Y		
AF '21	74.0311	--	
AF '22	131.1028	77.1%	
AF '23	142.2877	8.5%	
AF '24	129.2523	-9.2%	Hasta 5 de febrero de 2024
AF '24	109.2700	-15.5%	Pronóstico

Además de los retos generales "macro" de precio y suministro descritos anteriormente, la AEE también ha sufrido limitaciones con el suministro local de ULSD debido a factores

intrínsecos como capacidad limitada de almacenamiento y restricciones de capacidad marítima y de buques. Como resultado, el suministro de diésel durante emergencias y periodos de alta demanda ha sido un factor en la operación de estas unidades.

A pesar de tener menor contenido de azufre que el diésel regular, el ULSD sigue emitiendo mayores niveles de gases de efecto invernadero, partículas y otros contaminantes nocivos que los combustibles menos contaminantes, como el gas natural.

#### **IV. Cambio de combustible principal a gas natural y de reserva a ULSD**

El cambio del combustible primario para operar las Palo Seco MP y las Mayagüez CT de ULSD a gas natural beneficiará a los clientes de la AEE. Uno de los beneficios más significativos es el ahorro en costos de combustible.

Genera ha preparado un modelo ilustrativo de ahorros por cambio de combustible principal para cada proyecto. Una explicación detallada del modelo y la información utilizada en cada uno se detalla a continuación.

##### **a. Ahorro por cambio de combustible principal en la unidad móvil de Palo Seco**

Se adjunta a esta carta el modelo de ahorro de costos del cambio de combustible principal de Palo Seco (Apéndice A). En las siguientes secciones se ofrece un desglose del modelo presentado en la Tabla 2, con un "recorrido" narrativo también esbozado a continuación.

Tabla 2

		PS PWPS FT8		x3 FT8 units
		Gas	Diesel	in Palo Seco
1	<b>Fuel Swap Savings</b>			
2	Capacity	MW	27.0	27.0
3	(x) Capacity Factor	%	33%	33%
4	(x) Hours ( <i>in a year</i> )	hr	8,760	8,760
5	Generation	MWh	79	79
6	(x) Heat Rate (HHV)	Btu/kWh	10,226	10,226
7	Fuel Consumption	TBtu	0.8	0.8
8	(x) Fuel Price	\$/MMBtu	\$11.25	\$18.80
9	[A] Annual Fuel Cost	\$mm	\$9.07	\$15.15
10	Fuel Cost Savings	\$/MMBtu	-	\$7.55
11	Annual Fuel Cost Savings	\$mm	-	\$6.09
12	Generation Cost	\$/kWh	\$0.115	\$0.192
13	[B] Generation Cost Savings	\$/kWh	-	\$0.077

A continuación se presenta un "recorrido" por el modelo.

## i. Datos y metodología

### 1. Rendimiento de las unidades y datos operativos

Según el rendimiento histórico de las unidades, su capacidad máxima fiable es de 27 MW. Según el permiso medioambiental, el Factor de Capacidad es del 33%. El desglose de este cálculo se detalla en la Tabla 3.

Tabla 3

	Mega Gen Utilization Capacity		unit	Formula/Source
[ A ]	NG Max Fuel Consumption Rate	289,020	scf/hr	Emission Source Construction Permit Modification 24 Apr 2023 Section II
[ B ]	NG Fuel Consumption Limit (12-month rotating period)	2,530,868,932	scf/year	Emission Source Construction Permit 09 Apr 2022 Section IV.13.b
[ C ]	Operational hr Limit per year	8,756.73	hr/year	$[C]=[B]/[A]$
[ D ]	Operational hr Limit per day	23.99	hr/day	$[D]=[C]/365$
[ E ]	Operational hr Limit per day per unit (3 units)	8.00	hr/day/unit	$[E]=[D]/3$
[ F ]	Utilization Capacity	33	%	$[F]=([E]/24)*100$

A partir de los datos anteriores, la producción de cada unidad móvil de Palo Seco es de 79 MWh ((27 MW de capacidad x 33% de factor de capacidad x 8,760 horas al año) / 1.000 = 79 MWh).

El índice térmico de 10,226 Btu/kWh para estas unidades se basa en su rendimiento en 2023. Los 79 MWh multiplicados por la tasa de calor de 10,226 Btu/kWh dan como resultado un consumo de combustible de 0.8 TBtu para cada unidad, lo que significa que las tres unidades consumen un total de ~2 TBtu de combustible.

## 2. Previsión del precio de combustible

Según el análisis más reciente, se prevé que, en promedio para el año fiscal 2025, el ULSD cueste \$18.80/MMBtu, mientras que el gas natural licuado ("LNG") en San Juan costará \$10.25/MMBtu. Sin embargo, el suministro de LNG a Palo Seco tiene un costo logístico. De forma conservadora, Genera ha supuesto un recargo de \$1 al costo del LNG para cubrir dicha prima de costo logístico, resultando en un costo de \$11.25 / MMBtu para el LNG en Palo Seco. El diferencial entre ULSD y LNG en este ejercicio resulta en \$7.55/ MMBtu, lo que, sobre una base anual, supone \$6.09 millones por cada unidad.

Por lo tanto, el resultado del cambio de combustible principal de Palo Seco, que hace que las unidades móviles de Palo Seco pasen de utilizar ULSD como combustible a utilizar gas natural como combustible principal y ULSD como combustible de reserva, supone un ahorro de \$18.26 millones para el contribuyente de Puerto Rico.

### b. Ahorros por cambio de combustible principal de las turbinas de combustión de Mayagüez

Se adjunta a esta carta el Modelo de Ahorro de Costos por Cambio de Combustible Principal de Mayagüez (Apéndice B). El desglose del modelo presentado en la Tabla 4 se ofrece en las siguientes secciones, con un recorrido narrativo también esbozado a continuación.

Tabla 4

		P&W FT8		X4 FT8 units in Mayagüez
		Gas	Diesel	
1	Fuel Swap Savings			
2	Capacity <i>MW</i>	54.0	54.0	
3	(x) Capacity Factor %	34%	34%	
4	(x) Hours ( <i>in a year</i> ) <i>hr</i>	8,760	8,760	
5	Generation <i>MWh</i>	160	160	639
6	(x) Heat Rate (HHV) <i>Btu/kWh</i>	10,364	10,364	
7	Fuel Consumption <i>TBtu</i>	1.7	1.7	7
8	(x) Fuel Price <i>\$/MMBtu</i>	\$11.25	\$18.80	
9	[A] Annual Fuel Cost <i>\$mm</i>	\$18.64	\$31.15	
10	Fuel Cost Savings <i>\$/MMBtu</i>	-	\$7.55	
11	Annual Fuel Cost Savings <i>\$mm</i>	-	\$12.51	\$50.04
12	Generation Cost <i>\$/kWh</i>	\$0.117	\$0.195	
13	[B] Generation Cost Savings <i>\$/kWh</i>	-	\$0.078	

A continuación, se presenta un " recorrido " por el modelo.

## i. Datos y metodología

### 1. Rendimiento de las unidades y datos operativos

Basándose en el rendimiento histórico de las unidades, su capacidad máxima fiable es de 54 MW. Según el permiso medioambiental, se calcula que el Factor de Capacidad es del 34%. El desglose de este cálculo se detalla en la Tabla 5.

Table 5

	Mega Gen Utilization Capacity		unit	Formula/Source
[A]	Diesel Max Fuel Consumption Rate	1,984	scf/hr	Construction Permit Modification PFE-50-0307-0286-I-II-C Section II
[B]	Diesel Fuel Consumption Limit (12-month rotating period)	46,987,486	scf/year	Construction Permit Modification PFE-50-0307-0286-I-II-C
[C]	Operational hr Limit per year	23,682.015	hr/year	$[C]=[B]/[A]$
[D]	Operational hr Limit per day	64.88	hr/day	$[D]=[C]/365$
[E]	Operational hr Limit per day per unit (8 units)	8.11	hr/day/unit	$[E]=[D]/3$
[F]	Utilization Capacity	34	%	$[F]=([E]/24)*100$

De las entradas anteriores, la producción de generación para cada una de las unidades Mayagüez es de 160 MWh ((Capacidad de 54 MW x Factor de Capacidad de 34% x 8,760 horas en un año) / 1000 = 160 MWh).

La Tasa de Calor de 10,364 Btu/kWh para estas unidades se basa en su rendimiento en 2023. Los 160 MWh multiplicados por la tasa de calor de 10,364 Btu/kWh dan como resultado 1.7 TBtu de consumo de combustible para cada una de las unidades, lo que significa que las cuatro unidades consumen un total de ~8 TBtu de combustible.

## 2. Previsión del precio del combustible

Según el análisis más reciente, en promedio para el año fiscal 2025, se pronostica que el ULSD costará \$18.80/MMBtu, mientras que se pronostica que el LNG en San Juan



costará \$10.25/MMBtu. Sin embargo, el suministro de LNG a Mayagüez tiene un costo logístico. De forma conservadora, Genera ha añadido un suplemento de \$1 al costo del LNG para cubrir tales primas de costos logísticos, resultando en un costo de \$11.25 / MMBtu para el LNG en Mayagüez. El diferencial entre ULSD y LNG en este ejercicio resulta en \$7.55 / MMBtu, que, sobre una base anual, es \$12.51 millones para cada unidad.

Por lo tanto, el resultado del cambio de combustible principal de Mayagüez CT, que cambia las unidades de Mayagüez CT de usar ULSD como combustible a usar gas natural como combustible principal y ULSD como combustible de reserva, supone un ahorro de \$50.04 millones para el contribuyente LUMA de Puerto Rico.

## **V. Beneficios medioambientales**

El ahorro de costos que generará el cambio de combustible principal no es el único beneficio que reportarán estos proyectos. El cambio de combustible principal de ULSD a gas natural y ULSD como combustible de reserva también genera importantes beneficios medioambientales, lo que convierte a este proyecto en un paso adelante en la creación de un futuro energético más sostenible para Puerto Rico. El gas natural es un combustible de combustión más limpia que emite menos gases de efecto invernadero y partículas. Según la US Environmental Protection Agency, la combustión del gas natural emite un 50% menos de dióxido de carbono que el carbón y un 27% menos de CO<sub>2</sub> que el petróleo. Además, el gas natural emite menos óxidos de nitrógeno y dióxido de azufre que el diésel y la gasolina, que son los principales causantes de la contaminación, la lluvia ácida y otros problemas medioambientales.

En lo que respecta a los beneficios medioambientales, el uso de gas natural en comparación con el ULSD ofrece varias ventajas. En primer lugar, el gas natural emite menos gases de efecto invernadero, como el dióxido de carbono y el metano, que el ULSD. Esto lo convierte en una opción más respetuosa con el medio ambiente, ya que contribuye menos al calentamiento global y al cambio climático. En segundo lugar, el gas natural produce niveles más bajos de contaminantes atmosféricos nocivos, como óxidos de nitrógeno, dióxido de azufre y partículas, que el ULSD. Esto significa que puede ayudar a reducir la contaminación atmosférica y mejorar la calidad del aire. Por último, el gas natural es un combustible de combustión más limpia que puede ayudar a reducir la huella de carbono en comparación con el ULSD, que es un combustible fósil.

## VI. Alineación con el PIR 2020 y la Política Energética Pública

Los cambios de combustible principales aquí propuestos están alineados con el PIR 2020. Ni el MP de Palo Seco ni el CT de Mayagüez se retiran en el Plan de Acción Modificado.

En el 2018, la AEE solicitó al NEPR que permitiera la conversión de Mayagüez CT para quemar gas natural. No obstante, la solicitud estaba atada al desarrollo e inversión en infraestructura, incluyendo el desarrollo de un nuevo terminal de LNG basado en barcos. Cuando el NEPR evaluó la propuesta, determinó que no era razonable considerar gastos en una infraestructura de LNG, por lo que denegó la conversión de las *peakers* de Mayagüez de 200 MW para quemar gas natural. Sin embargo, el Negociado de Energía ordenó la retención de las *peakers* ya que las unidades son un recurso de generación reciente instalado en 2009, y no hay expectativa de que su retiro económico o por edad pueda ocurrir durante el periodo del Plan de Acción Modificado. Por lo tanto, actualmente, no hay expectativa de retirar la unidad de Mayagüez.

En cuanto a la unidad móvil de Palo Seco, también se considera parte de la flota durante el periodo del Plan de Acción Modificado, y no hay planes para retirarla. Además, el NEPR permitió una sustitución limitada de unidades *peaking*, que está limitada a 147 MW. Este cálculo incluía la capacidad de la unidad móvil de Palo Seco. Por lo tanto, en la actualidad no se prevé la retirada de la unidad móvil de Palo Seco.

Además, los cambios de combustible principales aquí propuestos están alineados con la política pública energética de Puerto Rico. Este proyecto busca maximizar los beneficios de la flota existente en lugar de adquirir nuevos activos de generación a base de combustibles fósiles hasta que el NEPR decida que hay que reemplazarla o reutilizarla. Los cambios de combustible principal proveerán ahorros de costos a los clientes durante la transición al nuevo y transformado sistema de generación.

Los cambios de combustible principales aquí propuestos siguen los mandatos de los requisitos legales de Puerto Rico. Las leyes de Puerto Rico promueven la integración de centrales eléctricas de pequeña escala con capacidad para operar con una mezcla diversificada de combustibles, uno de los cuales será el gas natural, que reduzca las emisiones de gases de efecto invernadero, con tecnología más moderna e infraestructura asociada y capacidad de alta eficiencia, y capaces de integrar la

generación distribuida y la energía renovable en la red eléctrica. Toda central eléctrica nueva o existente, salvo las que funcionen exclusivamente con fuentes de energía renovables, deberá poder generar energía a partir de dos o más combustibles, uno de los cuales deberá ser el gas natural.

El proyecto para completar el cambio de combustible principal para la unidad móvil de Palo Seco y la turbina de combustión de Mayagüez se alinea con la política antes mencionada. Además, va más allá de estos requisitos, ya que Genera propone maximizar el uso de las unidades existentes y hacer que cumplan con la política y los requisitos legales mencionados anteriormente **sin hacer inversiones de capital** en mejoras o la compra de nuevos activos de generación de combustible fósil.

Este proyecto también está alineado con el objetivo de Puerto Rico de alcanzar el 100% de energía renovable para 2050. A través del PIR 2020, el NEPR ordenó un proceso de contratación sin precedentes que tiene como objetivo avanzar hacia esta meta. En cumplimiento de esto, el NEPR ha lanzado una serie de RFP para procurar la compra de más de 3,500MW de generación renovable y 1,500MW en ciclos de 4 horas de almacenamiento de energía en baterías. Sin embargo, los sistemas renovables y de almacenamiento en baterías por sí solos no proporcionan los mismos servicios que las unidades de carga base que se retirarán tras integrar los proyectos de energía renovable a escala de servicio público. Por lo tanto, los sistemas que suministran los servicios necesarios deben integrarse con la generación renovable.

Puerto Rico también está experimentando un crecimiento significativo en la integración de la generación distribuida. El operador de T&D ha sido clave en esta interconexión acelerada. Los sistemas solares en tejados, que representan aproximadamente 680 MW, se conectaron a la red de Puerto Rico hasta 2023. Hasta la fecha, estos sistemas están produciendo generación para los propietarios de viviendas y negocios que los tienen y para la red a través del programa de medición neta. La integración de esta energía en el sistema beneficia en términos de adición de generación, pero, como en el último ejemplo, requieren servicios auxiliares para mantener la estabilidad y evitar perturbaciones.

Los servicios necesarios para seguir apoyando la integración de las energías renovables, como la regulación de la frecuencia, el control de la tensión, la capacidad de inercia, la capacidad de cortocircuito y la reserva giratoria rápida, son necesarios

para mantener la estabilidad del sistema eléctrico. Así pues, las pequeñas turbinas de gas añadirán un apoyo muy necesario a la integración de una generación resistente y sostenible, proporcionando servicios auxiliares a la red. Además, una vez retiradas las grandes unidades de carga base, Puerto Rico debe mantener una cartera diversificada de recursos de generación, incluida la generación despachable y confiable. Esto es importante porque las fuentes renovables como la solar y la eólica son intermitentes y su producción puede variar en función de las condiciones meteorológicas, lo que dificulta garantizar un suministro eléctrico constante. Las fuentes de generación disponibles, como el gas natural, son esenciales para equilibrar la red. Una combinación de fuentes de generación puede ayudar a mitigar las interrupciones del suministro y la volatilidad de los precios en el mercado energético. Las fuentes de generación disponibles pueden proporcionar una fuente fiable y constante de electricidad que puede despacharse en función de la demanda para satisfacer las cambiantes necesidades energéticas.

Las Palo Seco MP y las Mayagüez CT tienen las características necesarias para ofrecer los servicios esenciales enumerados anteriormente. Sin embargo, intercambiando el combustible de estas unidades, Genera puede proporcionar estos servicios a la red a un costo inferior que si utilizara ULSD.

## VII. Sin impacto en las tarifas

Las Palo Seco MP y las Mayagüez CT operan actualmente con ULSD. Ambas ya están equipadas para operar con gas natural. El único requisito es reemplazar los componentes obsoletos o dañados que se han vuelto obsoletos a través de los años. La administración de Genera realizará todos los trabajos necesarios para que estas unidades estén listas para funcionar con gas natural. Por lo tanto, **los cambios de combustible principales propuestos no afectarán a las tarifas básicas ni a las cláusulas adicionales y se llevarán a cabo sin costo alguno para los clientes de LUMA.** Además, se espera que estos proyectos también supongan ahorros adicionales, como los costos del O&M, ya que las horas de servicio son mayores en funcionamiento con gas que con ULSD.

#### VIII. Suministro de combustible

El gas natural será suministrado a través de tanques ISO LNG a las Palo Seco MP y las Mayagüez CT mediante un acuerdo de compraventa que está siendo adquirido en el mercado a través de un proceso competitivo administrado por la AAPP y su Oficial de Adquisiciones de Terceros designado. El acuerdo de combustible resultante establecerá el precio aplicable y otros términos y condiciones para el combustible en gas.

#### IX. Conclusión

Genera por este medio solicita la evaluación de cambios de combustible principal para las Palo Seco MP y las Mayagüez CT para lograr ahorros que exceden los \$65 millones anuales. Estos cambios traerán beneficios financieros y ayudarán a reducir los contaminantes en Puerto Rico.

El proyecto es esencial para transformar el sistema de generación de Puerto Rico en uno costo-efectivo, sostenible y confiable. Por lo tanto, Genera exhorta al NEPR a que evalúe los beneficios del proyecto y permita operar la unidad móvil de Palo Seco y la turbina de combustión de Mayagüez utilizando gas natural como combustible primario y ULSD como combustible de reserva.

Respetuosamente,

A handwritten signature in black ink, appearing to read "Katiuska Bolaños".

Katiuska Bolaños  
Chief Regulatory Officer  
Genera PR LLC

CC.

Fermín Fontanés-Gómez, Executive Director  
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Palo Seco Fuel Swap Cost Savings

		PWPS FT8		x3 FT8 units in Palo Seco		Notes
		Gas	Diesel			
Fuel Swap Savings						
1	Capacity	MW	27.0	27.0		Maximum Capacity Dependable From Environmental Permit (calc in <Environmental Permit> tab.
2	(x) Capacity Factor	%	33%	33%		
3	(x) Hours (in a year )	hr	8,760	8,760		
4	Generation	MWh	79	79	236	
5	(x) Heat Rate (HHV)	Btu/KWh	10,226	10,226		From Operation raw data <MP Raw_data Accum. 2023> Tab.
6	Fuel Consumption	TBtu	0.8	0.8	2	
7	(x) Fuel Price	\$/MMBtu	\$11.25	\$18.80		From Fuel Team Forecast for FY2025. (<Fuels Price Forecast - MAIN> tab) + \$1/MMBtu premium for logistics cost for Palo Seco.
8	[A] Annual Fuel Cost	\$mm	\$9.07	\$15.15		
9	Fuel Cost Savings	\$/MMBtu	-	\$7.55		<< Generation cost saving only to production of the FT8s in Palo Seco
10	Annual Fuel Cost Savings	\$mm	-	\$6.09	\$18.26	
11	Generation Cost	\$/KWh	\$0.115	\$0.192		
12	[B] Generation Cost Savings	\$/KWh	-	\$0.077		

Mobile Pack RW FT-8 (Central Palo Seco)	Gross Production (MW)	Net Production (MW)	Fuel Consumption (Bbl)	HHV (Valor calorífico)	BTU (energía del combustible)	Net Heat Rate (Btu/kWh) Eficiencia de la unidad
MP 1 (1411)	66,676.10	66,646.40	118,268.76	5,809,820	687,120,189,794	10,310
MP 2 (1410)	61,651.40	61,620.30	108,926.73	5,809,820	632,844,694,489	10,270
MP 3 (1412)	64,689.00	64,668.00	112,398.14	5,809,820	653,012,979,164	10,098
Total	193,016.50	192,934.70	339,593.63		1,972,977,863,447	10,226

Datos 2023



GENERA PR  
 FUELS DEPARTMENT  
 Fuel Prices Forecast Calculation

Date	18-Jan-23
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Diesel (ULSD)	NOTE: Adder for ULSD is \$7.75/Bbl
month	Future Price/bbl
Jan-24	\$115.59
Feb-24	\$117.90
Mar-24	\$115.22
Apr-24	\$119.28
May-24	\$111.69
Jun-24	\$111.01
Jul-24	\$110.54
Aug-24	\$110.74
Sep-24	\$110.93
Oct-24	\$110.54
Nov-24	\$109.75
Dec-24	\$109.20
Jan-25	\$108.67
Feb-25	\$108.17
Mar-25	\$107.86
Apr-25	\$107.80
May-25	\$107.37
Jun-25	\$107.09

NY ULSD	Gulf Coast ULSD	Pine Gulf Coast Refineries *Summer* (Pine Gulf Coast + 3002)	Average of NY + GCub
2.6496	2.5471	2.5671	2.6084
2.5989	2.5089	2.5289	2.5589
2.5402	2.4652	2.4852	2.5127
2.5010	2.4285	2.4485	2.4748
2.4836	2.4136	2.4336	2.4586
2.4754	2.4039	2.4239	2.4497
2.4767	2.4077	2.4277	2.4522
2.4798	2.4133	2.4333	2.4566
2.4769	2.3979	2.4179	2.4474
2.4683	2.3688	2.3888	2.4286
2.4602	2.3507	2.3707	2.4155
2.4499	2.3356	2.3556	2.4028
2.4348	2.3272	2.3472	2.3910
2.4139	2.3334	2.3634	2.3837
2.4005	2.3439	2.3639	2.3822
2.3896	2.3343	2.3543	2.3720
2.3825	2.3280	2.3480	2.3653

Average for FY25 =
\$109.06 /Bbl
\$18.80 /MMBtu

FY 25

Fuel Oil #6	NOTE: Adder for FO#6 is \$4.30/Bbl
month	Future Price/bbl
Jan-24	\$94.66
Feb-24	\$96.29
Mar-24	\$95.17
Apr-24	\$94.41
May-24	\$93.72
Jun-24	\$93.08
Jul-24	\$92.49
Aug-24	\$91.91
Sep-24	\$91.33
Oct-24	\$90.75
Nov-24	\$90.20
Dec-24	\$89.65
Jan-25	\$89.18
Feb-25	\$88.62
Mar-25	\$88.45
Apr-25	\$88.08
May-25	\$87.73
Jun-25	\$87.38

USGC Correlation	BRENT Correlation	Average
99.56	93.03	96.29
97.91	92.42	95.17
96.75	92.07	94.41
95.70	91.74	93.72
94.83	91.33	93.08
94.05	90.92	92.49
93.36	90.46	91.91
92.65	90.01	91.33
91.97	89.54	90.75
91.34	89.07	90.20
90.71	88.60	89.65
90.21	88.15	89.18
89.84	87.79	88.82
89.48	87.41	88.45
89.11	87.05	88.08
88.78	86.68	87.73
88.44	86.31	87.38

FY 25

Average for FY25 =
\$89.66 /Bbl
\$14.23 /MMBtu

LNG San Juan	month
Jan-24	9.5119
Feb-24	9.6016
Mar-24	9.2750
Apr-24	9.2681
May-24	9.3509
Jun-24	9.5050
Jul-24	9.6648
Aug-24	9.7177
Sep-24	9.6947
Oct-24	9.7821
Nov-24	10.2283
Dec-24	10.7990
Jan-25	11.1230
Feb-25	10.9390
Mar-25	10.4629
Apr-25	10.1444
May-25	10.1616
Jun-25	10.3192

LNG CS + ECO	month
Jan-24	2.619
Feb-24	2.697
Mar-24	2.413
Apr-24	2.407
May-24	2.479
Jun-24	2.613
Jul-24	2.752
Aug-24	2.798
Sep-24	2.778
Oct-24	2.854
Nov-24	3.242
Dec-24	3.733
Jan-25	4.020
Feb-25	3.860
Mar-25	3.446
Apr-25	3.169
May-25	3.184
Jun-25	3.321

Future Price/MMBtu	Henry Hub
8.5119	2.619
8.6016	2.697
8.2750	2.413
8.2681	2.407
8.3509	2.479
8.5050	2.613
8.6648	2.752
8.7177	2.798
8.6947	2.778
8.7821	2.854
9.2283	3.242
9.7990	3.733
10.1230	4.020
9.9390	3.860
9.4629	3.446
9.1444	3.169
9.1616	3.184
9.3192	3.321

FY 25

Average for FY25 =
\$9.25 /MMBtu

Nomenclature

NY ULSD = CME Group NY Harbor ULSD Futures - Settlements

Gulf Coast ULSD = CME Group Gulf Coast ULSD (Platts) Futures - Settlements

BRENT = CME Group Brent Last Day Financial Futures Settlements

Henry Hub = CME Group Henry Hub Natural Gas Futures - Settlements

Marine 0.5% + 4.30 = Platts 0.5% Dvd US Atlantic Coast Barge + \$4.30 adder per barrel

BRENT daily = ICE Brent settlement for specific day for contract month

USGC Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using USGC 0.5% S historical data

BRENT Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using BRENT historical data

**NOTE:**  
As established on Exhibit C - Fuel Price, of the FSPA agreed between NFE and PREPA, the adder shall be adjusted as follows:

NFE

115% \* Henry Hub + \$7.50 (During months 13-24 of the Initial Contract term)  
 115% \* Henry Hub + \$6.50 (During months 25 until the end of Initial Contract term)

August 1, 2023 marks the beginning of the 25<sup>th</sup> month of Initial Contract Term, so adder will be reduced as shownby highlighted formula.

Mega Gen Utilization Capacity			
NG Max Fuel Consumption Rate	289,020	scf/hr	Emission Source Construction Permit Modification 24 Apr 2023 Section II
NG Fuel Consumption Limit (12 month rotating period)	2,530,868,932	scf/year	Emission Source Construction Permit 09 Apr 2022 Section IV.13.b
Operational hr Limit per year	8756.726	hr/year	
Operational hr Limit per day	23.99	hr/day	
Operational hr Limit per day per unit (3 units)	8.00	hr/day/unit	
Utilizacion Capacity	33	%	



## Mayagüez Fuel Swap Cost Savings

		P&W FT8		x4 FT8 units in Mayaguez	Notes
		Gas	Diesel		
Fuel Swap Savings					
1	Capacity	MW	54.0	54.0	Maximum Capacity Dependable From Environmental Permit (calc in <Environmental Permit> tab.
2	(x) Capacity Factor	%	34%	34%	
3	(x) Hours (in a year )	hr	8,760	8,760	
4	Generation	MWh	160	160	
5	(x) Heat Rate (HHV)	Btu/KWh	10,364	10,364	From Operation raw data <Generation Raw_data Accum. 2023> Tab.
6	Fuel Consumption	TBtu	1.7	1.7	
7	(x) Fuel Price	\$/MMBtu	\$11.25	\$18.80	From Fuel Team Forecast for FY2025 (<Fuels Price Forecast - MAIN> tab) + \$1/MMBtu premium for logistics cost for Mayaguez.
8	[A] Annual Fuel Cost	\$mm	\$18.64	\$31.15	
9	Fuel Cost Savings	\$/MMBtu	-	\$7.55	
10	Annual Fuel Cost Savings	\$mm	-	\$12.51	<< Generation cost saving only to production of the FT8s in Mayaguez
11	Generation Cost	\$/KWh	\$0.117	\$0.195	
12	[B] Generation Cost Savings	\$/KWh	-	\$0.078	
13					

Mobile Pack PW FT-8 (Central Palo Seco)	Gross Production (MW)	Net Production (MW)	Fuel Consumption (Bbl)	HHV (Valor calorífico)	BTU (energía del combustible)	Net Heat Rate (Btu/kWh) Eficiencia de la unidad
Unit 1A & 1B	114,417,600	114,280,298	203,525	5,725,727	1,165,329,160,248	10,197
Unit 2A & 2B	65,884,000	65,804,938	120,039	5,725,727	687,310,486,096	10,445
Unit 3A & 3B	60,388,700	60,316,233	108,579	5,725,727	621,693,024,846	10,307
Unit 4A & 4B	114,184,600	114,047,580	209,462	5,725,727	1,199,321,370,015	10,516
Total	354,874,900	354,449,049	641,605	5,725,727	3,673,654,041,204	10,364

Datos 2023

GENERA PR  
 FUELS DEPARTMENT  
 Fuel Prices Forecast Calculation

Date	18-Jan-23
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Diesel (ULSD)	NOTE: Adder for ULSD is \$7.75/Bbl
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Jul-24	\$110.54
Aug-24	\$110.74
Sep-24	\$110.93
Oct-24	\$110.54
Nov-24	\$109.75
Dec-24	\$109.20
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Mar-25	\$107.86
Apr-25	\$107.80
May-25	\$107.37
Jun-25	\$107.09
Average for FY25 = \$109.06 /Bbl	
\$18.80 /MMBtu	

NY ULSD	Gulf Coast ULSD	Pine Gulf Coast Refineries *Summer* (Pine Gulf Coast + 3002)	Average of NY + GCub
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2.5989	2.5089	2.5289	2.5589
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2.4836	2.4136	2.4336	2.4586
2.4754	2.4039	2.4239	2.4497
2.4767	2.4077	2.4277	2.4522
2.4798	2.4133	2.4333	2.4566
2.4769	2.3979	2.4179	2.4474
2.4683	2.3688	2.3888	2.4286
2.4602	2.3507	2.3707	2.4155
2.4499	2.3356	2.3556	2.4028
2.4348	2.3272	2.3472	2.3910
2.4139	2.3334	2.3634	2.3837
2.4005	2.3439	2.3639	2.3822
2.3896	2.3343	2.3543	2.3720
2.3825	2.3280	2.3480	2.3653

Fuel Oil #6	NOTE: Adder for FO#6 is \$4.30/Bbl
month	Future Price/bbl
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Aug-24	\$91.91
Sep-24	\$91.33
Oct-24	\$90.75
Nov-24	\$90.20
Dec-24	\$89.65
Jan-25	\$89.18
Feb-25	\$88.62
Mar-25	\$88.45
Apr-25	\$88.08
May-25	\$87.73
Jun-25	\$87.38
Average for FY25 = \$89.66 /Bbl	
\$14.23 /MMBtu	

USGC Correlation	BRENT Correlation	Average
99.56	93.03	96.29
97.91	92.42	95.17
96.75	92.07	94.41
95.70	91.74	93.72
94.83	91.33	93.08
94.05	90.92	92.49
93.36	90.46	91.91
92.65	90.01	91.33
91.97	89.54	90.75
91.34	89.07	90.20
90.71	88.60	89.65
90.21	88.15	89.18
89.84	87.79	88.82
89.48	87.41	88.45
89.11	87.05	88.08
88.78	86.68	87.73
88.44	86.31	87.38

LNG San Juan	Henry Hub
month	Future Price/MMBtu
Jan-24	9.5119
Feb-24	9.6016
Mar-24	9.2750
Apr-24	9.2681
May-24	9.3509
Jun-24	9.5050
Jul-24	9.6648
Aug-24	9.7177
Sep-24	9.6947
Oct-24	9.7821
Nov-24	10.2283
Dec-24	10.7990
Jan-25	11.1250
Feb-25	10.9390
Mar-25	10.4629
Apr-25	10.1444
May-25	10.1616
Jun-25	10.3192
Average for FY25 = \$10.25 /MMBtu	

LNG CS + ECO	month
Jan-24	2.619
Feb-24	2.697
Mar-24	2.413
Apr-24	2.407
May-24	2.479
Jun-24	2.613
Jul-24	2.752
Aug-24	2.798
Sep-24	2.778
Oct-24	2.854
Nov-24	3.242
Dec-24	3.733
Jan-25	4.020
Feb-25	3.860
Mar-25	3.446
Apr-25	3.169
May-25	3.184
Jun-25	3.321
Average for FY25 = \$10.25 /MMBtu	

Henry Hub	Future Price/MMBtu
Jan-24	8.5119
Feb-24	8.6016
Mar-24	8.2750
Apr-24	8.2681
May-24	8.3509
Jun-24	8.5050
Jul-24	8.6648
Aug-24	8.7177
Sep-24	8.6947
Oct-24	8.7821
Nov-24	9.2283
Dec-24	9.7990
Jan-25	10.1250
Feb-25	9.9390
Mar-25	9.4629
Apr-25	9.1444
May-25	9.1616
Jun-25	9.3192
Average for FY25 = \$9.25 /MMBtu	

Nomenclature

NY ULSD = CME Group NY Harbor ULSD Futures - Settlements  
 Gulf Coast ULSD = CME Group Gulf Coast ULSD (Platts) Futures - Settlements  
 BRENT = CME Group Brent Last Day Financial Futures Settlements  
 Henry Hub = CME Group Henry Hub Natural Gas Futures - Settlements  
 Marine 0.5% + 4.30 = Platts 0.5% Dvd US Atlantic Coast Barge + \$4.30 adder per barrel  
 BRENT daily = ICE Brent settlement for specific day for contract month  
 USGC Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using USGC 0.5% S historical data  
 BRENT Correlation = Marine Fuel 0.5% S future value determined by mathematical correlation using BRENT historical data

NOTE:  
 As established on Exhibit C - Fuel Price, of the FSPA agreed between NFE and PREPA, the adder shall be adjusted as follows:

NFE  
 115% \* Henry Hub + \$7.50 (During months 13-24 of the Initial Contract term)  
 115% \* Henry Hub + \$6.50 (During months 25 until the end of Initial Contract term)  
 August 1, 2023 marks the beginning of the 25<sup>th</sup> month of Initial Contract Term, so adder will be reduced as shownby highlighted formula.

Mayaguez Utilization Capacity			
Diesel Max Fuel Consumption Rate	1,984	scf/hr	Construction Permit Modification PFE-50-0307-0286-I-II-C Section II
Diesel Fuel Consumption Limit (365 day rotating period)	46,987,486	scf/year	Construction Permit Modification PFE-50-0307-0286-I-II-C Sec III.A.32
Operational hr Limit per year	23682.015	hr/year	
Operational hr Limit per day	64.88	hr/day	
Operational hr Limit per day per unit (8 turbines)	8.11	hr/day/unit	
Utilizacion Capacity	34	%	



# Natural Gas Sale and Purchase Agreement

## **Natural Gas Supply (Palo Seco, San Juan and Other Generation Units Around the Island)**

Issued by 3PPO

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**(1) NFENERGÍA LLC**

**AS SELLER**

**AND**

**(2) PUERTO RICO ELECTRIC POWER AUTHORITY**

**AS BUYER**

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**NATURAL GAS SALE AND PURCHASE AGREEMENT**

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**THIS NATURAL GAS SALE AND PURCHASE AGREEMENT** is made this 15th

Day of March 2024 ("**Effective Date**"), BETWEEN:

- (1) **NFENERGÍA LLC**, a Limited Liability Company with offices in 111 W 19<sup>th</sup> St. 8<sup>th</sup> Fl. New York, N.Y., represented in this act by Christopher Guinta, of legal age, married and authorized signatory of NFENERGÍA LLC, limited liability company organized and existing under the laws of Puerto Rico (hereinafter called the ("**Seller**").
- (2) **PUERTO RICO ELECTRIC POWER AUTHORITY ("PREPA")**, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by an Act of 2 May 1941, No. 83, as amended, with its principal place of business at P.O. Box 363928, San Juan, Puerto Rico 00936-3928, represented in this act by Genera PR LLC ("**Genera**") exclusively as agent on behalf of and for the account of PREPA, represented by Kevin D. Futch, of legal age, married and authorized signatory of Genera PR LLC, a limited liability company organized and existing under the laws of Puerto Rico (hereinafter called the "**Buyer**").

Seller and Buyer shall each be a "**Party**" and, together, the "**Parties.**"

**WITNESSETH**

- (A) WHEREAS, on January 24, 2023, the P3A (as defined below), PREPA and Genera entered into the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (the "**Generation O&M Agreement**"), whereby Genera became the operator of the Legacy Generation Assets (as defined therein) as an agent of PREPA;
- (B) WHEREAS PREPA, by virtue of Act No. 83 of May 2, 1941, as amended ("**Act 83**"), has the authority to engage services necessary and convenient to pursue the activities, programs, and operations of PREPA;
- (C) WHEREAS, pursuant to the Generation O&M Agreement, PREPA designated and appointed Genera as its agent;
- (D) The Third-Party Procurement Office (3PPO) is established under the Puerto Rico Public-Private Partnerships Authority (P3A), as mandated by the Puerto Rico Electric System Transformation Act (Act 120-2018) and the Public-Private Partnerships Act (Act 29-2009). The 3PPO is designated as the primary entity authorized to manage and oversee procurement activities pertaining to the Public-Private Partnerships, specifically in relation to the Puerto Rico Electric Power Authority (PREPA);
- (E) WHEREAS, in accordance with the Generation O&M Agreement and Genera's Procurement Manual, this Agreement constitutes a Facility Contract and Genera is hereby acting solely as agent to PREPA and not for itself or on its own behalf;
- (F) WHEREAS, the U.S. Army Corps of Engineers, Omaha Division, as tasked by the Federal Emergency Management Agency, issued multiple task orders to Weston Solutions, Inc. under the Rapid Disaster Infrastructure contract to supply and operate modular, mobile power generation facilities totaling approximately (i) 180 MW on the site of the existing Palo Seco

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Power Plant (“**Palo Seco Units**”) and (ii) 250 MW on the site of the existing San Juan Power Plant (“**San Juan Units**” and, together with the Palo Seco Units, the “**Mobile Units**”), in each case along with vaporization facilities to deliver regasified LNG to the Mobile Units.

- (G) WHEREAS, the condition of the generation fleet and reserve power margin in Puerto Rico requires ongoing operation of the Palo Seco Units, the San Juan Units and other power generation units located at Delivery Points (as defined below) around the island (the “**Generation Units**”);
- (H) WHEREAS, PREPA requires a secure supply of Natural Gas to use as fuel for the Generation Units; and
- (I) WHEREAS, to address such requirement, the 3PPO issued the Request for Proposals **3PPO-0118-04-FA** on **February 17, 2024** in which it seeks bids to deliver LNG to the sites of the Generation Units, provide for the vaporization of such LNG, and deliver Natural Gas to the Generation Units and Seller was selected to supply such Natural Gas pursuant to the **3PPO-0118-04-FA**,

**NOW, THEREFORE**, Seller and Buyer hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

#### **I.1     Definitions**

In this Agreement, except where the context otherwise requires, each of the following expressions have the following meaning:

“**3PPO**” means the Third Party Procurement Office.

“**Adjusted Nominated Quantity**” shall have the meaning given to it in Article IX.2.

“**Affiliate**” means, in relation to a Party, any company, corporation, partnership or other legal entity (in this definition referred to as a “**Person**”) that (a) is directly or indirectly Controlled by such Party; (b) directly or indirectly Controls such Party; or (c) is directly or indirectly Controlled by a Person that also, directly or indirectly, Controls such Party; *provided, however*, that unless and until Buyer undergoes a Change of Control permitted by this Agreement, Buyer’s only Affiliates are (x) the Puerto Rico Fiscal Agency and Financial Advisory Authority and (y) the Commonwealth of Puerto Rico.

“**Agreement**” means this Agreement and its Exhibits, as may be amended, modified, varied or supplemented from time to time.

“**Annual Quantity Taken**” shall have the meaning given to it in Article IX.7.

“**Anti-Corruption Controls**” shall have the meaning given to it in Article XIX.1.

**“Applicable Law”** means, in relation to any legal person, property, transaction or event, all applicable provisions of laws, treaties, conventions, statutes, rules, regulations, permits, official directives and orders of, and the terms of all judgments, orders, awards, and decrees issued by, any Governmental Authority by which such legal Person is bound or having application to the property, transaction or event in question, including the Electric Power Authority Revitalization Act and PROMESA.

**“Btu”** means a British thermal unit, being that amount of heat that is equal to 1,055.056 Joules or 0.000293071 kWh.

**“Business Day”** means a Day, other than a Saturday, Sunday or a public holiday in San Juan (Puerto Rico) or New York (United States).

**“Buyer”** shall have the meaning given to it in the preamble to this Agreement.

**“Buyer Group”** means Buyer, its Affiliates, and its and their respective directors, officers, personnel, contractors and subcontractors, and any heirs, successors, and assigns of any of the above.

**“Carryover Credit”** shall have the meaning given in Article V.4(d).

**“Change of Control”** means (a) in the case of Buyer, a transaction or series of related transactions (including transfers and issuances of, or the enforcement of any lien or encumbrance on, equity interests) pursuant to which, if consummated, a Puerto Rican Governmental Authority would no longer Control Buyer, and (b) in case of Seller, a transaction or series of related transactions (including transfers and issuances of, or the enforcement of any lien or encumbrance on, equity interests) pursuant to which, if consummated, New Fortress Energy Inc. would cease to Control Seller.

**“Change of Law”** means the amendment, repeal or change of an existing Applicable Law, or a new Applicable Law, in either case that takes effect after the Effective Date.

**“Claims”** means all claims, demands, notices of violation or noncompliance, governmental requests for information, legal proceedings, liens, encumbrances, causes of action and other actions, of any kind or nature (including actions *in rem* or *in personam* and actions of Governmental Authorities). **“Claim”** means any of the foregoing.

**“Confidential Information”** shall have the meaning given to it in Article XXII.1.

**“Contract Ceiling”** shall have the meaning given to it in Article IX.6.

**“Contract Year”** shall have the meaning given to it in Article Article III(b).

**“Control”** means the beneficial ownership, either directly or indirectly, of fifty percent (50%) or more of the voting rights in a Person, or (whether alone or acting in concert with others, and whether by the ownership of share capital, the possession of voting power, contract or otherwise) the right to appoint fifty percent (50%) or more of the board of directors or equivalent management body of such Person. **“Controlled”** shall have the correlative meaning.

**“Corporate Tax”** means any and all Taxes based on income, revenues, profits, or net worth and all state and local franchise, license, occupation and similar Taxes required for the maintenance of corporate existence or to maintain good standing that are assessed against a Party.

**“Day”** means a period of twenty-four (24) consecutive hours beginning at 00:00 hours local time in Puerto Rico.

**“Defaulting Party”** shall have the meaning given to it in Article XV.1(c).

**“Delivery Confirmation Request”** shall have the meaning given to it in Article IV.2(c).

**“Delivery Point”** means (i) with respect to any Generation Units with Metering Equipment, the outlet of the Natural Gas metering facilities between the relevant Regas Equipment and the Generation Units, and (ii) with respect to all other Generation Units, the point at which the relevant Regas Equipment interconnects with the applicable Generation Units, or such other points as may be agreed in writing by the Parties.

**“Diesel Contract Price”** with respect to a given month means the arithmetic mean of the prices for deliveries of ultra-low sulfur diesel (converted to cents per gallon and rounded to four decimal places) on each Day of that month as set forth in (i) the Diesel Fuel Purchase Contract dated October 27, 2023, Contract Number 101333, while such contract remains in full force and effect, and (ii) subsequently, in Buyer's then-effective fuel supply agreement for deliveries of ultra-low sulfur diesel to one or more of San Juan, Palo Seco, Aguirre, Mayagüez, Cambalache, and various generating stations around the island of Puerto Rico, or another reasonably similar agreement.

**“Diesel Price”** shall have the meaning given to it in Article IX.

**“Disclosing Party”** shall have the meaning given to it in Article XXII.1.

**“Dispute”** shall have the meaning given to it in Article XX.1(a).

**“Effective Date”** shall have the meaning given to it in the preamble to this Agreement.

**“Excess Nomination”** shall have the meaning given to it in Article V.4.

**“Excluded Losses”** shall have the meaning given to it in Article VIII.4.

**“Expert”** means a Person of appropriate industry expertise and experience to whom a Dispute, disagreement or another matter of interpretation is or is to be referred to pursuant to Article XX.2.

**“Extension Term”** shall have the meaning given to it in Article III(a).

**“Force Majeure”** shall have the meaning given to it in Article XI.1.

**“Forced Shutdown”** means a shutdown or dispatch condition of any of the Generation Units located at the same site as a Delivery Point nominated to receive a delivery in a Monthly Schedule or Weekly Programme, which results in a derating or otherwise makes such Generation Units



unavailable to produce power, including as a result of an unexpected or imminent breakdown, equipment failures, disruption of the fuel supply, operator error, grid operator instruction, government action and similar occurrences.

**"Fuel Price"** shall have the meaning given to it in Article IX.1.

**"Governmental Authority"** means the government of the United States of America, any state thereof, the Commonwealth of Puerto Rico, or any local jurisdiction, or any political subdivision of any of the foregoing including, but not limited to courts, administrative bodies, departments, commissions, boards, bureaus, agencies, municipalities or other instrumentalities.

**"Genera"** shall have the meaning given to it in the Preamble to this Agreement.

**"Generation O&M Agreement"** shall have the meaning given to it in the Recitals.

**"Generation Units"** shall have the meaning given to it in the Recitals.

**"Hazardous Materials"** means any substance that is either defined or regulated as hazardous or toxic by, or as to which liability including for damages or remediation may be imposed under Applicable Law, including (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls and processes and certain cooling systems that use chlorofluorocarbons; (b) any chemicals, materials or substances which as of the applicable Effective Date are, or hereafter become, defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," or any words of similar import pursuant to Applicable Law; or (c) any other chemical, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, or which may be the subject of liability under any Applicable Law for damages, costs or remediation.

**"Heating Value"** (also known as High Heating Value (HHV)) means the gross heating value on a dry basis, which is the number of Btus produced by the complete combustion at constant pressure of the amount of dry gas that would occupy a volume of one Standard Cubic Foot at a constant pressure of 14.73 psia and a temperature of 60° F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air and the water formed by combustion condensed to the liquid state.

**"Initial Term"** shall have the meaning given to it in Article III.I.

**"ISO Container"** means (i) an intermodal container designed for the transportation and storage of LNG in a cryogenic state that is manufactured according to the specifications for such containers prescribed by the International Organization for Standardization or (ii) subject to Buyer's consent, such consent not to be unreasonably withheld, a truck-mounted trailer designed for the transportation and storage of LNG in a cryogenic state.

**"Joule"** means a unit of energy defined in the International System of Units.

**"kWh"** shall mean kilowatt hour.

**“Loading Certificate”** means the loading certificate or similar document that sets forth the mass, composition, heating value per unit of mass, and quality of LNG loaded into an ISO Container.

**“Logistics Factor”** means the rate of \$0 (Zero US Dollars) per MMBtu per mile for deliveries to each Delivery Point.

**“Logistics Surcharge”** means, for each Delivery Point to which Seller delivers Natural Gas in a month, a surcharge in US Dollars for such deliveries, calculated as the Logistics Factor multiplied by the quantity (in MMBtu) of such deliveries multiplied by the distance in miles to such Delivery Point as set forth in Exhibit B.

**“LNG”** means Natural Gas in a liquid state at or below its boiling point and at or near atmospheric pressure.

**“Losses”** means all liabilities, damages, losses, costs and expenses (including those on account of loss of or damage to property, bodily injury, personal injury, illness, disease, maintenance, cure, loss of consortium (parental or spousal), loss of support, death, and wrongful termination of employment, and all litigation and arbitration costs and expenses and reasonable attorneys’ fees) that accrue at any time, whether created by or based upon law (including statute), contract, tort, voluntary settlement or otherwise, or under judicial proceedings, administrative proceedings or otherwise, or conditions in the premises of or attributable to any Person or Persons or any Party or Parties. “Loss” means any of the foregoing.

**“Maximum Annual Contract Quantity”** shall have the meaning given to it in Article V.1.

**“Maximum Monthly Quantity”** shall have the meaning given to it in Article V.3(a)(i).

**“Maximum Weekly Quantity”** shall have the meaning given to it in Article V.3(a)(i).

**“Metering Equipment”** shall have the meaning given to it in Article VII.3.

**“Minimum DCQ”** shall have the meaning given to it in Article V.2.

**“Minimum Volume Commitment”** means 0% (Zero Percent) of the Maximum Annual Contract Quantity.

**“Mitigation Sale”** shall have the meaning given to it in Article V.4(c).

**“MMBtu”** means 1,000,000 Btu.

**“Mobile Units”** shall have the meaning given to it in the Recitals.

**“Monthly Invoice”** shall have the meaning given to it in Article IX.3.

**“Monthly Schedule”** shall have the meaning given to it in Article V.3(a)(ii).

**“Natural Gas”** or **“NG”** means any saturated hydrocarbon or mixture of saturated hydrocarbons consisting essentially of methane and other combustible and non-combustible gases in a gaseous state.

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**“NG Deficiency”** shall have the meaning set forth in Article VI.1.

**“Ninety Day Schedule”** or **“NDS”** shall have the meaning given to it in Article V.3(a).

**“Off-Spec NG”** is any LNG or Natural Gas that does not conform to the Specifications set forth in Exhibit B.

**“Oversight Board”** shall mean the Financial Oversight and Management Board for Puerto Rico.

**“P3A”** the Puerto Rico Public-Private Partnerships Authority, a public corporation of the Commonwealth of Puerto Rico.

**“Palo Seco Units”** shall have the meaning given to it in the Recitals.

**“Party”** and **“Parties”** shall have the meanings given to them in the preamble to this Agreement.

**“Permit”** means, in respect of either Party, any permit, license, consent, clearance, certificate, approval, authorization or similar document or authority (including for export or import) which any Applicable Laws requires such Party (or, in the case of Seller, any member of the Seller Group) to hold or obtain in order for any of its obligations under this Agreement to be performed, including visas and permits for personnel to work and reside in any location.

**“Person”** means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization, or any Governmental Authority.

**“PREPA”** shall have the meaning given to it in the preamble to this Agreement.

**“Prime Rate”** means the prime lending rate, as reported by The Wall Street Journal’s bank survey.

**“PROMESA”** means the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. §§ 2101-2241, as may be amended or modified.

**“Puerto Rican Governmental Authority”** means a Governmental Authority of the Commonwealth of Puerto Rico, and excludes, for the avoidance of doubt, any Governmental Authority of the federal government of the United States of America or any state therein.

**“Qualifying Bank”** means a national bank, national association, commercial bank or other financial institution organized under the laws of the United States or a political subdivision thereof or validly existing in the country of its organization and registered to do business in the United States, having a branch located within Puerto Rico or the contiguous United States, in each case that has a long-term issuer rating of at least (i) if headquartered within Puerto Rico, then “B+” by Standard & Poor’s Ratings Services, “B1” by Moody’s Investors Services Inc., or “B+” by Fitch Ratings Inc. or (ii) if headquartered outside of Puerto Rico, then “A-” by Standard & Poor’s Ratings Services, “A3” by Moody’s Investors Services Inc., or “A-” by Fitch Ratings Inc., or in each case if the relevant

rating agencies cease to engage in business or rate the obligations in question, then an equivalent rating from another internationally recognized rating agency selected by Seller with the written consent of Buyer; provided that, if such financial institution's ratings satisfy such minimum ratings, no other credit rating agency shall have placed such financial institution on credit watch with negative implications.

**"Reasonable and Prudent Operator"** means a Person seeking in good faith to perform its contractual obligations and comply with Applicable Law, and in so doing, and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced international operator engaged in the same type of undertaking under the same or similar circumstances and conditions.

**"Receiving Party"** shall have the meaning given to it in Article XXII.1.

**"Regas Equipment"** means facilities located at and around a Delivery Point for the vaporization of LNG held in ISO Containers and delivery and metering, to the extent available, of the resulting Natural Gas to the Delivery Point.

**"San Juan Units"** shall have the meaning given to it in the Recitals.

**"Seller"** shall have the meaning given to it in the preamble to this Agreement.

**"Seller Group"** means Seller, its Affiliates, and its and their respective directors, officers, personnel, contractors and subcontractors, and any heirs, successors, and assigns of any of the above.

**"Seller Shortfall Payment"** shall have the meaning set forth in Article VI.1.

**"Specifications"** shall have the meaning given to it in Article IV.1.

**"Standard Cubic Foot" or "scf"** means Natural Gas at a base temperature of 60° F and at a pressure of 14.73 psia with correction for deviation from Boyle's Law.

**"Supply Period"** shall have the meaning given to it in Article III.2.

**"Taxes"** shall have the meaning given to it in Article X.

**"TBtu"** means 1,000,000,000 Btu.

**"Term"** shall have the meaning given to it in Article Article III.1.

**"Termination Event"** shall have the meaning given to it in Article XV.1(c).

**"Termination for Convenience"** shall have the meaning given to it in Article XV.1(b).

**"Third Party"** means any Person not a Party to this Agreement; *provided, however*, that for the purpose of Article XI, **"Third Party"** means any person who is not a member of Seller Group or Buyer Group.

**“Title III Case”** shall mean the case under Title III of PROMESA styled *In re The Financial Oversight and Management Board for Puerto Rico, as representative of Puerto Rico Electric Power Authority (PREPA)* and numbered No. 17 BK 4780-LTS, which was instituted on July 2, 2017 by the Oversight Board by the filing of a voluntary petition for relief for Buyer.

**“Title III Court”** shall mean the United States District Court for the District of Puerto Rico, or any appellate court, presiding over the pending Title III Case of PREPA.

**“Trust Agreement”** shall mean that certain Trust Agreement, dated as of January 1, 1974, between Buyer and U.S. Bank, National Association, as Successor Trustee, as amended, restated, or otherwise modified from time to time.

**“US”** means the United States of America.

**“US Dollars”** or **“US\$”** means the lawful currency of the United States of America.

**“Weekly Programme”** shall have the meaning given to it in Article V.3(a)(iii).

## **I.2 Interpretation**

In this Agreement, unless the context requires otherwise:

- (a) References to Articles and Exhibits are to Articles and Exhibits of this Agreement. The Exhibits hereto are incorporated herein as an integral part of this Agreement.
- (b) References to a Person include that Person’s successors and permitted assigns.
- (c) Headings of Articles and Exhibits are for convenience only and shall not affect the construction or interpretation of this Agreement.
- (d) Where the context requires, words denoting the singular or masculine or neuter only shall include the plural, feminine, body politic or corporate and vice versa.
- (e) References to “include” and “including” shall be construed as “including without limitation.”
- (f) The words “agree,” “agrees,” and “agreed” refer to a written agreement, executed and delivered by the Parties.
- (g) Wherever either Party’s consent or agreement is expressed to “not be unreasonably withheld,” it is acknowledged that such obligation shall include, but not be limited to, the obligation of the Party not unreasonably to delay giving the relevant consent or agreement, and in the foregoing case as well as wherever either Party undertakes “efforts” or “endeavors” to do something, or refrain from doing something, it is acknowledged that such Party shall not be in breach of its obligations to the other Party to the extent that such Party’s actions are limited by such Party’s need to comply with its contractual obligations to any Person,

provided that such Party has used its reasonable efforts to obtain any necessary waiver(s) of such relevant obligations and that such Party has not assumed such obligations subsequent to entering into this Agreement.

- (h) Any law, statute or statutory provision shall be construed as a reference to the same as it may be amended, modified or re-enacted, from time to time, and shall include any subordinate legislation made from time to time under that provision.
- (i) If at any time during the Supply Period, the Prime Rate becomes unavailable or inappropriate then the Parties shall meet as soon as possible thereafter and in good faith discuss and attempt to agree in writing upon a suitable alternative replacement. If the Parties are unable to so agree upon a suitable alternative replacement, then either Party may refer the matter to an Expert for determination in accordance with Article XX.2.

I.3 Seller acknowledges and agrees that as long as the Generation O&M Agreement is in effect (a) all provisions hereunder relating to Buyer as beneficiary of the terms and conditions of the Agreement or otherwise referencing Buyer taking any action, receiving any notice or disclosure, making any determination (including the termination of the Agreement) shall be understood to refer to Genera acting on Buyer's behalf; (b) all references to "Genera" shall be understood to mean Genera on its own behalf, as third party beneficiary of the Agreement; (c) Buyer is prohibited from taking any action or giving any consent hereunder directly and not through Genera as its agent; and (4) Genera shall have no liability hereunder for any actions it may take on Buyer's behalf, and all such liability shall be exclusively of Buyer.

I.4 Generation O&M Agreement. By executing this Contract, Seller acknowledges and agrees that it has reviewed the Generation O&M Agreement located at: <https://www.p3.pr.gov/wp-content/uploads/2023/01/230124-LGA-OM-Agreement.pdf>.

## ARTICLE II

### SALE AND PURCHASE

II.1 Seller agrees to sell and deliver to Buyer at the Delivery Points, and Buyer agrees to purchase from Seller, Natural Gas that conforms to the requirements in Article IV. The quantity of Natural Gas to be delivered by Seller and the Delivery Point(s) to which such Natural Gas is to be delivered shall be the amount(s) and location(s) scheduled in accordance with Article V. The price for such quantities of Natural Gas shall be determined in accordance with Article IX.

II.2 Seller shall deliver LNG in ISO Containers for inland sites by truck, or by alternative means as agreed by the Parties in writing, to the areas designated by Buyer for placement of ISO Containers, revaporize such LNG using the relevant Regas Equipment (owned or contracted for by Seller), and deliver Natural Gas to Buyer at the Delivery Points in the quantities nominated by Buyer and as directed by Buyer pursuant to Article V.

II.3 Within three (3) Business Days of notice from Buyer that ISO Containers are ready for retrieval, Seller shall remove empty ISO Containers from the designated Delivery Point(s). All

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deliveries and retrieval of ISO Containers shall take place during the business hours for such Delivery Point as notified by Buyer to Seller from time to time.

II.4 If any new Delivery Point is agreed to by the Parties and such Delivery Point is capable of receiving Natural Gas by means other than ISO Container, or if any existing Delivery Point becomes capable of receiving Natural Gas by means other than ISO Container, the Parties may agree in writing to such terms and conditions as are necessary to provide for the additional means of delivery and receipt.

### ARTICLE III

#### TERM AND CONDITIONS

III.1 This Agreement shall become effective once signed by Buyer and Seller, contingent upon the signing and execution of the Asset Purchase Agreement for the temporary generators by and between PREPA and NFE POWER PR LLC, if and when such signing and execution occur. This Agreement shall remain in effect for a period of one (1) year (the "**Initial Term**" and, as extended pursuant to this section, the "**Term**"), commencing on March 16, 2024, at 12:00:01 am, unless earlier terminated by either Party pursuant to Article XV.1.

- (a) Buyer may elect to extend the Term for up to three (3) additional one-year periods (each an "**Extension Term**") by delivering notice of such election to Seller no later than thirty (30) days prior to the end of the then-current Term, provided that Seller may reject such extension by delivering notice to Buyer no later than [three (3) days after receipt of Buyer's notice.
- (b) If Seller accepts Buyer's election to extend the Term or does not respond within the period set forth in Article III(a), then the Term shall be extended for one (1) year (the initial Term and each one year extension a "**Contract Year**"). If Seller delivers notice rejecting Buyer's extension notice within the period set forth in Article III(a), then the Term of this Agreement shall not be extended.

III.2 The "**Supply Period**" shall commence on the later of (a) March 16, 2024, and (b) the first Day after the termination or expiration date, without replacement, of any Task Order issued by the US Army Corps of Engineers, Omaha Division, for the operation and supply of Natural Gas to any Generation Units.

### ARTICLE IV

#### QUALITY

IV.1 The Natural Gas delivered by Seller to or for the account of Buyer at any Delivery Point shall comply with the Natural Gas quality specifications set forth in Exhibit B (the "**Specifications**"). The standard test method ASTM D1945, Standard Test Method for Analysis of Natural Gas by Gas Chromatography, then in effect, shall be used to determine compliance with the Specifications. Prior to delivery, the Seller shall provide the Buyer with a Quality Compliance Certification. This certification shall affirm that the Natural Gas to be dispatched adheres to the specified quality standards outlined in Exhibit B.

#### IV.2 Failure of LNG or Natural Gas to Conform to Specifications

- (a) Seller shall notify Buyer as soon as reasonably practicable after becoming aware of any existing or anticipated failure of the Natural Gas available for delivery to the Delivery Point to conform to the Specifications, giving details of the nature and expected magnitude of the variance, the cause of the non-compliance and the probable duration, including the delivery time of such Off-Spec NG.
- (b) If at any time, the Natural Gas offered for delivery by Seller is or is reasonably expected by Seller to be Off-Spec NG, Buyer may reject in whole or in part the delivery of such Off-Spec NG.
- (c) If at any time, Seller is unable to deliver Natural Gas conforming to the Specifications but is able to deliver Off-Spec NG, Seller shall withhold deliveries until such time as it is able to deliver Natural Gas conforming to the Specifications; *provided, however*, that in such event Buyer shall be entitled to (i) procure Natural Gas, LNG, or other fuel from Third Parties, (ii) utilize the relevant Regas Equipment and/or (iii) request delivery of such Off-Spec NG (a **"Delivery Confirmation Request"**).
- (d) Unless both (i) Buyer is notified of the full extent to which Off-Spec NG actually fails to meet the Specifications, and (ii) Buyer makes a Delivery Confirmation Request pursuant to Article IV.2(c) (which shall constitute a waiver in writing of its right to reject such Off-Spec NG), Seller shall, subject to Article VIII.4, be liable for all cost and expense directly incurred by Buyer as a result of the delivery of Off-Spec NG, including all the out-of-pocket, actual costs and expenses incurred (over and above those normally incurred in accepting conforming Natural Gas or LNG) in receiving and treating Off-Spec NG by such means as are appropriate and available to Buyer; *provided, however*, that Buyer shall exercise commercially reasonable practices to minimize the costs and expenses which may occur.
- (e) If (i) Buyer is notified of the full extent to which Off-Spec NG actually fails to meet the Specifications, and (ii) Buyer elects not to take such Off-Spec NG, Seller shall be liable to Buyer for Seller Shortfall Payment as determined pursuant to Article VI.1.
- (f) If (i) Buyer is notified of the full extent to which Off-Spec NG actually fails to meet the Specifications, and (ii) Buyer waives in writing its right to reject such Off-Spec NG, (A) such Off-Spec NG shall be deemed to have been delivered in accordance with this Agreement and (B) Seller shall not be liable for any damages to Buyer for the acceptance of such Off-Spec NG.
- (g) When Natural Gas is not taken by Buyer due to it being Off-Spec NG or when Seller withholds Natural Gas pursuant to Article IV.2(c), Buyer shall not be obliged to pay for such Natural Gas not taken, and such Natural Gas not taken

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shall be deemed not to have been made available and shall be considered an NG Deficiency and Article VI shall apply.

- (h) The price for all Off-Spec NG delivered to the Delivery Point, whether pursuant to paragraph (f) above or otherwise, shall equal eighty-five percent (85%) of the Fuel Price.
- (i) Buyer shall have no right or remedy with respect to the Off-Spec NG other than those stated or referred to in this Article IV.2 and Article XV.

IV.3 Any Dispute between the Parties concerning the measurement and/or testing of Natural Gas or LNG for the purposes of determining the quality thereof at the DELIVERY POINT shall be settled in accordance with the provisions of Article XX.2 of this Agreement.

## ARTICLE V

### SCHEDULING

- V.1 The "**Maximum Annual Contract Quantity**" for each Contract Year shall be 80 TBtu.
- V.2 In respect of each Day of every Contract Year, the contracted quantity for such Day shall be the daily nomination for such Day of the Weekly Programme or as otherwise agreed in writing.
- V.3 With respect to each Contract Year during the Supply Period, the following provisions shall apply:
  - (a) The Ninety Day Schedule ("**NDS**") and Weekly Programme for such Contract Year shall be established according to the following conditions:
    - (i) The Maximum Annual Contract Quantity shall be divided equally (A) among the twelve months of each Contract Year, with partial months for the period from March 16-March 31 at the start of the Contract Year and for March 1-March 15 at the end of the Contract Year ("**Maximum Monthly Quantity**"); and (B) by fifty-two (52) weeks with partial weeks starting on March 16 at the beginning of each Contract Year and ending on March 15 at the end of each Contract Year ("**Maximum Weekly Quantity**").
    - (ii) Except as set forth in Article V.3(a)(v) below, on or before the fifth (5th) Day of each calendar month **M-1** Buyer shall provide to Seller its Natural Gas requirements for the three (3) months following M-1 (the "**NDS**" and such three months, in chronological order, months "**M**," "**M+1**" and "**M+2**"). The NDS shall be final and binding for month **M** (the "**Monthly Schedule**"), and non-final and non-binding for months **M+1** and **M+2**. Such NDS shall include the monthly quantities of Natural Gas to be delivered in each of the next three (3) months, which monthly quantities of Natural Gas shall not exceed the Maximum Monthly Quantity, as well as the estimated daily Natural Gas requirements



for month M and Buyer's expected Delivery Point(s) for such quantities. Buyer may request additional Natural Gas from Seller for month M after the deadline for submission of the NDS. Upon receipt of such a request, Seller shall inform Buyer within one (1) Day whether Seller can deliver all or a portion of such quantities and the applicable price, and Buyer shall have two (2) Days to accept or decline Seller's offer. If Buyer accepts Seller's offer, such quantities shall become firm and binding; *provided, however*, that such quantities shall not be treated as quantities of Natural Gas to which the Monthly Schedule or the NDS apply. Further, Buyer shall use commercially reasonable efforts to include in each NDS estimated, non-binding daily requirements for months M+1 and M+2; and

- (iii) On or before 00.00 hours Puerto Rico Time of each Wednesday of each week, or, if such Day is not a Business Day, on the Business Day immediately preceding such Day, Buyer shall provide to Seller a daily nomination of its Natural Gas requirements for the coming week, the Delivery Point(s) to which such Natural Gas shall be delivered, and the quantities to be delivered to each Delivery Point on each Day ("**Weekly Programme**"), provided that the quantities to be delivered during such week shall not, without the consent of Seller, exceed the Maximum Weekly Quantity, and provided further that if no Wednesday will occur between the establishment of the first NDS and Monthly Schedule pursuant to Article V.3(a)(v) and the first Day of the Supply Period, Buyer shall provide the information for the first Weekly Programme to Seller at the same time as the information for the first NDS and Monthly Schedule.
- (iv) On or before 12.00 hours Puerto Rico Time each Business Day, Buyer may direct Seller to deliver the quantity of Natural Gas remaining in the Weekly Programme in different quantities to each Delivery Point or to different Delivery Points than those originally nominated and the Weekly Programme shall be revised accordingly, provided that Buyer may not increase or decrease the total quantity of Natural Gas to be delivered during such Weekly Programme.
- (v) With respect to the first NDS and Monthly Schedule of the Supply Period, Buyer shall provide to Seller its Natural Gas requirements for months M, M+1, and M+2, where month M shall be the period from the first Day of the Supply Period until the end of the calendar month in which such Day occurs, on or before the earlier of the third (3<sup>rd</sup>) Day following the Effective Date and the Day before the start of the Supply Period.
- (b) Under no circumstance shall Buyer, without the prior written agreement of Seller pursuant to Article V.3(a)(ii), be entitled to nominate any quantity of Natural Gas that would increase the quantity of Natural Gas that Seller is required

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to deliver hereunder in any month to exceed the quantity set forth in the Monthly Schedule.

- (c) Except with respect to adjustments to Natural Gas deliveries pursuant to Article V.5, Buyer will use commercially reasonable efforts to provide written notice to Seller as soon as practicable after information becomes available to Buyer or any event occurs that causes a discrepancy between the quantities of Natural Gas nominated by Buyer pursuant to this Article V.3 and the quantities that Buyer is able to receive, regardless of whether such nomination is binding or non-binding. Such notice shall specify the cause of such discrepancy and the amount of such discrepancy. Unless and until Seller receives any such notice from Buyer, Seller shall be considered as acting reasonably in relying on the nominations provided by Buyer pursuant to this Article V.3.
- (d) If, for a given month or week, Buyer fails to deliver to Seller a nomination for the NDS, Monthly Schedule or Weekly Programme, as applicable, by the relevant deadline for such nomination, then Buyer's nomination shall be as follows:
  - (i) With respect to an NDS or Monthly Schedule, Buyer's nomination for months M and M+1 shall be the nomination for the same calendar month from the prior NDS and the nomination for month M+2 shall be the same as for what is then month M+1, adjusted for any difference in number of days in such month by eliminating the final day (in the case of a 28- or 30-day month) or adding an additional day that is the same as the final day (in the case of a 31-day month). For example, if Buyer fails to submit a nomination by June 5<sup>th</sup> for the months of July, August and September, the nominations for July and August shall be the same as the nominations for July and August from the prior NDS, and the nomination for September shall be the same as the nomination for August with the 31<sup>st</sup> day removed; and
  - (ii) With respect to a Weekly Programme, Buyer's nomination shall be the quantities and Delivery Points for the relevant Days as set forth in the Monthly Schedule, adjusted to account for any Forced Outage, Force Majeure, or Excess Nomination applicable to such Days already communicated by Buyer to Seller.

V.4 If, during any month, Buyer determines that it no longer requires, or if Buyer is unable to receive, some or all of the quantity of Natural Gas set forth in the Monthly Schedule for such month (such quantity, the "**Excess Nomination**"), then:

- (a) Buyer shall promptly provide written notice to Seller of the quantities not needed or unable to be received;

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- (b) Buyer's notice to Seller pursuant to Article V.4(a) shall not relieve Buyer of its obligation to pay for the quantities set forth in the Weekly Programme or for the Monthly Quantity pursuant to Article IX.2;
- (c) Seller shall use commercially reasonable efforts to sell the Excess Nomination, whether as Natural Gas or as LNG, at a reasonable price. If Seller is able to sell all or a portion of such Excess Nomination (such sale, a "**Mitigation Sale**"), Seller shall credit to Buyer the proceeds of such Mitigation Sale, less the reasonable, incremental out-of-pocket costs incurred by Seller in storing and transporting the Natural Gas or LNG sold, and marketing, making and performing such sale, in each case above what Seller would have incurred in making such Natural Gas available at the Delivery Point. Seller shall furnish the details of such Mitigation Sale in writing to Buyer within thirty (30) days of the date of such sale. Any sale of LNG or Natural Gas by Seller to any Third Party that Seller was already obligated to make (as of the date Seller becomes aware of the Excess Nomination) is not a Mitigation Sale. If Seller is unable to sell all or a portion of such Excess Nomination (such inability to be documented in a writing describing the market conditions that precluded such sale or made such sale commercially impracticable), Seller shall retain such quantities and credit Buyer with an amount equal to the Fuel Price for the month it would have otherwise been made available to Buyer *multiplied by* the quantity not sold; and
- (d) To the extent that an Excess Nomination is caused by a Forced Shutdown and Buyer pays for such Excess Nomination pursuant to Article V.4(b), Buyer shall be entitled to a credit (a "**Carryover Credit**") determined by multiplying the quantities in such Excess Nomination(s) caused by a Forced Shutdown by the Fuel Price for such month and then subtracting the proceeds of any applicable Mitigation Sale or credit pursuant to Article V.4(c), provided that such Mitigation Sale proceeds or credit shall be applied first to Excess Nominations not caused by a Forced Shutdown. Such Carryover Credit shall be applied to Buyer's payment obligations in the immediately subsequent six (6) months, on a first-in first-out basis.

V.5 Seller shall deliver Natural Gas to Buyer at each Delivery Point at such rates as directed by Buyer, including stopping the flow of Natural Gas, consistent with the dispatch of the applicable Generation Units. If requested by Buyer, Seller shall use reasonable efforts to deliver Natural Gas on a Day in excess of the nomination set forth in the Weekly Programme, provided that Seller shall not be liable to Buyer if, despite the use of reasonable efforts, it is unable to provide such excess Natural Gas, and provided further that the Maximum Monthly Quantity, Maximum Weekly Quantity, and Article V.3(a)(ii), and Article V.3(b) shall continue to apply.

V.6 Notwithstanding anything in this Agreement to the contrary, Buyer shall have no obligation to pay for any portion of a Monthly Schedule or Weekly Programme to the extent not made available at the proper Delivery Point.

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## ARTICLE VI

### SELLER'S SHORTFALL

VI.1 If, for any reason other than the occurrence of (a) an event of Force Majeure, (b) Excess Nominations, or (c) reasons attributable to Buyer, Seller fails to deliver to Buyer on any Day the scheduled quantity of Natural Gas for such Day in the Weekly Programme in the proper quantities to each Delivery Point (such quantities not delivered or delivered to the wrong Delivery Point, the "NG Deficiency"), then, as Buyer's sole and exclusive remedy, and Seller's sole and exclusive liability, with respect to such NG Deficiency (subject only to Buyer's termination right pursuant to Article XV.1(c)(ii)) Seller shall pay to Buyer an amount equal to (i) the NG Deficiency *multiplied by* (ii) the Diesel Contract Price for such month *minus* the Fuel Price for such month (the "Seller Shortfall Payment").

VI.2 Any Seller Shortfall Payment shall be due and payable by Seller to Buyer in accordance with Article XIII.

VI.3 Seller agrees that Buyer's damages associated with Seller's failure to deliver Natural Gas hereunder would be difficult to estimate, and that Article VI.1 represents a reasonable estimate of such damages.

## ARTICLE VII

### MEASUREMENT AND TESTING AND OPERATIONS

#### VII.1 Order of Preference for Measurement

For Delivery Points where Natural Gas metering facilities exist so as to allow for the measurement of Natural Gas pursuant to Articles VII.2 through VII.5, the methodology set forth in Articles VII.2 through VII.5 shall control for purposes of measuring the quantity and quality of Natural Gas delivered pursuant to this Agreement. For Delivery Points where Natural Gas metering facilities do not exist so as to allow for the measurement of delivered Natural Gas pursuant to Articles VII.2 through VII.5, the methodology set forth in Articles VII.6 through VII.8 shall control for purposes of measuring the quantity and quality of Natural Gas delivered pursuant to this Agreement.

#### VII.2 Unit of Measurement

The following guidelines shall be followed with regard to the units of measurement to be used by either Party to comply, as appropriate, with the provisions of this Agreement:

- (a) The unit for the purpose of measuring volume shall be one cubic foot of Natural Gas at a base temperature of sixty degrees (60°) F and at a pressure of 14.73 psia with correction for deviation from Boyle's Law. Computation of volumes, including any deviation from Boyle's Law, shall comply with applicable rules, regulations, and orders promulgated by the appropriate regulatory authorities having jurisdiction. For payment purposes, the volume of Natural Gas delivered hereunder will be determined at the pressure reported by the Metering Equipment or based on fifteen (15) Day average flowing pressure corrected, if

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necessary, in the event that the Metering Equipment is inoperable or not measuring accurately, as applicable, and will be multiplied by the Btu content per cubic foot to obtain the total Btu contained within such volume of Natural Gas.

- (b) For purposes of measurement and meter calibration, the atmospheric pressure shall be assumed to be 14.73 psia, irrespective of actual elevation or location of the Delivery Point or any Metering Equipment above sea level, or variations in such atmospheric pressure from time to time.
- (c) The static pressure of the Natural Gas passing through the Metering Equipment shall be determined by the use of electronic measurement equipment or by the use of another pressure recording device reasonably acceptable to both Parties. The instantaneous static pressure measurements from the electronic measurement equipment or the arithmetic average of the temperature recorded each Day shall be used in computing Natural Gas volumes.
- (d) If Metering Equipment requiring the use of specific gravity is used, then the specific gravity of the Natural Gas delivered hereunder shall be determined by a method according to accepted industry practice. If a recording gravitometer is used, then the arithmetic average of the specific gravity of the Natural Gas flowing through the meters shall be used in computing Natural Gas volumes. If a spot test method is used, then the specific gravity of the Natural Gas delivered hereunder shall be determined as often as found necessary in practice. Any such test shall determine the specific gravity to be used in computation of volumes values effective the first Day of the following month and shall continue to be used until changed in a like manner by a subsequent test.
- (e) The temperature of the Natural Gas shall be determined by a recording thermometer installed so that it will record the temperature of the Natural Gas flowing through the meters, and such flowing temperature shall be corrected to Fahrenheit.
- (f) Heating Value and energy content will be measured by Seller as described in "Appendix F – Heating Value Calculation of API MPMS, Chapter 14.3." The determination of Natural Gas composition shall be in accordance with the GPA Standard 226 "Analysis for Natural Gas Chromatography" and GPA Standard 2172 "Calculation of Gross Heating Value relative density and compressibility factor for Natural Gas Mixtures from compositional analysis". The composition of the NG shall be continuously measured by on-line chromatographs installed and maintained (or caused to be installed and maintained) by Seller at Seller's sole expense. The Heating Value of the NG shall be calculated using results from the on-line chromatograph. In the event of failure of the on-line NG chromatograph, chromatograph analysis of samples collected proportional to the flow through the meters shall be Used. All electronic metering shall comply with the API Manual of Petroleum Standards, Chapter 21, Flow Measurement Using

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Electronic Metering Systems, First Edition, dated September 1993, and any subsequent modification and amendment thereof.

- (g) The energy content of all NG delivered hereunder shall be in Btu and shall equal the Standard Cubic Feet of such NG multiplied by the Heating Value of such NG.

### VII.3 Metering Equipment

Buyer plans to install ultrasonic meters at the Delivery Points for the Mobile Units, and Buyer may, at its option, install an ultrasonic meter at other Delivery Points, to measure the flow, volume and Heating Value of Natural Gas (such ultrasonic meters, the “**Metering Equipment**”) in accordance with Article VII.2. Any new Metering Equipment installed by Buyer shall be designed and installed in accordance with the current recommendations of the American Gas Association. Seller shall be responsible for maintaining all Metering Equipment. If the Metering Equipment (or component(s) thereof) is out of service or registering inaccurately, the volumes of Natural Gas delivered hereunder shall be estimated as follows, in descending order of priority:

- (a) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation; or
- (b) by estimating the quantity of delivery by measuring deliveries during prior periods under similar conditions when any meter was registering accurately.

### VII.4 Verification of Metering Equipment

The following guidelines shall be followed with regard to the verification of the Metering Equipment to be used in accordance with this Agreement:

- (a) At least once each month, and from time to time upon at least two weeks prior written notice by either Party to the other, the Party responsible for maintaining such Metering Equipment shall verify or cause to be verified the accuracy of the Metering Equipment. When as a result of such test the Metering Equipment is found to be out of calibration by no more than one percent (1%) when compared to the manufacturer’s specifications for such equipment, no adjustment shall be made in the amount paid by Buyer to Seller.
- (b) If the testing of the Metering Equipment demonstrates that a meter is out of calibration by more than one percent (1%) when compared to the manufacturer’s specifications for such equipment, the applicable Metering Equipment reading for the actual period during which out of calibration measurements were made shall be adjusted based on the methods stated in Article VII.3 above.
- (c) If the actual period that such equipment has been out of calibration cannot be determined to the mutual satisfaction of Seller and Buyer, the adjustment shall be for a period equal to one-half of the time elapsed since the most recent test. The previous payments made by Buyer to Seller for this period shall be subtracted from the amount of payments that are calculated to have been owed

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under this Agreement. The difference in US Dollars (which may be a positive or negative amount) shall be added to the next Monthly Invoice pursuant to Article IX.

- (d) The cost of the monthly testing and calibration of the Metering Equipment described in this Article VII.4 shall be the responsibility of the Party that maintains such Metering Equipment. The cost of any testing and calibration of the Metering Equipment beyond the monthly test permitted in this Article VII.4 shall also be the responsibility of the Party that maintains such Metering Equipment, unless the request to test any of the Metering Equipment is made by the other Party and the results of such test requested by such other Party demonstrate that the Metering Equipment is less than one percent (1%) out of calibration, in which case the cost of such testing and calibration shall be for the account of the Party that requested the test.
- (e) Each Party shall comply with any reasonable request of the other concerning the sealing of the Metering Equipment, the presence of a representative of the other Party when the seals are broken and tests are conducted, and other matters affecting the accuracy, testing and calibration of the Metering Equipment.
- (f) If either Seller or Buyer believes that there has been a failure or stoppage of any of the Metering Equipment, it shall immediately notify the other Party.

#### VII.5 Availability of Readings

At the end of each Month, Seller shall make available to Buyer all readings of the Metering Equipment.

#### VII.6 Measurement of LNG by Mass

- (a) The quantity of LNG delivered to any Delivery Point at which Natural Gas measurement equipment is not installed or is not functioning shall be determined using the mass of LNG loaded into each ISO Container used to deliver LNG multiplied by the heating value (in MMBtu) per unit of mass, in each case as set forth on the Loading Certificate provided by the Person loading such ISO Container, reduced to reflect Natural Gas used to vaporize LNG using the relevant Regas Equipment, as agreed by Buyer and Seller from time to time. To the extent the Parties cannot agree to such reduction, Article XX.2 shall apply.
- (b) Seller shall provide to Buyer a copy of the Loading Certificate for each ISO Container of LNG delivered pursuant to this Agreement.
- (c) If an ISO Container is determined to still contain LNG after retrieval by Seller, Seller shall credit to Buyer on the next Monthly Invoice an amount equal to the quantity of LNG remaining in such ISO Container (in MMBtu) multiplied by the Fuel Price applicable to the LNG delivered in such ISO Container and provide to Buyer documentation supporting such calculation.

#### VII.7 Determination of LNG Quality

The quality of LNG in any ISO Container and Natural Gas delivered from such ISO Container shall be as set forth in the Loading Certificate for the loading of such ISO Container.

#### VII.8 Periodic inspections and calibrations

Seller shall ensure that all contracts or terms and conditions pursuant to which LNG loading activities occur require such periodic inspections and calibrations of the equipment for determining mass and quality as would be performed by a Reasonable and Prudent Operator. If such equipment (or component(s) thereof) is out of service or registering inaccurately, the volumes of LNG or Natural Gas delivered hereunder shall be estimated as follows, in descending order of priority:

- (a) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation; or
- (b) by estimating the quantity of delivery by measuring deliveries during prior periods under similar conditions when any meter was registering accurately.

Any corrections shall be reflected in the next Monthly Invoice.

#### VII.9 Preservation of Records

Seller or Buyer, as applicable, shall preserve or cause to be preserved for a period of at least three (3) years following the expiration of this Agreement all test data, charts, and other similar records regarding the measurement of LNG or Natural Gas delivered in accordance with this Agreement.

#### VII.10 ISO Containers

Seller shall ensure at all times that ISO Containers used in the performance of this Agreement are in compliance with all Applicable Laws, are compatible with the Regas Equipment, and are fit for the purpose of meeting Seller's obligations under this Agreement.

### ARTICLE VIII

#### RISK AND INDEMNITY

VIII.1 Supply Period. The following indemnities shall apply during the Supply Period to the fullest extent permitted under Applicable Law:

- (a) **SELLER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE BUYER GROUP** from and against any and all Claims made by a Third Party in connection with any injury or death of persons and/or any damage to or loss of any property (excluding Natural Gas and LNG), in each case directly or indirectly arising out of, incident to, or in connection with, Seller's delivery of Natural Gas and LNG, operation and maintenance of the

Regas Equipment, and retrieval of ISO Containers, **TO THE EXTENT SUCH CLAIMS ARISE OUT OF THE NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT OF SELLER.**

- (b) **BUYER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE SELLER GROUP** from and against any and all Claims made by a Third Party in connection with any injury or death of persons and/or any damage to or loss of any property (excluding Natural Gas and LNG), in each case directly or indirectly arising out of, incident to, or in connection with, Buyer's operation of any Generation Units, **TO THE EXTENT SUCH CLAIMS ARISE OUT OF THE NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT OF BUYER.**
- (c) **SELLER SHALL PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS THE BUYER GROUP** from and against all Claims and Losses directly or indirectly arising out of, incident to, or in connection with (i) Third Party Claims of title to said Natural Gas or LNG or other charges thereon which attach before title passes to the Buyer, or (ii) environmental damage caused by any release, spill or explosion of Hazardous Materials associated with the Natural Gas or LNG before the Delivery Point.
- (d) **BUYER SHALL PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS THE SELLER GROUP** from and against all Claims and Losses directly or indirectly arising out of, incident to, or in connection with (i) Third Party Claims of title to said LNG or other charges thereon which attach after title passes to the Buyer, or (ii) environmental damage caused by any release, spill or explosion of Hazardous Materials associated with the LNG from and after the Delivery Point.

VIII.2 Title to Natural Gas. The Natural Gas to be sold by Seller and purchased by Buyer in accordance with this Agreement shall be transported to the site of each Delivery Point in ISO Containers, or such other means agreed by the Parties, and vaporized using the relevant Regas Equipment at the nominated Delivery Point(s). Title to Natural Gas, and the risk of loss or contamination of such Natural Gas, shall pass from Seller to Buyer upon the delivery of Natural Gas to the Delivery Point.

VIII.3 Notice and Defense. Any Person indemnified hereunder will, as soon as practicable after receiving notice of any suit brought against it within this indemnity, furnish to the indemnifying Party the full particulars within its knowledge thereof and will render all reasonable assistance requested by the indemnifying Party in the defense of any Claims. Each indemnified party will have the right but not the duty to participate, at its own expense, with counsel of its own selection, in the defense and/or settlement thereof without relieving the indemnifying Party of any obligations hereunder; *provided, however,* that an indemnifying Party that has acknowledged its indemnity obligations with respect to

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any Claim will have control over the defense and settlement of such Claim, as long as the settlement does not impose any obligations on the indemnified parties.

**VIII.4 Excluded Losses.** Notwithstanding any other provision of this Agreement, (1) in no event shall either Party be liable to the other Party for (a) any indirect, special, incidental or consequential losses, damages, liabilities or expenses, (b) loss of profits or revenue; loss of use; loss of power; cost of replacement power; loss by way of shutdowns; costs of substitute facilities, goods or services; loss of opportunity or loss of goodwill, whether or not constituting losses, damages, liabilities or expenses contemplated by Article VIII.4(a), or (c) claims of upstream or downstream customers or service providers to either Party for any of the aforementioned categories of damages (collectively, "Excluded Losses") howsoever arising, (2) Seller waives and shall indemnify Buyer Group from and against Claims by members of Seller Group for Excluded Losses, and (3) Buyer waives and shall indemnify Seller Group from and against Claims by members of Buyer Group or by any of its Financing Entities for Excluded Losses, in each case, except to the extent that Seller's express remedies pursuant to Article V or Buyer's express remedies pursuant to Article VI (including but not limited to any Seller Shortfall Payment) may be construed as constituting or compensating for Excluded Losses.

**VIII.5 Third Party Beneficiaries.** The provisions of this Agreement are intended for the sole benefit of Buyer and Seller and there are no third-party beneficiaries hereof, other than indemnitees pursuant to this Article VIII, each of whom is hereby made a third party beneficiary to this Agreement, with direct enforcement rights against the relevant indemnitor, solely for the purpose of enforcing (or relying upon as a defense) the indemnification provisions under which it is a member of the indemnified group.

## ARTICLE IX

### INVOICING AND PAYMENT

**IX.1** The "**Fuel Price**" to be paid for each MMBtu of Natural Gas delivered in a month during the Supply Period shall be determined by the formula:

$$FP = ((1 - BD) \times DP) / 5.8$$

where:

FP = the Fuel Price in US\$ per MMBtu;

BD = zero decimal two seven (0.27) and

DP, or "Diesel Price" = DCP / 100 x 42, where:

DCP = the Diesel Contract Price for vessel delivery for such month in cents per gallon.

**IX.2** With respect to each month during the Supply Period, Seller shall invoice Buyer for

- (a) The sum for each Day of the previous calendar month of (i)(A) the quantities of Natural Gas nominated for delivery on such Day in the Weekly Programme (in MMBtu) less (B) any NG Deficiency and any quantities not delivered by Seller or not taken by Buyer due to Force Majeure (such amount, with respect to a month, the “**Adjusted Nominated Quantity**”) *multiplied by* (ii) the Fuel Price for such month; *plus*
- (b) The sum, for each Delivery Point to which Seller delivered Natural Gas, of the Logistics Surcharges; *plus*
- (c) (i) Any additional quantities Seller agreed to deliver pursuant to Article V.3(a)(ii) less any such additional quantities Seller fails to deliver and any quantities not delivered by Seller or not taken by Buyer due to Force Majeure *multiplied by* (ii) the agreed price for such quantities; *minus*
- (d) Any credit due pursuant to Article VII.6(c); *plus*
- (e) The result, if greater than zero, of (i) the Monthly Quantity *minus* sum of the quantities of Natural Gas scheduled for delivery on each Day of such month in the Weekly Programme, *multiplied by* (ii) the Fuel Price; *plus*
- (f) Whatsoever other amounts that are owed for those items regulated in accordance with this Agreement and current regulations governing the provision of the services at any given time. Buyer certifies that the funds for the payments of Services rendered under this Agreement come from budgetary allocations. All payments made under this Agreement will be charged to Buyer’s budget account number 1-2321-23215-000-000.

IX.3 Seller shall prepare and shall give to Buyer by the tenth (10th) Day of each calendar month an invoice (the “**Monthly Invoice**”), which shall show in respect of the preceding calendar month (or, in the case of (e), with respect to any prior calendar month) the following information:

- (a) The Fuel Price for such month *multiplied by* the Adjusted Nominated Quantity;
- (b) The Logistics Surcharges for each Delivery Point to which Natural Gas was delivered (including, for each Delivery Point, a breakdown of the Logistics Factor, quantity delivered, and applicable miles set forth in Exhibit B);
- (c) Any additional quantities Seller agreed to deliver pursuant to Article V.3(a)(ii) less any such additional quantities Seller failed to deliver and any quantities not delivered by Seller or not taken by Buyer due to Force Majeure *multiplied by* the price applicable to such quantities;
- (d) The proceeds from any Mitigation Sale or other sale of (or credit from) any Excess Nomination;

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- (e) Any quantities of LNG remaining in an ISO Container where the mass of such ISO Container was used in the calculation of Natural Gas delivered *multiplied* by the Fuel Price for such month;
- (f) The amount of any Carryover Credit that, pursuant to Article V.4(d), Buyer is entitled to apply to the applicable Monthly Invoice;
- (g) The result, if greater than zero, of (i) the Monthly Quantity *minus* the sum of the quantities of Natural Gas scheduled for delivery on each Day of such month in the Weekly Programme *multiplied* by (ii) the Fuel Price;
- (h) Other amounts that are owed for those items regulated in accordance with this Agreement and current regulations governing the provision of the services at any given time;
- (i) The net amount payable by Buyer to Seller, which shall be (a) *plus* (b) *plus* (c) *minus* (d) *minus* (e) *minus* (f) *plus* (g) *plus* (h);
- (j) A breakdown of the amount of each tax listed on Exhibit F that is included in any of (a) through (j), the calculation of such amount, and supporting documentation; and
- (k) The following certification (adjusted for this Agreement):

*"We certify under penalty of nullity that no public servant of the Puerto Rico Electric Power Authority shall derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement by and among the Puerto Rico Electric Power Authority ("PREPA") and [Seller] dated [●] (the "Agreement"). The only consideration to be received for the supply of Natural Gas (as defined in the Agreement) are the agreed-upon Fuel Price that has been negotiated with PREPA as specified in the Agreement. The total amount shown on this invoice is true and correct. The Natural Gas was delivered, and no payment has been received.*

*Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Agreement.*

By:

Name:

Title:"

Buyer shall provide written notice to Seller of any irregularity in a Monthly Invoice submitted by Seller within twenty (20) Days of Buyer's receipt thereof, failing which such Monthly Invoice will be deemed to have been properly prepared and submitted.

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IX.4 Subject to Article IX.6 and Article IX.13, Buyer shall pay the amount to Seller due in accordance with such Monthly Invoice.

IX.5 If Seller incurs a liability to Buyer for failing to deliver Natural Gas pursuant to Article VI, then Buyer shall send to Seller (following the end of the applicable month) an invoice and reasonable supporting documentation showing the amount payable by Seller in accordance with Article VI.

IX.6 The total amount to be paid by Buyer during the Initial Term or during an Extension Term in no event shall exceed one billion one hundred forty-seven million dollars (\$1,147,000,000) (the "**Contract Ceiling**"). Seller shall not exceed the Contract Ceiling without prior written approval by Buyer, as evidenced by a written amendment to this Agreement. Notwithstanding any other provision of this Agreement, Buyer will not pay and shall have no obligation to pay amounts in excess of the Contract Ceiling, and Seller exceeds the Contract Ceiling at its own risk. Seller shall inform Buyer when accrued fees and expenses under this Agreement for the Initial Term or an Extension Term reach fifty percent (50%), seventy-five percent (75%), ninety percent (90%), and one hundred percent (100%) of the Contract Ceiling.

IX.7 Promptly following the end of each Contract Year, Seller shall deliver to Buyer an invoice comparing the sum of the Adjusted Nominated Quantity with respect to each Day of such Contract Year *plus* the sum of all NG Deficiencies for such Contract Year *plus* the sum of all Natural Gas quantities not delivered by Seller or not received by Buyer due to Force Majeure ("**Annual Quantity Taken**") to the Minimum Volume Commitment. If the Annual Quantity Taken is less than the Minimum Volume Commitment, Seller shall send to Buyer an invoice reflecting the quantity by which the Annual Quantity Taken is less than the Minimum Volume Commitment *multiplied by* the arithmetic mean of the Fuel Price for each month of such Contract Year and Buyer shall pay such amount to Seller, subject to Article IX.13 and *provided that* such amount shall be considered as occurring during the Contract Year to which the calculation of the Annual Quantity Taken applies for purposes of determining whether the Contract Ceiling has been exceeded and Article IX.6 shall continue to apply to such amount.

IX.8 If any sums are due from one Party to the other Party, except for reasons addressed in Articles IX.1 and IX.5, then the Party to which such sums are owed shall furnish to the other an invoice describing in reasonable detail the basis for the invoice and providing relevant supporting documentation.

IX.9 In respect of any invoice issued pursuant to this Article IX, Buyer or Seller, as the case might be, shall pay the amount due within thirty (30) Days after physical receipt of a properly submitted invoice.

IX.10 Buyer may, upon prior written notice to Seller, offset any amount due and payable from Seller to Buyer against any amount due and payable to Seller hereunder.

IX.11 Payment of amounts due to one Party from the other Party shall be made by wire transfer in immediately available funds into the bank account nominated from time to time by the Party to which the funds are owed. Each payment of any amount owing hereunder shall be for the full amount due,



without reduction, withholding or offset for any reason (including any exchange charges, bank transfer charges or other fees or Taxes). Until further notice, the bank account for Seller is as follows:

**SELLER:**     **Bank Name: Bank of America**

**Bank Account #: 446026663797**

For payments to Buyer, Seller shall request from Buyer wire instructions prior to transferring any funds to Buyer and shall provide Buyer bank confirmation upon completion of each such transfer.

IX.12 If any Party fails to pay the other Party the full amount of any invoice due by the due date (a) such Party shall also pay interest thereon to the other Party for the period commencing from and including the due date until and including the Day when payment is made. Interest shall be calculated at the rate of the Prime Rate percentage rate per annum, but no greater than the maximum amount allowable by law, and (b) where Buyer is the defaulting Party, Seller may suspend Natural Gas deliveries five (5) Business Days after delivering written notice of such past due amounts until the relevant amount is paid in full.

IX.13 If a Party disagrees in good faith with any invoice, such Party shall pay the undisputed amount by the due date thereof and shall immediately notify the other Party of the reasons for its disagreement. An invoice may be contested by the Party that received it, or modified by the Party that sent it, by written notice delivered to the other Party within a period of one hundred eighty (180) Days after such receipt or sending, as the case may be. If no such notice is served within such period of one hundred eighty (180) Days, such invoice shall be deemed correct and accepted by both Parties. Promptly after resolution of any Dispute as to an invoice, the amount due shall be paid by Seller or Buyer, as the case may be, to the other Party, together with interest thereon at the rate provided in Article IX.12 from the date payment was due to the date of payment.

IX.14 No later than fifteen (15) Days after the Effective Date, Seller shall deliver or cause to be delivered to Buyer either (i) a parent guarantee issued by a Creditworthy Parent to Buyer in the form set forth in Exhibit C or (ii) a bond issued by a surety authorized to do business and issue surety bonds in Puerto Rico, naming Buyer as beneficiary, with a value of at least five percent (5%) of the Contract Ceiling in the form set forth in Exhibit D.

IX.15 Invoices under this Agreement shall be delivered to the following addresses and deemed received on the date (i) personally delivered to the respective party or (ii) receipt is evidenced by certified or registered mail:

**SELLER:**     NFEnergía LLC  
                  c/o New Fortress Energy Inc.  
                  111 W 19th St., 8th Fl.  
                  New York, NY 10011  
                  Attention: Accounts Payable  
                  Email: [accountspayable@newfortressenergy.com](mailto:accountspayable@newfortressenergy.com)

**BUYER:** PREPA  
c/o Genera PR LLC, agent of PREPA  
Fuels Office  
250 Muñoz Rivera, Ave., Suite 1200 San Juan, Puerto Rico 00918

Attention: Jose L. Carrasco, Fuels Manager  
E-mail: legal@genera-pr.com

IX.16 Law 127 - 2004: Contract Registration in the Comptroller's Office of Puerto Rico Act

Seller acknowledges that payment under this Agreement will not be made until this Agreement is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

**ARTICLE X**

**DUTIES, TAXES AND CHARGES**

Each of Seller and Buyer shall be responsible for the payment of all taxes, fees, levies, royalties, duties, penalties, licenses, and other charges imposed by any Governmental Authority ("**Taxes**") which it incurs and for which it is legally responsible for as a result of complying with this Agreement and which correspond to such Party under all applicable tax regulations and laws in force at the Effective Date and throughout the Term in each of the jurisdictions relevant to this Agreement connected to the Parties. If Buyer is required to remit or pay Taxes that are Seller's responsibility hereunder, Seller shall promptly reimburse Buyer for such Taxes. Any Party entitled to an exemption from any such Taxes or charges shall furnish the other Party any necessary documentation thereof. Buyer shall cooperate and use commercially reasonable efforts to provide to Seller such information and execute and deliver such documents reasonably requested, to the extent not otherwise detrimental to Buyer, in connection with Seller's efforts to obtain any available tax exemptions and/or incentives under applicable tax regulations and laws in force at the Effective Date and throughout the Term.

X.1 For the avoidance of doubt and notwithstanding the above,

- (a) Seller represents and warrants that it is the importer of record for all Natural Gas and LNG delivered hereunder and shall be responsible for entry and entry summary filings as well as the payment of associated duties, Taxes and fees, if any, and all applicable record keeping requirements.
- (b) Seller represents and warrants that Exhibit F (in this agreement) includes a true and correct list of all Taxes and the applicable amount or tax rate that Seller has included in or intends to recover from the Fuel Price or otherwise in connection with this Agreement. Buyer shall have no obligation to pay to Seller any amounts for Taxes (including, but not limited to, excise taxes, sales taxes or any charge levied by a Government Authority on facilities used for the performance of this Agreement) not included in the Fuel Price. If any tax listed on Exhibit F

(in this agreement) decreases or ceases to apply to the transactions under this Agreement at any time during the Term, such revised tax, tax amount, or tax rate shall automatically apply immediately upon becoming effective, *mutatis mutandis*.

## ARTICLE XI

### FORCE MAJEURE

XI.1 Neither Seller nor Buyer shall be liable for any failure to perform or for omission or delay in the performance of any of its obligations under this Agreement, other than the obligation to make payments of money when due, if and to the extent that the affected Party's performance is prevented, delayed or interfered with by an act, event or circumstance, or combinations of events or circumstances, whether of the kind described herein or otherwise, that is not reasonably within its control, such Party having acted as a Reasonable and Prudent Operator and which effects could not be prevented or overcome by the exercise of due diligence ("**Force Majeure**").

For the avoidance of doubt, provided that the requirements set out in the preceding paragraph are met, events of Force Majeure shall include but not be limited to the following:

- (a) loss of, serious accidental damage to, inaccessibility or incapacity of, or inoperability of the facility for receiving and/or loading LNG in Puerto Rico.
- (b) loss of, serious accidental damage to, inaccessibility or incapacity of, or inoperability of any of the Generation Units;
- (c) any act or omission of a Governmental Authority of the United States of America (including any Puerto Rican Governmental Authority), including refusal or failure to issue, delay in issuing, or amendment, revocation, or suspension of, any Permit; and
- (d) any act of God, lightning, storm, typhoon, hurricane, tornado, earthquake, fires, floods, tsunami, landslide, soil erosion, subsidence, washout, shipwreck, navigational and maritime perils, acts of any Governmental Authority or compliance with such acts; explosions, acts of the public enemy, wars (whether declared or undeclared), terrorism or threat thereof, civil war, piracy, civil and military disturbances, strikes, blockades, insurrections, riots, epidemics and quarantine restrictions; strike, lockout or other industrial disturbances involving an enterprise other than a Party, its transporter or its agents or sub-contractors in connection with its performance of this Agreement; radioactive contamination or ionizing radiation; or breakdown or unavailability of port facilities or port services (including the channel, tugs or pilots).

XI.2 Notwithstanding the foregoing provisions of Article XI.1, the following shall not be events of Force Majeure:

- (a) events arising out of market decline, market failure, industry economic conditions, or general economic conditions;

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- (b) the failure by a Party to obtain or the withdrawal of any authorization, approval, permit or permission of any Governmental Authority, because the Party claiming Force Majeure failed to act as a Reasonable and Prudent Operator in connection with its efforts to obtain or maintain such authorization, approval, permit, or permission.

XI.3 In the event of any failure or delay of a Party's performance due to the occurrence of a Force Majeure event, the affected Party shall use commercially reasonable efforts (acting as a Reasonable and Prudent Operator) to resume as soon as possible full performance of its obligations under this Agreement, provided that the settlement of strikes or boycotts, lockouts or other industrial disputes, or obstructive action by organizations or local inhabitants, shall be entirely within the discretion of the Party concerned.

XI.4 A Party intending to seek relief under this Article XI shall as soon as reasonably practicable after it becomes aware of the occurrence of a Force Majeure event:

- (a) notify the other Party of the occurrence of an event that it considers may subsequently lead it to claim Force Majeure relief under this Agreement, describing such event, in as much detail as is then reasonably available, and the obligations, the performance of which has been or could be delayed, hindered or prevented thereby, and the estimated period during which such performance may be suspended or reduced, including (to the extent known or ascertainable) the estimated extent of such suspension or reduction in performance; the obligations which could or have been actually delayed or prevented in performance and the estimated period during which such performance may be suspended or reduced, including (to the extent know or ascertainable) the estimated extent of such suspension or reduction in performance;
- (b) give a bona-fide good faith estimate of when it shall be able to resume full performance of its obligations; and
- (c) give the particulars of the programme to be implemented, if any, to resume full performance hereunder subject to any Third Party confidentiality obligations.

Such notices shall thereafter be supplemented and updated at reasonable intervals during the period of such Force Majeure, specifying the actions being taken to remedy the circumstances causing such Force Majeure and the date on which such Force Majeure is expected to terminate.

XI.5 If any Party claims relief under this Article XI, it shall allow reasonable access to the other Party, upon such other Party's written request, to examine the scene of such event or circumstance which gave rise to the Force Majeure claim, provided that the Party not claiming relief under this Article XI shall bear the cost, expense and risk of examining such site.

XI.6 Where an act, event or circumstance prevents, impedes or delays a Party's performance hereunder, even if such act, event or circumstance primarily affects a Third Party or Third Parties, it shall constitute Force Majeure hereunder as to Seller or Buyer, as appropriate, if and to the extent that it is of a kind or character that, if it had happened to a Party, would have come within the definition of Force Majeure under this Article XI.



XI.7 Force Majeure takes effect at the moment a Force Majeure event occurs, not upon giving notice. A Party whose performance is excused by Force Majeure shall not be required, during the period in which the circumstances of the Force Majeure event are continuing, to incur uneconomic cost, make additional investments in new facilities, or bring into production existing or potential reserves not already flowing in support of this Agreement.

XI.8 If the Force Majeure event lasts for a period such that Seller is prevented from or delayed in performing its obligations hereunder for a period of ninety (90) consecutive Days (or, where Seller is not using commercially reasonable efforts to overcome the relevant Force Majeure (which Seller must show by providing a weekly report to Buyer describing its efforts to overcome such Force Majeure), sixty (60) consecutive Days) or more from the date on which the Force Majeure event first occurred, Buyer shall have the right to terminate this Agreement without liability to Seller by giving written notice to Seller.

## ARTICLE XII

### REPRESENTATIONS, WARRANTIES AND LIABILITIES

XII.1 Each Party hereby represents and warrants to the other Party that, as of the Effective Date:

- (a) With regard to Seller, it is a corporation or limited liability company duly formed, validly existing and in good standing under the laws of the state and/or country of its incorporation or organization, and is duly qualified to do business in, and is in good standing in, all other jurisdictions where the nature of its business or nature of property owned by it makes such qualification necessary.
- (b) With regard to Buyer, it is a Puerto Rico public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, duly organized, validly existing and in good standing under the laws of the Commonwealth of Puerto Rico and is duly qualified to do business in, and is in good standing in, all other jurisdictions where the nature of its business or nature of property owned by it makes such qualification necessary.
- (c) With regard to Buyer, all necessary consents and approvals required by Applicable Law (including PROMESA) from any relevant Governmental Authority (including, as an example, the Oversight Board, the Puerto Rico Fiscal Agency and Financial Advisory Authority, and Buyer's Governing Board) to all of the terms and conditions of this Agreement have been obtained prior to the Effective Date.
- (d) With regard to Buyer, all amounts payable to Seller under this Agreement are "Current Expenses" as defined in the Trust Agreement and are reasonable and necessary expenses related to the maintenance, repair and operation of the Generation Units, and are consistent with standard practices for public utility systems and with Buyer's standard business operations performed in maintaining and operating its system.

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- (e) Such Party has all requisite power and authority to conduct its business, to own or lease and operate its properties, and to execute, deliver, and perform its obligations under this Agreement.
- (f) The execution, delivery and performance by such Party of this Agreement has been duly authorized by all necessary corporate action on the part of such Party and do not (i) require any consent or approval of any Governmental Authority, such Party's governing body or any other Person, other than those that have been obtained, or the failure to obtain, of which would not have, or could not reasonably be expected to have, a material adverse effect on such Party's ability to perform its obligations hereunder, (ii) violate any provision of such Party's Articles of incorporation or by-laws, or other organizational documents, or any Applicable Law in effect, or (iii) result in a breach of or constitute a default under such Party's organizational documents or other material indentures, contracts or agreements to which it is a part or by which it or its properties may be bound.
- (g) This Agreement is a legal, valid, and binding obligation of such Party enforceable against such Party, as appropriate, in accordance with its terms.

XII.2 Seller warrants that it has good title to or good right to deliver, all Natural Gas delivered hereunder and that all Natural Gas delivered to Buyer at the Delivery Points shall be free and clear of all liens, security interests, charges, assessments encumbrances and adverse claims whatsoever. Seller makes no representation or warranty, written or oral, express or implied that the Natural Gas will be fit for a particular purpose, or will be of merchantable quality, and all such representations and warranties are expressly excluded to the fullest extent permitted by law, but nothing in this Article XII.2 affects the requirement that all Natural Gas delivered to Buyer under this Agreement will meet the Specifications.

XII.3 Seller shall take, or cause to be taken, all necessary actions to start Natural Gas deliveries from the first Day of the Supply Period including the execution of contracts for the use of any appropriate Regas Equipment and the design and construction of any facility or its elements situated upstream of the Delivery Point.

XII.4 Buyer shall take, or cause to be taken, all necessary actions to commence taking delivery of Natural Gas from the first Day of the Supply Period including the design and construction of any facility or its elements situated downstream of the Delivery Point.

XII.5 Seller's sole and exclusive liability, and Buyer's sole and exclusive remedy, for failure by Seller to deliver Natural Gas in accordance with this Agreement will be limited to the payment of the amounts detailed in Article VI, subject only to the additional remedies available to Buyer in the circumstances described Article XV.1(c)(ii).

## ARTICLE XIII

### ASSIGNMENT

This Agreement, as well as any rights, duties, liabilities, or obligations under it, may not be assigned, transferred, subcontracted, hypothecated, or otherwise disposed of by Seller without the

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prior written consent of Buyer, except that Seller and its assigns may without such consent assign all or a portion of their rights and interests under this Agreement (including any collateral) in connection with any securitization or bank funding arrangement entered into by Seller or an assignee of Seller. Seller acknowledges that, other than assignments in connection with any securitization or bank funding arrangement entered into by Seller or an assignee of Seller, Buyer does not favor requests for assignment, transfer, subcontracting, hypothecation, or other types of disposal of this Agreement and/or duties or obligations under it, and will have reasonable grounds not to approve any request to that effect, unless, in the business judgment of Buyer, the particular circumstances of the request warrant its approval and the assignment, transfer, subcontracting, hypothecation, or disposal does not operate against Buyer's best interests.

#### ARTICLE XIV

##### SUBCONTRACTORS

No subcontract shall be considered for Buyer's approval, except when the following requirements are met: (i) Seller delivers Buyer a copy of the subcontract, not less than thirty (30) days prior to the effective date of the proposed subcontract; (ii) the subcontract includes, as a condition for its legal validity and enforceability, a provision whereby Buyer has the right to substitute, subrogate, or assume Seller's rights under the subcontract, in the event that Buyer declares Seller in breach or default of any of the Contract terms and conditions; (iii) the subcontract includes, as a condition for its validity and enforceability, a provision establishing for the subcontractor the obligation to comply with all Seller's obligations under this Agreement (a mirror image clause), except for such obligations, term, and conditions which exclusively relate to works or services not included under the subcontract. Consent to assignment or subcontracting under this Article shall not relieve Seller of its full responsibilities under this Agreement, nor be construed as an approval of the terms of said assignment or subcontract. Seller shall be responsible for all services performed by its subcontractors, employees, agents or assignees, whose performance Seller shall ensure complies with the provisions of this Agreement.

#### ARTICLE XV

##### TERMINATION

XV.1 This Agreement may be terminated if any of the following circumstances occur:

- (a) the mutual agreement of the Parties;
- (b) by Buyer, in its sole discretion, upon giving written notice to Seller, such termination to take effect on the date set forth in such notice, which shall be no less than ten (10) Days from the delivery of such notice ("**Termination for Convenience**"); or
- (c) if a Termination Event on the part of either Party (the "**Defaulting Party**") has occurred, the other Party (and in the case of paragraph (ii) below, Buyer only) may at any time after which such Termination Event has occurred or during which such Termination Event is otherwise continuing, terminate this

Agreement by giving written notice of termination to the Defaulting Party in accordance with this Article XIX, with such termination to take effect as from and including the date of such notice. The following shall each constitute a termination event (a "**Termination Event**");

- (i) if any undisputed amount in excess of One Million Dollars (\$1,000,000.00) payable by the Defaulting Party under this Agreement has not been paid in full by the due date for the payment of the relevant invoice and the other Party has (after such due date) given notice to the Defaulting Party requiring payment of such amount and the amount has not been paid in full within ten (10) Business Days after the date of such notice;
- (ii) in the case of Seller as the Defaulting Party, Seller abandons performance of all of its obligations under the Agreement and does not take material steps to recommence such performance within three (3) days of written notice from Buyer that it believes Seller has so abandoned;
- (iii) if the Defaulting Party is unable to pay, suspends payment of, or agrees to a moratorium (or threatens any of the foregoing with respect to all or a material part of its debts), makes a general assignment or any composition or compromise with or for the benefit of its creditors except to the extent otherwise permitted by this Agreement, takes any proceedings with view to a readjustment, rescheduling or deferral of all or a substantial part of its indebtedness (other than in the case of a refinancing, but the commencement and pendency of the Title III Case shall not be considered a Termination Event, except that if any order has been entered by the Title III Court or any other Governmental Authority providing for the appointment of a receiver, custodian, or similar fiduciary for Buyer or any material portion of its property, the entry of any such order shall be considered a Termination Event);
- (iv) if any order is made, or a petition is presented and not withdrawn within a period of twenty-one (21) Days, for the winding-up, liquidation, dissolution, custodianship or administration (or any equivalent proceedings) of the Defaulting Party;  
  
*provided, however, that if the circumstances of such Termination Event are cured by the Defaulting Party within the notice period (if any) provided for such Termination Event, such termination notice shall be deemed withdrawn and this Agreement shall not terminate; or*
- (v) in the case of Seller as Defaulting Party, Seller breaches the representations and certifications in Article XXVIII.1 or fails to comply with Article XXVIII.2.



XV.2 On and at any time after the occurrence of a Termination Event, any Party not subject to such Termination Event may, while such Termination Event subsists, by giving five (5) Days written notice of its intentions to the Defaulting Party, suspend performance of its obligations under this Agreement. Where the Defaulting Party is Buyer, any such suspension by Seller shall not constitute a failure by Seller to make quantities of Natural Gas available for sale and delivery pursuant to the terms of this Agreement during such period of suspension, and Buyer shall have no rights in respect of such suspended deliveries during such period of suspension. Where the Defaulting Party is Seller, any such suspension by Buyer shall not constitute a failure by Buyer to take delivery of quantities of Natural Gas pursuant to the terms of this Agreement during such period of suspension, and Seller shall have no rights in respect of such suspended deliveries during such period of suspension. If such Termination Event is remedied thereafter (including, with respect to any late payments, payment in full of any such outstanding amounts together with interest thereon), prior to the exercise of rights under Article XV.1 the notice of suspension served under this Article XV.2 shall be deemed to be revoked automatically.

XV.3 The termination of this Agreement under this Article XV for any reason shall be without prejudice to the rights and remedies of the terminating Party accrued prior to such termination under this Agreement, including in respect of any antecedent breach (whether or not a repudiatory breach) giving rise to such termination.

XV.4 In the event that this Agreement is terminated pursuant to a Termination for Convenience, Buyer shall pay to Seller US \$zero (\$0).

**XV.5 To the fullest extent permitted under Applicable Law, each Party hereby irrevocably waives any right it might otherwise have, for any reason, to equitable rescission of this Agreement.**

## ARTICLE XVI

### NOVATION

Buyer and Seller expressly agree that no amendment or change order which could be made to this Agreement, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. The previous provision shall be equally applicable in such other cases where Buyer gives Seller a time extension for the compliance with any of its obligations under this Agreement or where Buyer dispenses the claim or demand of any of its credits or rights under the Agreement.

## ARTICLE XVII

### CHANGE IN LAW

During the term of this Agreement, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Seller's costs when supplying the products or services to be acquired by Buyer, shall be Seller's responsibility and Buyer shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

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## ARTICLE XVIII

### APPLICABLE LAW

This Agreement, the Confirmation(s) and any other document specifically incorporated into it shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Other than matters relating to the PREPA Bankruptcy, which shall be heard and determined in the United States District Court for the District of Puerto Rico, the Parties expressly agree that all actions and proceedings arising out of or relating to this Agreement shall be heard and determined in the courts of the Commonwealth of Puerto Rico, and the Parties hereby irrevocably submit to the jurisdiction of such court in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. The Parties hereby irrevocably waive all rights to trial by jury in any action, proceeding or counterclaim (whether based in contract, tort or otherwise) arising out of or relating to this Agreement or the actions of any Party or their respective representatives in the negotiation or performance hereof.

## ARTICLE XIX

### CODE OF ETHICS

Each Party represents and warrants that, in connection with this Agreement:

XIX.1 It has implemented adequate internal procedures designed to ensure that it shall not authorize the giving or offering of any financial or other advantage with the intention of inducing or rewarding any individual or entity to improperly perform an activity undertaken in the course of an individual's employment or connected to an entity's business activities (the "**Anti-Corruption Controls**"); and

XIX.2 It has not authorized and it will not authorize, in connection with the performance of this Agreement, any financial or any other advantage to or for the benefit of any public official, civil servant, political official, candidate for office, or any other public or private individual or entity where such authorization would violate the Anti-Corruption Controls.

## ARTICLE XX

### SETTLEMENT OF DISPUTES

#### XX.1 Exclusive Jurisdiction

- (a) Any claim, dispute, disagreement or controversy (each, a "**Dispute**") that arises between the Parties under this Agreement or that is otherwise related to the subject matter of this Agreement, except for those Disputes to be resolved through Expert determination pursuant to Article XX.2 below, shall be resolved exclusively in the Federal District Court for the District of Puerto Rico.
- (b) In the event of such Dispute, each Party shall continue performing its obligations hereunder except to the extent such obligations have been properly suspended

pursuant to the terms hereof. For the avoidance of doubt, Buyer shall continue paying undisputed amounts due under Article IX.

#### XX.2 Expert Determination

Any Dispute that arises between the Parties with respect to (i) the determination of quality under Article IV, or (ii) Article VII may be referred by either Party to an Expert for such Expert's determination of such Dispute, disagreement or other matter of interpretation in accordance with the following guidelines:

- (a) The Parties hereby agree that such determination shall be conducted expeditiously by an Expert selected unanimously by the Parties.
- (b) The Expert shall not be deemed to be acting in an arbitral capacity.
- (c) The Party requesting that any matter arising under Article IV or Article VII of this Agreement be referred to an Expert shall give the other Party notice of such request. If the Parties are unable to agree on the identity of an Expert within ten (10) Days after receipt of the notice of request for an Expert determination, then, upon the request of any of the Parties, the International Centre for Expertise of the International Chamber of Commerce shall appoint such Expert and shall administer such Expert determination through the ICC's Rules for Expertise.
- (d) The Expert shall be and remain at all times wholly impartial as between the Parties, and, once appointed, the Expert shall have no *ex parte* communications with either of the Parties concerning the Expert determination or the underlying Dispute.
- (e) The Expert procedure shall take place in San Juan, Puerto Rico in English.
- (f) Both Parties agree to cooperate fully in the expeditious conduct of such Expert determination and to provide the Expert with access to all facilities, books, records, documents, information and personnel necessary to make a fully informed decision in an expeditious manner.
- (g) Before issuing a final decision, the Expert shall issue a draft report and allow the Parties to comment on it.
- (h) The Expert shall endeavor to resolve the Dispute within thirty (30) Days (but no later than sixty (60) Days) after his appointment, taking into account the circumstances requiring an expeditious resolution of the Dispute.
- (i) The Expert's decision shall be final and binding on the Parties.

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**XX.3 Qualification of Experts**

- (a) No Person, without the prior written agreement of the Parties, shall be appointed as an Expert pursuant to Article XX.2 if such Person:
  - (i) is (or has been at any time within ten years preceding notice of the Dispute) an employee of a Party or of an Affiliate of a Party;
  - (ii) is (or has been at any time within five years preceding notice of the Dispute) a consultant or contractor of a Party or of an Affiliate of a Party;
  - (iii) holds any significant financial interest in a Party; or
  - (iv) does not have at least ten years' experience advising or working in the North American NG industry with respect to the subject matters subject to the Expert's determination under Article XX.2.
- (b) The Parties shall, within two months after the Effective Date, agree on a list of possible Experts for purposes of Article XX.2; *provided, however*, that in the event that the Parties are unable to agree on a list of acceptable Experts, then in the event of a Dispute subject to Expert determination pursuant to Article XX.2 the Expert shall be appointed by the International Centre for Expertise of the International Chamber of Commerce in accordance with Article XX.2.

**ARTICLE XXI****NON-WAIVER**

Delay or failure to exercise any right, power or remedy accruing to any Party as the result of any breach or default hereunder shall not impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or Default.

**ARTICLE XXII****CONFIDENTIALITY**

XXII.1 Any information directly or indirectly disclosed or furnished, whether orally, in writing or in electronic, digital or any other form, by either Party (or its representatives, employees, directors, officers, agents or Affiliates) (the "**Disclosing Party**") to the other Party (or its representatives, employees, directors, officers, agents or Affiliates) (the "**Receiving Party**") in connection with this Agreement (or in connection with the terms and conditions or the negotiation of any other agreement or document related to this Agreement or to its subject matter either between the Parties or otherwise) which is not:

- (a) already known to the Receiving Party; or
- (b) already in the public domain (other than in violation of the terms of this Article XXII.1), such information being "**Confidential Information**," shall,

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unless otherwise agreed in writing by the Parties, be kept confidential and shall not be sold, traded, published or otherwise disclosed to any Third Party in any manner whatsoever (except as provided in Article XXII.2) by the Receiving Party. For the avoidance of doubt, the terms of this Agreement may be made public pursuant to Applicable Law.

XXII.2 The Receiving Party may disclose Confidential Information to the following Persons without the consent of the Disclosing Party:

- (a) To the Receiving Party's and its Affiliates' directors, agents and employees;
- (b) to the Receiving Party's lenders and prospective lenders for the sole purpose of obtaining finance based on this Agreement;
- (c) to the Receiving Party's advisors and consultants, including legal counsel, accountants and other agents of the Receiving Party for purposes connected with this Agreement;
- (d) to Third Parties on an aggregated basis to the extent such information is delivered to such Third Party for the sole purpose of calculating a published index;
- (e) to Experts and any court in connection with the resolution of a Dispute;
- (f) to co-shareholders and partners in upstream and downstream projects, any operator of Seller's facilities and any other relevant Third Parties, in all cases
- (g) limited (i) only to operational information; and (ii) to the extent strictly necessary to implement this Agreement;
- (h) to any insurer in connection with a policy of insurance required pursuant to this Agreement;
- (i) to any lender or potential lender and to any employee, representative or advisor of such Person;
- (j) to those contractor(s) that Seller retains or proposes to retain to perform any of Seller's obligations hereunder; or
- (k) to any Governmental Authority or financial markets to the extent required or advisable in connection with any future financing activity related to Seller.

XXII.3 The Receiving Party disclosing Confidential Information pursuant to Article XXII.2 to a Person identified in Article XXII.2(b) to XXII.2(f) shall ensure that such Person undertakes to hold such Confidential Information subject to confidentiality obligations equivalent to those set out in Article 26.1 (excluding legal counsel). Each Party understands that the Receiving Party, and Persons, listed in Article XXII.2(a), (b) or (c) may now or in the future work on similar projects, and the Parties agree

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that, without prejudice to the other provisions in this Article XXII, such Persons shall not be precluded from working on such other projects because they have reviewed any Confidential Information.

XXII.4 In the event that disclosure is required by any Governmental Authority or Applicable Law and such disclosure is not of the kind permitted pursuant to Article XXII.2(j), the Receiving Party subject to such requirement may disclose the Confidential Information to the extent so required, but shall promptly notify the Disclosing Party of such disclosure prior to so doing, and shall cooperate (consistent with the Receiving Party's legal obligations) with the Disclosing Party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the Disclosing Party. Notwithstanding the foregoing, Seller acknowledges that Articles XXII.4 and XXII.5 shall not apply to any requirements applicable to Buyer to disclose any Confidential information that Buyer is required to disclose as a public entity under Applicable Law.

XXII.5 No press release or public statement concerning the existence, execution of, or other matters directly related to, this Agreement, or the transactions contemplated hereby, shall be issued by the representatives, directors, officers, agents or employees of either Party or its Affiliates unless otherwise agreed by the Parties in writing. In the case of any such press release or public statement, the Parties shall first consult and agree to the specific contents and the manner or timing of presentation or publication thereof. The foregoing shall not apply to any announcement by a Party required in order to comply with any Applicable Law, provided that in this case the relevant Party making such announcement notifies the other Party of the details of such announcement, the relevant Applicable Law to be complied with and, where applicable, the addressee of such announcement.

XXII.6 The Parties shall be entitled to all remedies available at law or in equity to enforce or seek relief in connection with the breach of the confidentiality obligation set out in this Article XXII.

XXII.7 If Seller connects to information systems managed by PREPA or Genera, Seller shall implement and maintain a cybersecurity system designed to prevent unauthorized access to such systems, as well as the system owned or managed by Seller. Buyer has the right to screen Seller's systems for compliance and security purposes at any time during the Term. Seller shall notify Buyer immediately if any information provided by or on behalf of Buyer has been, or is suspected of being, lost, stolen, or inappropriately disclosed. Seller shall protect the privacy of the personal information of PREPA's and Genera's employees, customers, and vendors against inadvertent or inappropriate disclosure.

## ARTICLE XXIII

### NOTICES

All notices to be given under this Agreement by one Party to the other shall be in writing, sent to the address and marked to the attention of the Person specified in Article XXV and, unless otherwise agreed, in English.

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## ARTICLE XXIV

### CONTINGENT FEES

Seller guarantees that it has not employed any person to solicit or secure this Agreement upon any agreement for a commission percentage, brokerage or contingent fee. Breach of this guarantee shall give Buyer the right to annul the Agreement or, at its discretion to deduct from the consideration payable hereunder the amount of such commission, percentage, brokerage or contingent fees. This warranty shall not apply to commissions payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by Seller for the purpose of securing business.

## ARTICLE XXV

### ADDRESSES FOR NOTICES

**SELLER:** NFEnergía LLC  
c/o New Fortress Energy Inc.  
111 W 19th St., 8th Fl.  
New York, NY 10011  
Attention: General Counsel  
Telephone: 516-268-7400  
Email: legal@newfortressenergy.com

**BUYER:** PREPA  
c/o Genera PR LLC, agent of PREPA Fuels Office  
250 Muñoz Rivera Ave., Suite 1200  
San Juan, Puerto Rico 00918  
Attention: Jose L. Carrasco, Fuels Manager  
fuels@genera-pr.com  
With a copy to legal@genera-pr.com

Either Party may change its address details by giving not less than five (5) Days written notice to the other Party.

## ARTICLE XXVI

### BUSINESS PRACTICES AND FOREIGN CORRUPT PRACTICES ACT

XXVI.1 Each Party agrees that in connection with its activities conducted pursuant to this Agreement, neither it nor any of its directors, officers, employees, or Affiliates shall (a) take any action, or omit to take any action that would violate any Applicable Law applicable to that Party, (b) make, promise to make, or authorize, the making of any payment, gift or transfer of anything of value,

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directly or indirectly, to any official or employee of any government or instrumentality of any government or to any political party or official thereof or any candidate of any political party for the purpose of influencing the action or inaction of such official, employee, political party or candidate, or (c) otherwise take any action, or omit to take any action that would cause the other Party to be in violation of any Applicable Law related to the business practices of such other Party, including the United States Foreign Corrupt Practices Act.

XXVI.2 Each Party agrees and undertakes, on behalf of itself, its directors, officers, employees, or Affiliates, not to pay any fees, commissions or rebates to any employee, officer or agent of the other Party, or its Affiliates or shareholders nor provide or cause to be provided to any of them any gifts or entertainment of significant cost or value in connection with their activities conducted pursuant to this Agreement or in order to influence or induce any actions or inactions in connection with the commercial activities of the Parties under this Agreement.

XXVI.3 Without prejudice to Article XXIV, neither Party shall use any broker, agent, or other intermediary in connection with soliciting, obtaining, negotiating, structuring or performing this Agreement or in connection with the subject matter to which it applies.

XXVI.4 Each Party shall indemnify and hold the other Party harmless from and against any and all losses, damages, liabilities, costs, expenses and claims which arise out of, are incident to, or result from any breach by such Party of this Article XXVI.

XXVI.5 Each Party shall use commercially reasonable efforts to cause its contractors and agents to agree to terms concerning business practices and the Foreign Corrupt Practices Act that are substantially similar to those set forth in this Article XXVI.

## ARTICLE XXVII

### TRANSFER OF FUNDS

If Seller decides to assign or transfer any right to payment of an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Agreement, Seller shall notify Buyer of such transfer of funds, in accordance with the provisions of Act 21- 2012. Said notice shall clearly indicate the rights granted, including a copy of the contract under which the assignment or transfer of the right to payment is made, the exact amount of funds to be assigned or transferred, and specific identification information regarding the assignee (full name of the person or company), address and any other contact information.

## ARTICLE XXVIII

### CONFLICT OF INTEREST

XXVIII.1 Seller represents and warrants that: (i) none of its representatives under this Agreement are employed by or receive payment or compensation for such employment from any governmental agency, body, public corporation or municipality of Puerto Rico; (ii) no employee of the Puerto Rico government, Buyer, or Genera and the 3PPO has any personal or economic interest in this Agreement; (iii) it may have service contracts with other governmental agencies, bodies, public corporations or municipalities of Puerto Rico, but such contracts do not constitute a conflict of interest

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for Seller, Buyer, or Genera, or otherwise bias Seller's judgement, in its performance of the Agreement; (iv) at the time of execution of this Agreement, it does not have any other contractual relationship that could be deemed to constitute a conflict of interest for Seller, or otherwise bias Seller's judgement, in its performance of the Agreement; (v) at the time of execution of this Agreement, it does not have any claims or existing litigation with Buyer, Genera, the 3PPO or any instrumentality of the government of Puerto Rico; (vi) it did not, prior to submitting a proposal with respect to this Agreement, have access to another competitor's proprietary information that was obtained from a Puerto Rico government official, Buyer, Genera and/or the 3PPO without proper authorization; and (vii) it did not, prior to submitting a proposal with respect to this Agreement, have access to source selection information (i.e., information prepared for use by Buyer, Genera and/or the 3PPO for the purpose of evaluating bids or proposals to enter into a contract, if that information was not previously made available to the public or disclosed publicly) that is relevant to this Agreement but was not available to all competitors.

#### XXVIII.2 Conflicting Interest.

- (a) Seller acknowledges that it has a duty of ethical behavior towards Buyer, Genera and the 3PPO. Such duty includes that Seller shall not have interests that conflict with Buyer or Genera's interests in this Agreement, including (i) the representation of clients which have, or may have, interests opposed to those of Buyer or Genera and/or the 3PPO in relation to this Agreement; (ii) when Seller's conduct is described as such in the canons of ethics that may be applicable to Seller and its personnel or in the laws or regulations applicable to Seller and its personnel assigned to this Agreement; (iii) when Seller, its Affiliates, or their employees, directors, or officers directly or indirectly, for themselves or any other third party, obtain, request or give to Buyer or Genera and/or the 3PPO or an employee, officer, director or agent of Buyer or Genera and/or the 3PPO, any profit, utility, advantage or gain by way of improper acts or exercise of undue influence.
- (b) Seller agrees to avoid even the appearance of a conflict of interest.
- (c) Seller shall have the continuous obligation to promptly disclose to Buyer if any relationship with third parties could represent a conflict of interest with Buyer or Genera and/or the 3PPO in connection with this Agreement.

### ARTICLE XXIX

#### UNFAIR LABOR PRACTICE

In the event that Seller or any of its subcontractors or agents do not comply with an order issued by the Puerto Rico Labor Relations Board and/or the National Labor Relations Board upon their finding that Seller or any of its subcontractors or agents have committed an unfair labor practice, no further payments shall be made by Buyer to Seller after the date of the said order, until such non-compliance is corrected. Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the contractors or agents have not complied with an order issued by the Board relating to any unfair labor practice shall be binding, final, and conclusive unless such order is reversed or set aside by a Court of competent jurisdiction.

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## **ARTICLE XXX**

### **DISCRIMINATION**

Seller certifies that it is an employer with equal opportunity employment, and does not discriminate by reason of race, color, religion, political ideas, sex, nationality, age or mental or physical condition.

## **ARTICLE XXXI**

### **COMPLIANCE WITH THE COMMONWEALTH OF PUERTO RICO CONTRACTING REQUIREMENTS**

XXXI.1 Seller shall comply with all applicable laws, including local and federal regulations and Executive Orders that regulate the environmental matters and contracting processes and requirements in the Commonwealth of Puerto Rico. Seller has complied or will comply with all government contracting requirements pursuant to Exhibit E.

#### **XXXI.2 Resolution of Debt**

If any of the certifications required in Exhibit E shows a debt, and Seller has requested a review or adjustment of this debt, Seller hereby certifies that it has made such request at the time of Contract execution. If the requested review or adjustment is denied and such determination is final, Seller will provide, immediately, to Buyer a proof of payment of this debt; otherwise, Seller accepts that the owed amount be offset by Buyer and retained at the origin, deducted from the corresponding payments. Seller accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and subcontractor whose service Seller has secured in connection with the services to be rendered under this Agreement and shall forward evidence to Buyer as to its compliance with this requirement.

## **ARTICLE XXXII**

### **PUBLIC OFFICERS OR EMPLOYEES**

#### **XXXII.1 Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))**

Seller acknowledges that no public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

#### **XXXII.2 Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615(d))**

Seller acknowledges that no executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office unless the Governor gives

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authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.

**XXXII.3     Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615(e))**

Seller acknowledges that no public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.

**XXXII.4     Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. 8615(f))**

Seller acknowledges that no public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve, or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

**XXXII.5     Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615(h))**

Seller acknowledges that no executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.

**ARTICLE XXXIII**

**DISPENSATION**

Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.

**ARTICLE XXXIV**

**RULES OF PROFESSIONAL ETHICS**

Seller acknowledges and accepts that it is knowledgeable of the rules of ethics of his or her profession and assumes responsibility for his or her own actions.

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## ARTICLE XXXV

### ANTI-CORRUPTION CODE FOR A NEW PUERTO RICO

XXXV.1 Seller agrees to comply with the provisions of Act 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.

XXXV.2 Seller hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.

#### XXXV.3 Provisions Required under Act 14-2004

Seller agrees that articles extracted, produced, assembled, packaged, or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico, shall be used when the service is rendered, provided that they are available.

## ARTICLE XXXVI

### CONTRACT REVIEW POLICY

XXXVI.1 The Parties acknowledge that Seller has submitted the certification titled "Contractor Certification Requirement" in accordance with Exhibit E.

XXXVI.2 For this Agreement, the transfer of skills and technical knowledge required by the Certified Fiscal Plan is inapplicable given the non-recurring or specialized nature of the contracted services.

## ARTICLE XXXVII

### INSURANCE

#### XXXVII.1 Insurance and Bonds:

Seller shall secure and maintain in full force and effect during the life of this Agreement as provided herein, policies of insurance covering all operations engaged in by the Agreement as follows:

##### (a) Commonwealth of Puerto Rico Workmen's Compensation Insurance:

Seller shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. Seller shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

Seller shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.

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(b) Employer's Liability Insurance:

Seller shall provide Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon Seller as result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

(c) Commercial General Liability Insurance:

Seller shall provide a Commercial General Liability Insurance with limits of \$2,000,000 per occurrence and \$2,000,000 aggregate, and including coverage for explosion, collapse, and underground (XCU) hazard.

The Commercial General Liability Insurance or its equivalent must include coverage for bodily injuries and property damages caused during the operation of a watercraft.

(d) Excess Liability Insurance:

Seller shall provide an Excess Liability Insurance in excess of the Commercial General Liability Insurance limits. This Excess Liability Insurance will have limits of \$10,000,000 per occurrence and \$10,000,000 aggregate.

(e) Commercial Automobile Liability Insurance:

Seller shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned, and hired automobiles.

(f) Pollution Liability Insurance:

Seller shall provide a Pollution Liability Insurance with limits of \$1,000,000 per claim and \$1,000,000 per aggregate.

XXXVII.2 Requirements Under the Policies:

The Commercial General Liability or its equivalent and the Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

(a) As Additional Insured:

Puerto Rico Electric Power Authority (Buyer)  
Risk Management Office  
PO Box 364267  
San Juan, PR 00936-4267

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- (b) A thirty (30) Day cancellation or nonrenewable notice to be sent to the above address.
- (c) An endorsement including this Agreement under contractual liability coverage and identifying it by number, date and parties to the contract.
- (d) Waiver of Subrogation in favor of Puerto Rico Electric Power Authority (Buyer).
- (e) Breach of Warranties or Conditions:

“The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice Buyer’s rights under this policy.”

**XXXVII.3 Furnishing of Policies:**

- (a) All required policies of insurance shall be in a form acceptable to Buyer and shall be issued only by insurance companies authorized to do business in Puerto Rico.
- (b) Seller shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

**ARTICLE XXXVIII**

**GENERAL**

XXXVIII.1 If any inconsistency appears between the provisions contained in the body of this Agreement and any Exhibit to this Agreement, then the provisions of the body of this Agreement shall prevail.

XXXVIII.2 If any one or more of the provisions, obligations, or terms herein or part thereof shall be determined by a court of competent jurisdiction to be wholly or partially invalid, void, illegal or unenforceable in any respect by operation of Applicable Law or otherwise, the validity, legality, or enforceability of the remaining provisions, obligations, or terms or part thereof in any other jurisdiction shall not in any way whatsoever be affected or impaired thereby and all provisions of this Agreement shall, if alternative interpretations are applicable, be construed so as to preserve the validity and enforceability hereof to the extent that the essential purposes of this Agreement can be determined and effectuated.

XXXVIII.3 The Parties do not intend any term of this Agreement to be enforceable by any Third Party.

XXXVIII.4 Nothing in this Agreement shall be deemed to create a partnership, joint venture or association, establish a principal and agent relationship or any other relationship of a similar nature, including employment, between the Parties or create any joint and several liabilities. Neither Party shall

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have any right, power or authority to enter into any agreement or undertaking for, to act on behalf of, to act as or be an agent or representative of, or to otherwise bind, the other Party.

XXXVIII.5 The Parties acknowledge that this Agreement has been negotiated and prepared by the Parties with the advice of legal counsel to the extent deemed necessary by each Party. The Parties have agreed to the wording of this Agreement and none of the provisions of this Agreement shall be construed against one Party on the ground that such Party is the author of this Agreement or any part of this Agreement.

XXXVIII.6 This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior proposals, negotiations and communications relative hereto, oral or written, and there are no other understandings or representations between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by a duly authorized representative of each Party.

[Signature Page Follows]

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IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their respective duly authorized representative as of the day and year first above written.

**For and on behalf of**

**For and on behalf of**

**SELLER:**

**BUYER:**

**NFENERGÍA LLC**

**PUERTO RICO ELECTRIC POWER  
AUTHORITY, represented by its agent,  
Genera PR LLC**

**EIN: 66-0889369**

Name:  \_\_\_\_\_

Name: Kevin D. Futch \_\_\_\_\_

Christopher Guinta

Kevin D. Futch

Title: Chief Financial Officer

Title: General Counsel

Authorized Signatory for Genera PR LLC,  
exclusively as agent on behalf of and for  
the account of PREPA

*KDF*

*CG*

## EXHIBIT A SPECIFICATIONS

Natural Gas delivered by Seller shall satisfy the following conditions:

Parameter	Min	Max	Units
Sand, dust, gums, crude oil, impurities, or other objectionable substances	No traces allowed		
Sulfur	--	1	grain/100 scf
Hydrogen Sulfide	--	0.3	grains/100 scf
Mercaptan Sulfur	--	0.25	grains/100 scf
Carbon Dioxide (CO <sub>2</sub> )	--	2	Percent by volume of carbon dioxide
Water Vapour	--	7	lb/MMscf
Oxygen	--	0.4	Percent by volume of oxygen
Heating Value (Natural Gas)	1,000	--	Btu/scf
Heating Value (LNG)	21,350	--	Btu/lb

Note: These quality parameters shall be measured by methods in accordance with accepted industry practices.

**EXHIBIT B  
DELIVERY POINTS**

<b>Delivery Point</b>	<b>Distance from Palo Seco (in miles)</b>
Palo Seco Power Plant	0
Palo Seco MobilePacs	0
San Juan Power Plant	0
Mayaguez Power Plant	96
Aguirre Power Plant	40
Costa Sur Power Plant	79
Cambalache Power Plant	46
Vega Baja Power Plant	22
Daguao Power Plant	39
Yabucoa Power Plant	29
Jobos Power Plant	41

**EXHIBIT C**  
**FORM OF PARENT GUARANTEE**

This GUARANTEE (this “*Guarantee*”), dated as of March 15<sup>th</sup>, 2024, is made by NEW FORTRESS ENERGY INC, a Delaware corporation (“*Guarantor*”), in favor of the PUERTO RICO ELECTRIC POWER AUTHORITY, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2<sup>nd</sup> 1941, No. 83, as amended (“*Buyer*,” and, together with Guarantor, each a “*Party*” and, collectively, the “*Parties*”).

**RECITALS**

**WHEREAS**, Buyer has agreed to enter into the Fuel Sale and Purchase Agreement for the Palo Seco and San Juan Temporary Generation Facilities, dated as of March 15<sup>th</sup>, 2024, with NFENERGÍA LLC (“*Seller*”), a subsidiary of Guarantor (the “*Agreement*”), which is hereby incorporated by reference in this Guarantee and made a part hereof; and

**WHEREAS**, it is a condition to Buyer and Seller entering into the Agreement that Guarantor execute and deliver this Guarantee.

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

**1. Guarantee.**

- 1.1 On the terms and subject to the conditions contained herein, Guarantor hereby absolutely, unconditionally and irrevocably guarantees, to and for the benefit of Buyer, the full and punctual performance and payment, as and when each such payment or performance becomes due (whether at the stated due date, by acceleration or otherwise), by or on behalf of Seller of any and all obligations or amounts owed by Seller to Buyer in connection with and to the extent provided for in the Agreement (the “*Guaranteed Obligations*”). The Guaranteed Obligations of Guarantor hereunder are direct and primary obligations.
- 1.2 This Guarantee is an absolute, unconditional, present, and continuing guarantee of performance and payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce performance or payment by Seller or upon any other event, contingency or circumstance whatsoever, and shall remain in full force and effect and be binding upon and against Guarantor and its successors and permitted assigns (and shall inure to the benefit of Buyer and its agents, successors, endorsees, transferees, and permitted assigns) without regard to the validity or enforceability of the Agreement. If, for any reason, Seller shall fail to punctually, and fully perform or pay, as and when such performance or payment is due, any of the Guaranteed Obligations, Guarantor shall promptly perform or pay, or cause to be performed or paid, such Guaranteed Obligations.
- 1.3 Guarantor agrees that any judgment between Seller and Buyer under the Agreement (whether in contested litigation or arbitration, by default or otherwise) shall be conclusive and binding on the Parties for the purposes of determining Guarantor’s



obligations under this Guarantee but no such judgment shall be required to enforce the Guarantor's obligations under this Guarantee.

- 1.4 Guarantor further agrees to pay to Buyer all costs, expenses (including, without limitation, all reasonable fees and disbursements of counsel), and damages which may be paid or incurred by Buyer in enforcing any rights with respect to this Guarantee, including, without limitation, collecting against Guarantor under this Guarantee.

2. **Obligations Absolute and Unconditional, Continuing; Etc.**

- 2.1 Guarantor agrees that the obligations of Guarantor set forth in this Guarantee shall be direct obligations of Guarantor, and such obligations shall be absolute, irrevocable and unconditional, shall not be subject to any counterclaim, set-off, deduction, diminution, abatement, recoupment, suspension, deferment, reduction or defense (other than full and strict compliance with its obligations hereunder) based upon any claim Guarantor or any other Person may have against Buyer or any other Person and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected or impaired by, any circumstance or condition whatsoever (other than full and strict compliance by Guarantor with its obligations hereunder) (whether or not Guarantor shall have any knowledge or notice thereof), including, without limitation: (i) the existence, validity, enforceability, perfection, release, or impairment of value of any collateral for such Guaranteed Obligations; (ii) any amendment or modification of or supplement to or other change in the Agreement or any other document, including, without limitation, any change order, renewal, extension, acceleration or other changes to time, manner, place or terms of payment thereunder; (iii) any failure, omission or delay on the part of Buyer or any other Person to confirm or comply with any term of the Agreement or any other document; (iv) any waiver, consent, extension, indulgence, compromise, release or other action or inaction under or in respect of the Agreement or any other document or any obligation or liability of Buyer or any other Person, or any exercise or non-exercise of any right, remedy, power, or privilege under or in respect of any such instrument or agreement or any such obligation or liability; (v) any bankruptcy, insolvency, reorganization, arrangement, readjustment, liquidation, or similar proceeding with respect to Buyer, Seller, or any other Person or any of their respective properties, or any action taken by any trustee or receiver or by any court in any such proceeding; (vi) any discharge, termination, cancellation, frustration, irregularity, invalidity or unenforceability, in whole or in part, of the Agreement or any other document or any term or provision thereof; (vii) any merger or consolidation of Guarantor, Seller or any other Person into or with any other Person or any sale, lease or transfer of all or any of the assets of Guarantor, Seller or any other Person; (viii) any change in the ownership of Guarantor, Seller or any other Person; (ix) any winding up or dissolution of Guarantor, Seller or any other Person; (x) any assignment of, or the creation of any mortgage, pledge, charge or other encumbrance over, or in respect of, this Guarantee, the Agreement or any of Buyer's rights, benefits, or obligations under or pursuant to this Guarantee or the Agreement; or (xi) to the fullest extent permitted under Applicable Law, any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which might otherwise limit recourse against Guarantor.

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- 2.2 The Guaranteed Obligations constitute the full recourse obligations of Guarantor enforceable against it to the full extent of all its assets and properties. Without limiting the generality of the foregoing, Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, Seller shall fail to perform obligations or pay amounts owed by Seller under the Agreement and that notwithstanding the recovery hereunder for or in respect of any given failure to so comply by Seller under the Agreement, this Guarantee shall remain in full force and effect and shall apply to each and every subsequent such failure.
3. **Reinstatement.** Guarantor agrees that this Guarantee shall be automatically reinstated with respect to any payment made by or on behalf of Seller pursuant to the Agreement if and to the extent that such payment is rescinded or must be otherwise restored, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.
4. **Waiver of Demands, Notices; Etc.** Guarantor hereby unconditionally waives, to the fullest extent permitted by Applicable Law: (i) notice of any of the matters referred to in Section 2.1 hereof; (ii) all notices which may be required by Applicable Law, or otherwise, now or hereafter in effect, to preserve any rights against Guarantor hereunder, including, without limitation, any demand, proof, or notice of non-payment or non-performance of any Guaranteed Obligation; (iii) any right to the enforcement, assertion, or exercise of any right, remedy, power, or privilege under or in respect of the Agreement; (iv) notice of acceptance of this Guarantee, demand, protest, presentment, notice of failure of performance or payment, and any requirement of diligence; (v) any requirement to exhaust any remedies resulting from failure of performance or payment by Seller under the Agreement or by any other Person under the terms of the Agreement; and (vi) any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge, release, or defense of a guarantor or surety, or which might otherwise limit recourse against Guarantor.
5. **No Subrogation.** Notwithstanding any performance, payment or payments made by Guarantor hereunder (or any set-off or application of funds of Guarantor by Buyer), Guarantor shall not be entitled to be subrogated to any of the rights of Seller (or of any rights of Buyer hereunder), or any collateral, security, or guarantee or right of set-off held by Buyer, for the performance or payment of the obligations guaranteed hereunder, nor shall Guarantor seek or be entitled to assert or enforce any right of contribution, reimbursement, indemnity or any other right to payment from Seller as a result of Guarantor's performance of its obligations pursuant to this Guarantee until all Guaranteed Obligations are performed or paid in full. If any amount shall be paid to Guarantor on account of such subrogation, contribution, reimbursement or indemnity rights at any time when all of the Guaranteed Obligations and all amounts owing hereunder shall not have been performed and paid in full, such amount shall be held by Guarantor in trust for Buyer, segregated from other funds of Guarantor, and shall, forthwith upon receipt by Guarantor, be turned over to Buyer in the exact form received by Guarantor (duly endorsed by Guarantor to Buyer, if required), to be applied against the Guaranteed Obligations, whether or not matured, in such order as Buyer may determine.
6. **Representations and Warranties.** Guarantor represents and warrants that:
- 6.1 it is a corporation duly organized, validly existing and is in good standing under the laws of the state of Delaware, and has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Guarantee; the execution,

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delivery and performance of this Guarantee will not violate or conflict with its charter or by-laws (or comparable constituent documents), any law, regulation or order of any governmental authority or any court or other agency of government applicable to it or the terms of any agreement to which it is a party;

- 6.2 no authorization, approval, consent or order of, or registration or filing with, any court or other governmental entity having jurisdiction over Guarantor is required on the part of Guarantor for the execution, delivery, or performance of this Guarantee;
  - 6.3 the execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets;
  - 6.4 this Guarantee, when executed and delivered, will constitute a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with its terms, except as the enforceability of this Guarantee may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity as they apply to the Guarantor; and
  - 6.5 Guarantor is financially solvent, able to pay all debt as they mature, and possesses sufficient working capital to perform its obligations under this Guarantee.
7. **Conveyance or Transfer.** Guarantor shall not convey, sell, lease or transfer its properties or assets to any Person to the extent that such conveyance, sale, lease or transfer could have a material adverse effect on Guarantor's ability to fulfill its obligations under this Guarantee (a "***Material Transaction***") without Buyer's written consent (not to be unreasonably withheld). For the avoidance of doubt, a sale of property or assets for market value shall not be considered a Material Transaction as long as Guarantor receives all of the proceeds from such sale and does not subsequently transfer such proceeds to another Person. If Guarantor proposes a Material Transaction, Guarantor shall (i) provide Buyer with reasonable advance notice of such proposed Material Transaction, (ii) meet with Buyer, and (iii) pursuant to a written confidentiality agreement, provide to Buyer all necessary information, reasonably requested by Buyer, regarding the proposed Material Transaction for the purpose of receiving Buyer's written consent to such Material Transaction (not to be unreasonably withheld). For the avoidance of doubt, such restriction on conveyances, sales, leases and transfers shall include conveyances, sales, leases or transfers to Guarantor's Affiliates.
8. **Dispute Resolution.**
- 8.1 The Parties agree that any claim, dispute, controversy, difference, disagreement, or grievance (of any kind or type, whether based on contract, tort, statute, regulation or otherwise) arising out of, connected with or relating in any way to this Guarantee (including the construction, validity, interpretation, termination, enforceability or breach of this Guarantee) ("***Dispute***") shall be decided by litigation pursuant to this Section 8.
  - 8.2 Litigation of any Dispute shall be brought exclusively in the Commonwealth Court of First Instance, San Juan, Puerto Rico or federal court having jurisdiction over San

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Juan, Puerto Rico. Each Party hereby consents to personal jurisdiction in any legal action, suit, or proceeding brought in any state court in San Juan, Puerto Rico, or federal court having jurisdiction over San Juan, Puerto Rico having subject matter jurisdiction, and irrevocably waive, to the fullest extent permitted by Applicable Law and the law of the internal laws of the Commonwealth, any claim or any objection it may now or hereafter have, that venue or personal jurisdiction is not proper with respect to any such legal action, suit, or proceeding brought in such a court in or having jurisdiction over San Juan, Puerto Rico, including any claim that such legal action, suit, or proceeding brought in such court has been brought in an inconvenient forum. Each Party further consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Party at its address specified herein for the giving of notices, or by such other notice given in accordance with the rules and procedures of such courts. Each Party hereby waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in respect of any proceeding brought under this Guarantee.

9. **Miscellaneous.**

- 9.1 This Guarantee shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. Guarantor may not assign or transfer this Guarantee or any rights or obligations hereunder without Buyer's prior written consent, which consent may be withheld in Buyer's sole and absolute discretion. Buyer may, without Guarantor's consent: assign this Guarantee, in whole or part, to any Person who is a permitted successor or assignee of Buyer under the Agreement. Except as otherwise provided in this Section 9.1, nothing herein, express or implied, is intended or shall be construed to confer upon or to give to any Person other than the Parties hereto any rights, remedies, or other benefits.
- 9.2 This Guarantee shall be governed by, interpreted and construed in accordance with the laws of New York, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than New York.
- 9.3 No modification or amendment of this Guarantee shall be of any force or effect unless made in writing, signed by the Parties hereto, and specifying with particularity the nature and extent of such modification or amendment. This Guarantee constitutes the entire and only understanding and agreement among the Parties hereto with respect to the subject matter hereof and cancels and supersedes any prior negotiations, proposals, representations, understandings, commitments, communications, or agreements, whether oral or written, with respect to the subject matter hereof.
- 9.4 All notices, demands, offers, requests and other written instruments required or permitted to be given pursuant to this Guarantee shall be in writing signed by the Party giving such notice and shall be hand delivered or sent by overnight courier, messenger, facsimile or certified mail, return receipt requested, to the other Parties at the address set forth below.

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If to Buyer		If to Guarantor	
Name	<u>General Counsel</u>	Name:	<u>General Counsel</u>
Title:	<u></u>	Title:	<u></u>
Address:	<u>250 Ave. Muñoz Rivera</u>	Address:	<u>111 W, 19<sup>th</sup> St. 8<sup>th</sup> Fl.</u>
	<u>Suite 1200 San Juan P.R. 00918</u>		<u>New York, N.Y. 10011</u>
Phone Number:	<u></u>	Phone Number:	<u>(516)268-7400</u>
Email:	<u>legal@genera- pr.com</u>	Email:	<u>legal@newfortressenergy.com</u>

Each Party shall have the right to change the place to which such notices shall be sent or delivered by sending a similar notice to the other Parties in like manner. Notices, demands, offers, requests or other written instruments shall be deemed to have been duly given on the date actually received by the intended recipient, provided that if the day of receipt is not a Business Day then it shall be deemed to have been received on the next succeeding Business Day.

- 9.5 The headings of the several provisions of this Guarantee are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Guarantee.
- 9.6 No forbearance or delay by Buyer in asserting rights against Seller shall affect or impair in any way Guarantor's obligations hereunder or the rights of Buyer hereunder.
- 9.7 Capitalized terms used, but not otherwise defined, herein shall have the respective meanings ascribed to such terms in the Agreement. The term "Person" shall mean any individual, company, joint venture, corporation, partnership, association, joint stock company, limited liability company, trust, estate, unincorporated organization, governmental entity or other entity having legal capacity.
- 9.8 If any provision of this Guarantee is ultimately determined by a court of competent jurisdiction to be invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Guarantee except to the extent necessary to give effect to the construction of such invalidity, and any such invalid portion shall be deemed severed without affecting the validity of the remaining portions of this Guarantee.

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- 9.9 This Guarantee may be executed in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

*[Signature page follows.]*

**IN WITNESS WHEREOF**, the undersigned have duly executed this Guarantee as of the date first above written.

**NEW FORTRESS ENERGY INC**

By: 

Name: Christopher Guinta

Title: Chief Financial Officer

**EXHIBIT D  
FORM OF BOND**

KNOW ALL MEN BY THESE PRESENTS, that we, [ ] (“**Principal**”), and [ ] (“**Surety**”), are held and firmly bound unto PUERTO RICO ELECTRIC POWER AUTHORITY (“**Obligee**”), in the penal sum of up to, but not greater than, [5% of the Contract Ceiling] lawful money of the United States (the “**Penal Sum**”), to the payment of which well and truly to be made we hereby bind ourselves and our heirs, administrators, successors, and assigns, jointly and severally, firmly by these presents. This limited payment guarantee is made effective as of the day it is delivered to Obligee (the “**Effective Date**”).

WHEREAS the above bound Principal has entered into that certain Fuel Sale and Purchase Agreement for the Palo Seco and San Juan Temporary Generation Facilities (the “**Contract**”) with the above named Obligee, effective the [ ] day of [ ], 2024, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length were attached herein.

WHEREAS, in the event of an NG Deficiency (as defined in the Contract), Principal has agreed to pay Obligee certain amounts in accordance with the terms and conditions of Article VI of the Contract.

NOW THEREFORE, the condition of the obligations is such that if Principal and/or Surety has paid to Obligee all amounts that are due and owing to Obligee by Principal under Article VI of the Contract over the Term (as defined in the Contract), then this limited payment guarantee shall be null and void, otherwise to be in full force and effect.

This limited payment guarantee is executed by Surety and accepted by Obligee subject to the following expressed conditions. Capitalized terms used herein and not defined herein shall have the meaning set forth in the Contract.

1. Obligee shall provide notice of Principal’s failure to pay any undisputed amount due and owing under Article VI of the Contract (“**Default**”) to both Principal and Surety, providing ten (10) business days for Principal to cure the Default. If Principal has not cured the Default within such period of time, then Obligee may make a Demand on this limited payment guarantee pursuant to Sections 2 and 3 below, in an amount not to exceed the Penal Sum. Any Demand for an amount that exceeds the Penal Sum shall be invalid to the extent that it exceeds the Penal Sum.
2. Subject to satisfaction of the requirements of Section 1, within fifteen (15) business days of Surety’s receipt of a valid demand for payment under this limited payment guarantee (“**Demand**”), accompanied by the documentation referred to in Section 3 below, Surety shall pay to Obligee via wire transfer the amount stated in the Demand. Payment of a Demand by Surety shall constitute full satisfaction of all Claims against Principal in respect of which the Demand was made. Any Demand paid by Surety to Obligee in any Contract Year shall reduce the Penal Sum of this limited payment guarantee during such Contract Year.
3. Documentation to be provided to Surety in support of a Demand under this Guarantee shall be the following:
  - a. A photocopy of this limited payment guarantee.

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- b. A certificate, executed by a duly authorized representative of Obligee, that specifies the amount of the relevant Default.
  - c. All documentation (including invoices and records of nominations and Natural Gas and LNG [or diesel] quantities, quality and price) reasonably necessary to establish that the relevant amount is due and owing by Seller to Obligee under Article VI of the Contract.
- 4. The term of this limited payment guarantee is initially from the Effective Date to the conclusion of the Initial Term. This limited payment guarantee will automatically renew for successive one (1) calendar year terms following expiration of the previous term, unless cancelled by Surety by providing Principal and Obligee no less than sixty (60) calendar days written notice of cancellation. This limited payment guarantee shall terminate automatically upon termination of the Contract for any reason. Any notice of cancellation or termination of the limited payment guarantee pursuant to this Section 4 will not nullify or void any liability or indebtedness incurred or accrued by Principal and Surety named herein prior to said date of cancellation or termination.
- 5. Surety's liability under this limited payment guarantee (a) shall in no event exceed the Penal Sum and (b) is strictly limited to payment of Default amounts in accordance with Section 2 hereof; it being agreed that Surety shall not be obligated to perform (and shall not be liable for any performance or failure to perform by Principal of) any other obligations of Principal pursuant to the Contract.
- 6. This limited payment guarantee is governed by the laws of New York (with exclusion of its choice of law rules). Any dispute arising from or in connection to this limited payment guarantee shall be finally settled by binding arbitration in accordance with the International Chamber of Commerce Rules then in force (ICC Rules). The seat of the arbitration shall be New York and the arbitration shall be conducted in the English language.

Signed, sealed and dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

ATTEST \_\_\_\_\_ BY \_\_\_\_\_  
Principal

ATTEST \_\_\_\_\_ BY \_\_\_\_\_

## **EXHIBIT E**

### **GOVERNMENT CONTRACTING REQUIREMENTS**

#### **1. SELLER ACKNOWLEDGMENTS**

- 1.1 Seller, for itself and its members or partners (if Seller is a partnership under the Puerto Rico Internal Revenue Code of 2011, as amended), represents and warrants that as of the Effective Date (a) neither it nor its members or partners, as applicable, has any outstanding debts for unemployment insurance, temporary disability, or chauffeur's social security with the Department of Labor and Human Resources of the Commonwealth, workman's compensation with the State Insurance Fund, income taxes or sales and use taxes with the Department of Treasury of the Commonwealth, or real or personal property taxes with the Municipal Revenues Collection Center ("CRIM") or (b) it or its members or partners, as applicable, have a payment plan in place with respect to any outstanding debt for the foregoing items and have complied therewith.
- 1.2 Seller shall have delivered to PREPA prior to, or shall deliver to PREPA on, the Effective Date:
- 1.2.1 a copy of its current Certificate of Incorporation, Certificate of Organization or Certificate of Authorization to do Business in Puerto Rico issued by the Puerto Rico Department of State, as applicable; and
- 1.2.2 evidence (in each case dated no earlier than sixty (60) days prior to the Effective Date) of either:
- (a) the Seller's current RUL or RUP registration; or
  - (b) in lieu of the RUL or RUP registration required in Section 1.2.2(a), each of the following:
    - (i) a copy of Seller's Merchant's Registration Certificate.
    - (ii) a copy of Seller's Merchant's Registration Certificate;
    - (iii) a Certificate of Good Standing issued by the Puerto Rico Department of State;
    - (iv) a certification issued by the Puerto Rico Treasury Department indicating that Seller and its members and partners, if applicable, do not owe Puerto Rico sales and use taxes to the Commonwealth of Puerto Rico;
    - (v) a Puerto Rico Sales and Use Tax Filing Certificate issued by the Puerto Rico Treasury Department reflecting that Seller has filed its Puerto Rico Sales and Use Tax returns for the last sixty (60) tax periods;

- (vi) a certification issued by the Puerto Rico Treasury Department indicating that Seller and its members and partners, if applicable, do not owe Puerto Rico income taxes to the Commonwealth;
- (vii) a Puerto Rico Income Tax Filing Certificate issued by the Puerto Rico Treasury Department reflecting that Seller has filed its Puerto Rico Income Tax returns for the last five (5) tax years;
- (viii) a certification issued by the Puerto Rico Child Support Administration (ASUME) reflecting that Seller is in compliance with the withholdings required to be made by employers under Applicable Laws;
- (ix) a sworn statement under Act 2-2018, signed before a notary public, in the form attached hereto as Attachment 1.
- (x) an all concepts debt certification issued by CRIM reflecting that Seller does not owe any taxes to CRIM with respect to real or personal property; and
- (xi) a certification issued by the Puerto Rico Labor Department reflecting that Seller is in compliance with the withholdings required to be made by employers with respect to Unemployment and Disability Insurance.

1.3 In providing the services, Seller, covenants, represents and warrants to PREPA as follows:

- 1.3.1 Neither Seller, its subsidiaries or affiliates, nor, when acting on behalf of Seller or its subsidiaries or affiliates, any director or officer or employee of Seller or its subsidiaries or its affiliates (together “**Seller Group Members**” and each a “**Seller Group Member**”) has violated as of the Effective Date, or shall violate, conspire to violate, or aid and abet the violation of, any Anti-Corruption Laws. No funds transferred by PREPA to Seller shall be transferred by Seller or any Seller Group Member, directly or indirectly, in violation of any Anti-Corruption Laws.
- 1.3.2 Neither Seller nor any Seller Group Member are Sanctioned Persons or are located, organized or resident in a Sanctioned Country. Neither Seller nor any Seller Group Member shall directly or, knowingly, indirectly, engage in any transactions or business activity of any kind with a Sanctioned Person or a Person located, organized or resident in a Sanctioned Country. No funds transferred by PREPA to Seller shall be transferred by Seller or any Seller Group Member, directly or indirectly, to a Sanctioned Person, a Person located, organized or resident in a Sanctioned Country, or in violation of Sanctions;
- 1.3.3 Seller and Seller Group Members maintain and implement as of the Effective Date, and shall maintain and implement, policies, procedures and controls

reasonably designed to ensure compliance by Seller with the Anti-Corruption Laws and Sanctions;

1.3.4 Seller shall promptly notify PREPA in writing if, to Seller's knowledge, Seller, or any Seller Group Member, in connection with this Agreement or the Services, becomes subject to any investigation by law enforcement or regulatory authorities in connection with the Anti-Corruption Laws or Sanctions;

1.3.5 Seller shall at all times comply with all Applicable Law regarding non-discrimination;

1.3.6 neither Seller nor Seller Group Members, nor any of their representatives, directly or indirectly, to the best of Seller's knowledge, has entered into or offered to enter into, or in the case of Seller shall enter into, any combination, conspiracy, collusion or agreement to receive or pay any sum of money or other consideration for the execution of this Agreement other than that which is expressly set forth in this Agreement; and Seller attests, subject to the penalties for perjury, that the foregoing representation is true;

1.3.7 Seller shall inform PREPA and Genera and/or the 3PPO if, at any time during the Term, there are any material Tax disputes with any Governmental Body of the Commonwealth;

1.3.8 Seller shall inform PREPA if, at any time during the Term, it or any of its Seller Group Members becomes aware that any of them are subject to investigation in connection with criminal charges related to acts of corruption, the public treasury, the public trust, a public function or charges involving public funds or property;

1.3.9 Pursuant to Section 5(f) of Act 120 and subject to the provisions of the Generation O&M Agreement, Seller shall at all times comply with the public policy and regulatory framework applicable it with respect to the PREPA generation assets; and

1.3.10 In delivering the goods or services, Seller shall:

(a) to the extent that the goods or services are subject to rules of ethics of a profession, comply with any such applicable rules;

(b) to the extent that the goods or services involve performance of architectural, engineering, land surveying and landscape architecture services governed by Act No. 173 of the Legislative Assembly of Puerto Rico, enacted on August 12, 1988, as amended ("Act 173"), comply with Act No. 173; and

(c) as required by Article 11 of Act No. 14-2004, use commercially reasonable efforts to use, to the extent available and applicable to the goods or services, and to the extent permitted by law and the Federal Funding Requirements, goods extracted, produced, assembled, packaged, bottled or distributed in the

Commonwealth of Puerto Rico by businesses operating in the Commonwealth of Puerto Rico or distributed by agents established in the Commonwealth of Puerto Rico.

1.3.11 Seller certifies and guarantees that:

1.3.12 It has filed all the necessary and required income tax returns to the Commonwealth of Puerto Rico for the last five (5) years. Seller further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Commonwealth of Puerto Rico; or

1.3.13 It does not have any legal obligation and has not had to submit income or sales and use tax returns in the Commonwealth of Puerto Rico during the past five (5) years, and it has no outstanding debt with the Commonwealth of Puerto Rico for income taxes or sales and use tax taxes.

1.3.14 Seller hereby certifies that it is in compliance with any applicable obligation it may have with the Puerto Rico Child Support Administration (Administración de Sustento de Menores (ASUME)). As evidence thereof, Seller has delivered to PREPA a certification issued by ASUME certifying that Seller does not have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

1.3.15 Seller hereby certifies that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act 168-2000, as amended known as the "Law for the Strengthening of the Family Support and Livelihood of Elderly People", the same is current and in all aspects in compliance.

1.3.16 Any and all necessary waivers regarding the Agreement have been obtained from any government entity and said waivers shall become part of the contracting file.

1.3.17 Seller expressly agrees that the conditions outlined throughout this Exhibit E are essential requirements of Contracts with PREPA. Consequently, should any of these representations, warranties, and certifications be incorrect, inaccurate or misleading, in whole or in part, then this will be deemed a material breach by Seller and permit PREPA to terminate the Agreement. PREPA shall also have the right to terminate the Agreement in the event of Seller's negligence, dereliction of duties or breach of this Agreement without limiting any other rights and remedies that PREPA may have as a result thereof, including the remedies available to it under Act No. 2-2018.

1.3.18 Seller hereby certifies that it has not been convicted in any Puerto Rico or United States Federal court of any of the crimes under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico ("Act 1-2012"), any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code ("Act 146-2012"), any of the crimes typified in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico ("Act 2-2018") or any other felony that involves misuse of public funds

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or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8- 2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico (“Act 8-2017”).

1.3.19 PREPA shall have the right to terminate the Agreement in the event Seller is convicted in Puerto Rico or United States Federal court of any of the crimes under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act No. 2-2018, or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017.

1.3.20 Furthermore, Seller agrees to comply with the provisions of Act 2-2018, as the same may be amended from time to time.

1.3.21 Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement.

## 2. INTERAGENCY SERVICES CLAUSE

Pursuant to Memorandum No. 2021-003, Circular Letter 001-2021, of the Office of the Governor of Puerto Rico and the Office of Management and Budget, both Parties acknowledge and agree that the contracted services herein may be provided to any entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct provision of the Office of the Chief of Staff of the Governor of Puerto Rico. These services will be performed under the same terms and conditions regarding hours of work (if applicable) and compensation set forth in the Agreement.

## 3. CONTRACT REVIEW POLICY OF THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO

The Parties acknowledge that Seller has submitted the certification titled “***Contractor Certification Requirement***” required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017 and amended on October 30, 2020, signed by Seller’s Executive Director (or another official with an equivalent position or authority to issue such certifications). If applicable, a signed copy of the Contractor Certification Requirement is included as Schedule E-2. Seller represents and warrants that the information included in Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy or falseness in such Certification will render the contract null and void and Seller will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed contract.

## 4. TERMINATION CLAUSE

To the extent required by Act No. 3-2017 and OE-2021-003, or other Applicable Law, order or circular letter, the office of the Chief of Staff shall have the authority to terminate this Agreement at any time; provided that in any such event Seller shall be entitled to payment in full for goods or services rendered by it through the date of termination.

KDF

CH

PREPA certifies that, to the extent applicable, the Agreement has the appropriate governmental authorizations necessary for its execution, and according to the provisions in the Act No. 3-2017, known as the “Act to Address the Economic, Fiscal, and Budget Crisis to Guarantee the Operations of the Government of Puerto Rico.” Furthermore, PREPA certifies that, also to the extent applicable, it has obtained written approval of the Government Chief of Staff and the Office of Management and Budget, pursuant to Memorandum Number 2017-001 and Circular Letter 141-17.

KDF

CA



**EXHIBIT F**  
**TAX BREAKDOWN**

TAX	RATE
Income Tax	4% on taxable income
Sales & Use Tax	0% on purchased goods. 4% on non-maintenance services received. 11.5% on maintenance services 4% on equipment leased in
Personal Property Tax	0.98% of book value
Municipal License Tax	0.2% of gross receipts
Construction Excise Tax	0% of construction costs
Dividends Withholding Tax	0% on dividends paid

Note: NFE operates under tax decree that provides for favorable taxation rates.

KDF

CL



## GeneraPR | Palo Seco Fuel Swap Cost Savings

		P&W FT8		x3 FT8 units	Notes
		Gas	Diesel	in Palo Seco	
Fuel Swap Savings					
Capacity	MW	27.0	27.0		Maximum Dependable Capacity
(x) Capacity Factor	%	33%	33%		From Environmental Permit (calc in <Environmental Permit> tab.
(x) Hours (in a year)	hr	8,760	8,760		
Generation	MWh	78,811	78,811	236,432	
(x) Heat Rate (HHV)	Btu/KWh	10,226	10,226		From Operation raw data <Generation Raw_data Accum. 2023> Tab.
Fuel Consumption	TBtu	0.8	0.8	2	
(x) Fuel Price	\$/MMBtu	\$14.30	\$19.59		From Fuel Forecast for FY2025. (<Fuels Price Forecast - MAIN> tab)
[A] Annual Fuel Cost	\$mm	\$11.52	\$15.79		
Fuel Cost Savings	\$/MMBtu	\$5.29			
Annual Fuel Cost Savings	\$mm	\$4.26		\$12.79	
Generation Cost	\$/KWh	\$0.15	\$0.20		
[B] Generation Cost Savings	\$/KWh	\$0.05			<< Generation cost saving only to production of the FT8s in Palo Seco

Mobile Pack PW FT-8 (Central Palo Seco)	Gross Production (MW)	Net Production (MW)	Fuel Consumption (Bbl)	HHV (Valor calorífico)	BTU (energía del combustible)	Net Heat Rate (Btu/kWh) Eficiencia de la unidad
MP 1 (1411)	66,676.10	66,646.40	118,268.76	5,809,820	687,120,189,794	10,310
MP 2 (1410)	61,651.40	61,620.30	108,926.73	5,809,820	632,844,694,489	10,270
MP 3 (1412)	64,689.00	64,668.00	112,398.14	5,809,820	653,012,979,164	10,098
Total	193,016.50	192,934.70	339,593.63		1,972,977,863,447	10,226

Datos 2023

FUELS DEPARTMENT

Fuel Prices Forecast Calculation

Date 15-Mar-24

ULSD

month	\$/Bbl Barge Delivery	\$/Bbl Tank Truck Delivery
Mar-24	\$118.98	\$119.98
Apr-24	\$119.39	\$120.39
May-24	\$118.36	\$119.36
Jun-24	\$117.79	\$118.79
Jul-24	\$117.54	\$118.54
Aug-24	\$117.43	\$118.43
Sep-24	\$117.40	\$118.40
Oct-24	\$116.78	\$117.78
Nov-24	\$115.49	\$116.49
Dec-24	\$114.42	\$115.42
Jan-25	\$112.23	\$113.23
Feb-25	\$111.52	\$112.52
Mar-25	\$110.86	\$111.86
Apr-25	\$110.67	\$111.67
May-25	\$109.97	\$110.97
Jun-25	\$109.49	\$110.49
Jul-25	\$109.23	\$110.23

Averages for FY '25

\$113.65	\$114.65
\$19.59	\$19.77

\$/Bbl

\$/MMBtu

NY ULSD	Gulf Coast ULSD	Platts Gulf Coast Waterborne	Average of NY + GCwb
		*Estimate* (Platts Gulf Coast + \$0.02)	
2.6857	2.6107	2.6307	2.6582
2.6610	2.5860	2.6060	2.6335
2.6476	2.5726	2.5926	2.6201
2.6396	2.5684	2.5884	2.6140
2.6380	2.5650	2.585	2.6115
2.6353	2.5661	2.5861	2.6107
2.6260	2.5460	2.5660	2.5960
2.6095	2.5008	2.5208	2.5652
2.5965	2.4628	2.4828	2.5397
2.5795	2.3759	2.3959	2.4877
2.5581	2.3632	2.3832	2.4707
2.5315	2.3585	2.3785	2.4550
2.5111	2.3699	2.3899	2.4505
2.4936	2.3539	2.3739	2.4338
2.4811	2.3437	2.3637	2.4224
2.4714	2.3412	2.3612	2.4163

Fuel Oil #6

month	\$/Bbl
Mar-24	\$100.40
Apr-24	\$99.74
May-24	\$98.66
Jun-24	\$97.62
Jul-24	\$96.61
Aug-24	\$95.61
Sep-24	\$94.65
Oct-24	\$93.73
Nov-24	\$92.88
Dec-24	\$92.07
Jan-25	\$91.37
Feb-25	\$90.74
Mar-25	\$90.14
Apr-25	\$89.57
May-25	\$89.05
Jun-25	\$88.52
Jul-25	\$88.00

Average for FY '25

92.08 \$/Bbl
14.62 \$/MMBtu

USGC Correlation	BRENT Correlation	Average
97.89	101.59	99.74
96.64	100.68	98.66
95.51	99.73	97.62
94.43	98.80	96.61
93.37	97.85	95.61
92.37	96.92	94.65
91.41	96.05	93.73
90.50	95.25	92.88
89.67	94.47	92.07
88.98	93.77	91.37
88.34	93.14	90.74
87.72	92.56	90.14
87.13	92.01	89.57
86.57	91.53	89.05
86.00	91.04	88.52
85.44	90.55	88.00

LNG	NFE		NFE - Land		Naturgy		Henry Hub
(month)	\$/MMBtu		\$/MMBtu		\$/MMBtu		\$/MMBtu
Mar-24	8.3573		14.9751		7.3573		1.615
Apr-24	8.5022		15.0272		7.5022		1.741
May-24	8.6413		14.8967		7.6413		1.862
Jun-24	8.9415		14.8258		7.9415		2.123
Jul-24	9.3164		14.7936		8.3164		2.449
Aug-24	9.4245		14.7804		8.4245		2.543
Sep-24	9.4279		14.7761		8.4279		2.546
Oct-24	9.5222		14.6984		8.5222		2.628
Nov-24	9.9742		14.5353		8.9742		3.021
Dec-24	10.5446		14.4005		9.5446		3.517
Jan-25	10.8654		14.1259		9.8654		3.796
Feb-25	10.6550		14.0358		9.6550		3.613
Mar-25	10.2398		13.9531		9.2398		3.252
Apr-25	9.9960		13.9293		8.9960		3.040
May-25	10.0294		13.8407		9.0294		3.069
Jun-25	10.2157	Average for FY '25	13.7807	Average for FY '25	9.2157	Average for FY '25	3.231
Jul-25	10.4100	\$10.02	13.7485	\$14.30	9.4100	\$9.02	3.400

\$/MMBtu

NFE  
115% \* Henry Hub + \$7.50 (During months 13-24 of the Initial Term)  
115% \* Henry Hub + \$6.50 (During months 25 until the end of the Initial Term)

Mega Gen Utilization Capacity			
NG Max Fuel Consumption Rate	289,020	scf/hr	Emission Source Construction Permit Modification 24 Apr 2023 Section II
NG Fuel Consumption Limit (12 month rotating period)	2,530,868,932	scf/year	Emission Source Construction Permit 09 Apr 2022 Section IV.13.b
Operational hr Limit per year	8756.726	hr/year	
Operational hr Limit per day	23.99	hr/day	
Operational hr Limit per day per unit (3 units)	8.00	hr/day/unit	
Utilizacion Capacity	33	%	



## GeneraPR | Mayaguez Fuel Swap Cost Savings

		P&W FT8		x4 FT8 units	Notes
		Gas	Diesel	in Mayaguez	
1	Fuel Swap Savings				
2	Capacity	MW	59.0	59.0	Maximum Dependable Capacity
3	(x) Capacity Factor	%	34%	34%	From Current Environmental Permit (calc in <Environmental Permit> tab. Number should increase with new LNG Environmental Permit.
4	(x) Hours (in a year )	hr	8,760	8,760	
5	Generation	MWh	174,655	174,655	698,619
6	(x) Heat Rate (HHV)	Btu/KWh	10,364	10,364	From Operation raw data <Generation Raw_data Accum. 2023> Tab.
7	Fuel Consumption	TBtu	1.8	1.8	7
8	(x) Fuel Price	\$/MMBtu	\$14.30	\$19.59	From Fuel Team Forecast for FY2025 (<Fuels Price Forecast - MAIN> tab)
9	[A] Annual Fuel Cost	\$mm	\$25.89	\$35.46	
10	Fuel Cost Savings	\$/MMBtu	\$5.29		
11	Annual Fuel Cost Savings	\$mm	\$9.58	\$38.30	
12	Generation Cost	\$/KWh	\$0.15	\$0.20	
13	[B] Generation Cost Savings	\$/KWh	\$0.05		<< Generation cost saving only to production of the FT8s in Mayaguez



Mobile Pack PW FT-8 (Mayaguez)	Gross Production (MW)	Net Production (MW)	Fuel Consumption (Bbl)	HHV (Valor calorífico)	BTU (energía del combustible)	Net Heat Rate (Btu/kWh) Eficiencia de la unidad
Unit 1A & 1B	114,417,600	114,280,298	203,525	5,725,727	1,165,329,160,248	10,197
Unit 2A & 2B	65,884,000	65,804,938	120,039	5,725,727	687,310,486,096	10,445
Unit 3A & 3B	60,388,700	60,316,233	108,579	5,725,727	621,693,024,846	10,307
Unit 4A & 4B	114,184,600	114,047,580	209,462	5,725,727	1,199,321,370,015	10,516
<b>Total</b>	<b>354,874,900</b>	<b>354,449,049</b>	<b>641,605</b>	<b>5,725,727</b>	<b>3,673,654,041,204</b>	<b>10,364</b>

Datos 2023

FUELS DEPARTMENT

Fuel Prices Forecast Calculation

Date 15-Mar-24

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month	\$/Bbl Barge Delivery	\$/Bbl Tank Truck Delivery
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Averages for FY '25

\$113.65 \$114.65

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\$/Bbl

\$/MMBtu

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		*Estimate* (Platts Gulf Coast + \$0.02)	
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LNG	NFE		NFE - Land		Naturgy		Henry Hub
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Jul-25	10.4100	\$10.02	13.7485	\$14.30	9.4100	\$9.02	3.400

\$/MMBtu

NFE  
115% \* Henry Hub + \$7.50 (During months 13-24 of the In  
115% \* Henry Hub + \$6.50 (During months 25 until the end

Mayaguez Utilization Capacity			
Diesel Max Fuel Consumption Rate	1,984	scf/hr	Construction Permit Modification PFE-50-0307-0286-I-II-C Section II
Diesel Fuel Consumption Limit (365 day rotating period)	46,987,486	scf/year	Construction Permit Modification PFE-50-0307-0286-I-II-C Sec III.A.32
Operational hr Limit per year	23682.015	hr/year	
Operational hr Limit per day	64.88	hr/day	
Operational hr Limit per day per unit (8 turbines)	8.11	hr/day/unit	
Utilizacion Capacity	34	%	

Exhibit B

GPR - PREB - NEPRMI20210014 - 20240411 #3(b)

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GPR – PREB – NEPRMI20210014 – 20240411 #3(b)

- b. If the FT8® MOBILEPAC® were to be fueled with natural gas, what permits will it be necessary for GENERA to secure?

Response:

The PS FT8 units currently operate according to the Permit to Construct number PFE-70-0120-0010-II-C, issued by the Puerto Rico Department of Natural and Environmental Resources (“DNER”), which authorizes the construction of three turbines, PWPS model FT8 MOBILEPAC, using diesel fuel at a max rate of consumption of 2,053 gal/hr. They also use a water injection system as emissions control equipment. The limit fuel consumption outlined in the permit for all three turbines combined is 12,281,995 gallons of ultra-low sulfur diesel on a rolling 12-month basis. A modification of the construction permit was issued on April 24, 2023, which ***allows using natural gas as fuel*** with a maximum consumption rate of 289,020 scf/hr. The limit fuel consumption outlined in the permit for all three turbines combined is 2,530,868,932 scf of natural gas on a rolling 12-month basis. On April 9, 2024, an update to the PSD Non-Applicability Analysis was submitted to the EPA to include an ambient vaporizer for the units. The units will remain as limited (peaking).

The Mayagüez CT units operate according to the Permit to Construct, number PFE-50-0307-0286-I-II-C, issued by DNER, which authorizes the construction of four units Pratt & Whitney FT8 Swift Pac using fuel oil #2 at a max rate of consumption of 1,984 gal/hr and using a water injection system as emissions control equipment, as described in Section II of said Permit. The limit fuel consumption outlined in the permit for all four units combined is 46,987,485.7 gallons of fuel oil #2 on a rotatory 365-day basis. The Mayagüez CT currently is not permitted to operate using natural gas. Nevertheless, Genera is in the

process of preparing all required documentation to amend the current permit. The units will remain as limited (peaking).