

REQUEST FOR PROPOSALS

No. 112648

Renewable Energy Generation and Energy Storage Resources

Tranche 1 of 6

Puerto Rico Electric Power Authority

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**Puerto Rico
Electric Power
Authority**

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DISCLAIMER

The Puerto Rico Electric Power Authority has prepared this Request for Proposals for informational purposes only and delivery to parties who may have an interest in pursuing a potential transaction as further described herein. This Request for Proposals does not purport to be all-inclusive or to contain all the information that a Proponent (as defined herein) may desire in investigating a potential transaction. The Puerto Rico Electric Power Authority does not make any express or implied warranty as to the accuracy or completeness of the information contained herein or otherwise made available in connection with further investigations by the recipient.

1. INTRODUCTION

1.1 Glossary

Unless the context otherwise requires:

“**2019 RSA**” has the meaning given to it in paragraph (c) of Section 1.11 (*Title III Status*);

“**9019 Motion**” has the meaning given to it in paragraph (c) of Section 1.11 (*Title III Status*);

“**Act 17**” has the meaning given in Section 1.5 (*Relevant Information and Regulations*);

“**Act 57-2014**” has the meaning given in Section 1.5 (*Relevant Information and Regulations*);

“**Act 82-2010**” has the meaning given in Section 1.5 (*Relevant Information and Regulations*);

“**Act 120**” has the meaning given in Section 1.5 (*Relevant Information and Regulations*);

“**Act 211-2018**” means the Act for the Execution of the Reorganization Plan of the Puerto Rico Public Service Regulatory Board, Act No. 211-2018;

“**AAFAP**” means the Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico;

“**Affiliate**” means with respect to a specified entity, an entity that directly or indirectly, through one or more intermediaries, Controls (e.g., is a parent or grandparent company), is Controlled by (e.g., is a subsidiary) or is under common Control (e.g., is a sister company) with the specified entity;

“**Applicable Law**” means any law (including statutory and common law), statute, constitution, decree, judgment, treaty, regulation, rule, by-law, order, other legislative measure, directive, requirement or guideline of, or made by, any Authority;

“**Authority**” means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity;

“**Best and Final Offer**” has the meaning given in Section 6.3 (*Phase III: Interconnection Evaluation & Contract Negotiation*);

“**Best Interest Determination**” has the meaning given in Section 6.3 (*Phase III: Interconnection Evaluation & Contract Negotiation*);

“**Bid Expiration Date**” has the meaning given in Section 6.6 (*Proposal Security*);

“**Charging Energy**” means the Energy received into, and stored in, an Energy Storage Resource for later discharge into the T&D System;

“**COD**” means commercial operation date;

“**Contract**” means a PPOA, ESSA or VPPA (as applicable);

“**Contract Exceptions**” has the meaning given in Section 2.7 (*Contract Exceptions*);

“**Contract Exceptions Deadline**” means the date that corresponds to the same term set forth in Table 2-1 (*Milestone Schedule*);

“**Control**” means (i) the ownership (whether directly or indirectly) of more than fifty percent (50%) of the total issued voting share capital or other voting interest of that company or corporation, or (ii) the ability to unilaterally appoint a majority of the board directors or equivalent body of that company or corporation through the ownership of securities with voting power or otherwise, without the need of the vote or approval of another, or (iii) the ability to otherwise unilaterally direct the business affairs and/or operations of that company or corporation, without the need of the vote or approval of another and the terms “*Controls*”, “*Controlled*” and “*Controlling*” shall have correlative meanings. For the avoidance of doubt, a company or corporation owned by two (2) shareholders each holding exactly fifty percent (50%) of the total issued and outstanding shares shall not be considered under the control of each shareholder;

“**December 8 Energy Bureau Order**” means Resolution and Order of the Energy Bureau in Case No. NEPR-MI-2020-0012, dated December 8, 2020;

“**Demand Response**” means the ability to change utility-supplied electric usage by end-use customers from their normal consumption patterns in response to changes in the price of electricity during a day and/or season or other economic compensation designed to induce change in the use of utility-supplied electricity, facilitating the balance by PREPA of supply and demand for Energy;

“**Demand Response Regulation**” means the Energy Bureau Regulation for Energy Efficiency and Demand Response issued under Case No. NEPR-MI-2019-0015 on December 10, 2020;

“**Demand Response Resource**” means an aggregation of end-use customers, connected to the Distribution System, that collectively participate in a Demand Response program of at least 50 kW, established by a DR Aggregator;

“**Distributed Energy Storage VPP**” means any VPP which (i) makes available Energy Storage Resource(s) with an aggregate power discharge capacity of at least five (5) MW continuously over a period of four (4) hours, and (ii) sources Charging Energy from Renewable Energy Resource(s), located (together with such Energy Storage Resources) within a geographical area that forms, or may eventually form, part of a microgrid or part of a single-site distributed resiliency solution, as contemplated by Section II(6) of Appendix A of the December 8 Energy Bureau Order;

“**Distribution System**” means the network of distribution lines interconnected at voltages below 38 kV and associated electric substations owned by PREPA, which distribute electricity to end-users in the Commonwealth of Puerto Rico;

“**DR Aggregator**” has the meaning given to the term “Demand Response Aggregator” in the Demand Response Regulation;

“**Energy**” means three-phase, 60-cycle AC electric energy;

“Energy Bureau” means the Puerto Rico Energy Bureau of the Puerto Rico Public Service Regulatory Board, a specialized independent entity in charge of regulating, supervising, and enforcing the energy public policy of the Government of Puerto Rico, created by Act 57-2014, as amended and renamed and reorganized by virtue of the Reorganization Plan of the Puerto Rico Public Service Regulatory Board and Act 211-2018, formerly known as the Puerto Rico Energy Commission;

“Energy Resource” means a Renewable Energy Resource, Energy Storage Resource, Distributed Energy Storage VPP or other VPP, as applicable;

“Energy Storage Resource” means a battery energy storage system or any other form of energy storage system that satisfy the requirements of the applicable MTR;

“Energy Storage Services Agreement” or **“ESSA”** means an agreement, which sets forth the terms and conditions under which a Proponent sells, and PREPA purchases, Energy Storage Resource capacity and related attributes;

“Facility Study” means for each proposal selected by PREPA for Phase III, an engineering study to determine required modifications to the T&D System, including the cost and scheduled completion date for such modifications, required to provide grid support services needed to integrate the proposed project into the T&D System;

“Feasibility Study” means, for each proposal selected by PREPA for Phase II, a study of the feasibility of such proposal, including the interconnection of the proposed project with the T&D System;

“Final Proposal Version of Contract” has the meaning given in Section 2.8 (*Final Proposal Version of Contracts*);

“Final Resolution” has the meaning given in Section 1.2 (*Purpose of RFP*);

“Financial and No Disbarment Criteria” has the meaning given to it in Section 3.2 (*Minimum Eligibility Requirements*).

“GENCO Operator” has the meaning given in Section 1.3 (*PREPA and the Transformation of the Electric System*);

“FOMB” means the Financial Oversight & Management Board for Puerto Rico;

“IRP” has the meaning given in Section 1.2 (*Purpose of RFP*);

“IPP” has the meaning given to it in paragraph (e) of Section 1.11 (*Title III Status*);

“kV” means kilovolts;

“kWh” means kilowatt-hours;

“**Land Option Agreement**” has the meaning given in paragraph (e) of Section 5.2 (*Proposal Content*);

“**LCOE**” means, for a Renewable Energy Resource, the levelized cost of energy, which equals the present value of the estimated annual payments, or payment component, to be made in respect of a Renewable Energy Resource over the supply period arising out of a Contract, divided by the volume of energy which such resource will produce over the same period, based on the P50 Energy Yield, for such supply period and expressed in US Dollars per MWh;

“**LCOS**” means, for an Energy Storage Resource, the levelized cost of energy storage capacity, which equals the present value of the estimated annual payments, or payment component, to be made in respect of an Energy Storage Resource over the supply period arising out of a Contract, divided by the power rating capacity, which such resource will likely make available over the same period, expressed in U.S. Dollars per MWh;

“**Lead Member**” means, for any Proponent consortium, the lead member of such consortium, which has the power to act for and on behalf, and legally bind each of the Other Members, of such consortium on all matters related to this RFP, including the execution and delivery of a Contract;

“**LUMA**” has the meaning given in Section 1.3 (*PREPA and the Transformation of the Electric System*);

“**MER**” has the meaning given in Section 3.2 (*Minimum Eligibility Requirements*);

“**Milestone Schedule**” has the meaning given in Section 2.3 (*Milestone Schedule*);

“**MTR**” has the meaning given in Section 1.2 (*Purpose of RFP*);

“**MW**” means megawatts;

“**MWh**” means megawatt-hours;

“**Net Capacity**” means the contracted capacity measured at the point of interconnection;

“**No Disbarment Certification**” has the meaning given in Table 3-1 (*Minimum Eligibility Requirements*);

“**Notice of Intent to Respond**” means the form set forth in Appendix A (*Form of Notice of Intent to Respond*);

“**Operating Procedures**” means the procedures to be followed in order to integrate the Energy Resource into the T&D System;

“**Other Members**” means, for any Proponent consortium, all of the members of such consortium other than the Lead Member;

“**P3A**” means the Puerto Rico Public-Private Partnerships Authority, or any successor thereto;

“P50 Energy Yield” means, for any period of time, an estimate of the net electrical output, expressed as kWh, that the proposed facility can deliver to the T&D System with a probability of occurrence of fifty percent (50%) for such period, other than during any period of scheduled outages, based on the forecasted ambient conditions at the site during such period;

“Performance Security” has the meaning given in the relevant Final Proposal Version of Contract;

“Person” means an individual, a corporation, a partnership, a limited liability company, a joint venture or other legal entity capable under the laws of Puerto Rico of suing and being sued;

“Phase I” means the first phase of the proposal evaluation process, as further described in Section 6.1 (*Phase I: Quality Control Review*);

“Phase II” means the second phase of the proposal evaluation process, as further described in Section 6.2 (*Phase II: Project Committee Review and Recommendation*);

“Phase III” means the third phase of the proposal evaluation process, as further described in Section 6.3 (*Phase III: Interconnection Evaluation & Contract Negotiation*);

“Power Purchase and Operating Agreement” or **“PPOA”** means an agreement, which sets forth the terms and conditions under which a Proponent sells, and PREPA purchases, Energy produced by one or more Renewable Energy Resources;

“PPP Act” has the meaning given in Section 1.5 (*Relevant Information and Regulations*);

“PPP Regulation” has the meaning given in Section 1.5 (*Relevant Information and Regulations*);

“PREPA” means the Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created pursuant to Act 83 of May 2, 1941, as amended;

“PREPA’s Estimated Costs” has the meaning given in Section 1.10 (*Interconnection Requirements*);

“PROMESA” has the meaning given in Section 1.11 (*Title III Status*);

“Proponent’s Estimated Interconnection Costs” has the meaning given in paragraph (c) of Section 5.2 (*Proposal Content*);

“Proponent” means a (i) Person or (ii) a consortium of individuals, and/or partnerships, and/or companies or other entities that submit a proposal in response to this RFP;

“Proposal Completeness Checklist” means the form set forth in Appendix C (*Form of Proposal Completeness Checklist*);

“Proposal Security” means either (i) an irrevocable stand-by letter of credit, issued by a Qualified Bank, in substantially the form set forth in Appendix H (*Form of Irrevocable Stand-By Letter of*

Credit), or (ii) a bid bond, issued by an insurance company, authorized to do business in Puerto Rico;

“Proposal Submission Deadline” means the date that corresponds to the same term set forth in Table 2-1 (*Milestone Schedule*);

“Purchased Fuel Payments” or **“PFP”** has the meaning given in paragraph (e) of Section 1.11 (*Title III Status*);

“Purchased Power Payments” or **“PPP”** has the meaning given in paragraph (e) of Section 1.11 (*Title III Status*);

“Qualified Bank” means a commercial bank or other financial institution, registered in the United States and having a branch located within Puerto Rico, acceptable to PREPA, which has, as of the date of issuance of a Proposal Security, a long term counterparty credit rating of at least “A-” by Standard & Poor’s and a long term senior debt and deposits (including financial strength) rating of at least “A3” by Moody’s;

“Ratepayers” has the meaning given in paragraph (e) of Section 1.11 (*Title III Status*);

“Ratepayer Tariff” has the meaning given in paragraph (e) of Section 1.11 (*Title III Status*);

“Reference Project” has the meaning given in Table 3-1 (*Minimum Eligibility Requirements*);

“Regulation 8915” means PREPA Regulation 8915 – Reglamento para Interconectar Generadores con el Sistema de Distribución Eléctrica de la Autoridad y Participar en los Programas de Medición Neta (*Regulation for Interconnecting Generators with the Authority’s Electrical Distribution System and Participate in the Net Metering Programs*) approved by the Secretary of State on February 6, 2017;

“Regulation 8916” means PREPA Regulation 8916 – Reglamento para Interconectar Generadores con el Sistema de Transmisión o Subtransmisión Eléctrica de la Autoridad de Energía Eléctrica y Participar en los Programas de Medición Neta (*Regulation for Interconnecting Generators with the Authority’s Electric Transmission or Subtransmission System and Participate in the Net Metering Programs*) approved by the Secretary of State on February 6, 2017;

“Renewable Energy Resource” means any renewable energy resource that qualifies as “*green energy*” under Act 82-2010, including, but not limited to, solar PV generating facilities, wind generating facilities, hydroelectric generating facilities or any combination of these technologies;

“Request for Clarification Submittal Deadline” means the date that corresponds to the same term set forth in Table 2-1 (*Milestone Schedule*);

“Request For Proposals” or **“RFP”** means this Request for Proposals, Renewable Energy Generation and Energy Storage Systems – Tranche 1 and all addenda and amendments issued by PREPA to obtain proposals from Proponents pursuant to this RFP;

“Resource and Technology Group” has the meaning given in Section 6.2 (*Phase II: Project Committee Review and Recommendation*);

“Resource Provider” has the meaning given in paragraph (e) of Section 1.11 (*Title III Status*);

“Restricted Parties” has the meaning given in Section 5.4 (*Restricted Parties*);

“System Impact Study” means for each proposal selected by PREPA for advancement to Phase III, a study that will, at a minimum, (i) determine the power capabilities of the major interconnection equipment required to complete the interconnection facilities, (ii) specify the maximum fault currents necessary to specify short circuit duty and interrupting ratings, (iii) approve or disapprove generator step-up (GSU) transformer impedance and transformer tap ranges necessary for proper control of voltage and reactive power flow, (iv) quantify impact to the T&D System and the actions and costs required to mitigate such impact, (v) designate the PREPA dispatching centers that will coordinate the operation of the facility, and (vi) specify the proposed design requirements for the facility and the interconnection facilities;

“SOQ” has the meaning given in Section 1.8 (*General Requirements*);

“T&D Operator” has the meaning given in Section 1.3 (*PREPA and the Transformation of the Electric System*);

“T&D System” means the Transmission System and the Distribution System;

“Team Member” has the meaning given in paragraph (k) of Section 4.3 (*Section Two: Corporate Structure*);

“Testing Protocols” means PREPA’s standard protocols for testing and commissioning the applicable Energy Resource, comprising steps for establishing (i) an indication of the date, time and duration of the tests; (ii) the procedure for specific tests, including tests related to the applicable MTR compliance and reliable operation; (iii) the success or failure criteria for the tests; and (iv) the system for documenting the results of the tests;

“Title III Court” has the meaning given in paragraph (b) of Section 1.11 (*Title III Status*);

“Transmission System” means the network of transmission lines interconnected at 38 kV or above and associated electric substations owned by PREPA, which transmit electricity to the Distribution System;

“Unrestricted Net Worth” means, for any Person, the sum of (i) the subscribed and paid-up equity (including additional paid-in capital), and (ii) the Unrestricted Retained Earnings, in each case of such Person;

“Unrestricted Retained Earnings” means, for any Person, the amount of accumulated profits and gains realized out of the normal and continuous operations of such Person after deducting distributions to stockholders and transfers to capital stock or other accounts, and which is (i) not appropriated by its board of such Person for corporate expansion projects or programs; (ii) not covered by a restriction for dividend declaration under a loan agreement; (iii) not required to be

retained under special circumstances obtaining in such Person such as when there is a need for a special reserve for probable contingences; and (iv) not otherwise covered by any other legal restriction (which refers to any injunction, judgement, or order issued by any judicial authority) on the ability of such Person to distribute or otherwise apply its equity;

“**Unsatisfactory Performance**” means (i) for each Energy Resource, designated as a Reference Project for which a Proponent or its Affiliate has commenced the development or commercial operation; and (ii) for each VPP designated as a Reference Project for which a Proponent or its Affiliate has commenced performance under its power or grid services agreement, in each case within the past three (3) years, the failure by such Proponent or Affiliate to (A) perform a material obligation arising out of a contract, or (B) satisfy a material condition of an authorization or license, in each case relating to such Reference Project;

“**VPP**” means (i) a Demand Response Resource, or (ii) any combination of a Renewable Energy Resource, Energy Storage Resource and Demand Response Resource, in each case with an aggregated net capacity of at least five (5) MW, connected to the Distribution System, which a Proponent aggregator or its agent assembles, registers, contracts to call upon and control, monitors, controls and makes available for direct or indirect dispatch by PREPA or its successor through a software-based central control system in accordance with the terms of a VPPA; and

“**VPPA**” means an agreement, which establishes the terms and conditions under which a Proponent sells, and PREPA purchases, a combination of Energy Resource capacity, Demand Response and related attributes furnished by a VPP.

1.2 Purpose of RFP

PREPA hereby issues this RFP to developers to solicit proposals for (i) the design, construction, installation, ownership, operation and maintenance of Energy Resources, installed at sites across the island of Puerto Rico, and (ii) the sale and purchase of Energy or capacity, made available by such resources, during a supply period of up to twenty-five (25) years. Energy Resources will comply with the applicable minimum technical requirements set forth Appendix I (*Minimum Technical Requirements (MTR)*) (the “**MTR**”), as adjusted for site-level MTRs as the T&D System evolves.

Act 82-2010, as amended by Act 17, directs PREPA to procure Renewable Energy Resources in accordance with the following milestones relative to the aggregate percentage of generation supplying its system: twenty percent (20%) by 2022, forty percent (40%) by 2025, sixty percent (60%) by 2040, and one hundred percent (100%) by 2050. In order to achieve the established targets, PREPA seeks Energy Resources that can achieve commercial operation in no more than twenty-four (24) months from the date on which a selected Proponent executes a Contract, with preference given to those proposals that can achieve commercial operation within a shorter timeframe.

The Energy Bureau issued its final Resolution and Order on PREPA’s Integrated Resource Plan (“**IRP**”) in Case No. CEPR-AP-2018-0001 on August 24, 2020 (the “**Final Resolution**”). In the Final Resolution, the Energy Bureau approved a modified preferred resource plan and a modified action plan, which PREPA will follow over the next five (5) years for the procurement of new

Energy Resources and the retirement of many of its fossil-fueled generating units. In addition, on December 8, 2020, the Energy Bureau issued the December 8 Energy Bureau Order in which it directed PREPA to use every effort to comply with the IRP, modified preferred resource plan and modified action plan approved in the Final Resolution and to achieve the forty percent (40%) renewable energy generation target for 2025 as required by Act 82-2010, as amended by Act 17. The Energy Bureau also ordered PREPA to implement a Procurement Plan and develop an RFP in accordance with the December 8 Energy Bureau Order. This RFP represents the first of six (6) tranches of request for proposals, which PREPA intends to issue in accordance with the IRP, the Final Resolution and the December 8 Energy Bureau Order, which requires the procurement by PREPA of a cumulative total of 3,750 MW of Renewable Energy Resources and 1500 MW of Energy Storage Resources during a three (3) year period.

1.3 PREPA and the Transformation of the Electric System

PREPA, which will serve as the initial contracting party in connection with this RFP, has the duty of providing electric power in a reliable manner, contributing to the general welfare and the sustainable future of Puerto Rico, maximizing the benefits and minimizing the social, environmental, and economic impacts. PREPA provides electricity to approximately 1.5 million customers, making it one of the largest public utilities in the United States by customers served. With nearly 6,000 employees, PREPA generates approximately \$ 3.5 billion in annual revenues.

On January 22, 2018, the Governor of Puerto Rico announced his intent to transform and modernize PREPA's electric system through private ownership or operation of PREPA's assets. On June 20, 2018, the Governor of Puerto Rico signed into the law Act 120, with the stated goal of transforming Puerto Rico's energy system into a modern, sustainable, reliable, efficient, cost-effective, and resilient one. On June 22, 2020, P3A announced the selection of LUMA Energy, LLC ("**LUMA**" or "**T&D Operator**") to operate, maintain and modernize the T&D System for fifteen (15) years through a public-private partnership. Following the effectiveness of this transaction with LUMA and the related restructuring of PREPA, PREPA will assign all Contracts awarded pursuant to this RFP to an Affiliate of PREPA. P3A separately issued a request for qualifications in August 2020 from potential bidders to operate and maintain PREPA's legacy thermal generation assets. The selected bidder or bidders (the "**GENCO Operator**") will provide these services upon closing of the LUMA transaction. Appendix L (*Puerto Rico Electricity Sector Transformation*) depicts the structural changes of the electric system upon the closing of the transformation transactions with the T&D Operator and the GENCO Operator.

1.4 Historical Context

In September 2017, Hurricane Irma and Hurricane Maria made landfall in Puerto Rico. Irma made landfall as a Category 5 storm, followed two (2) weeks later by Maria which made landfall as a Category 4 storm. The hurricanes caused massive infrastructure damage, private property damage and loss of life.

On September 5 and 17, 2017, the Governor of Puerto Rico requested separate federal declarations of emergency and disaster for Puerto Rico, which were approved by the President of the United States. On October 26, 2017, the President of the United States signed the Additional Supplemental Appropriations for Disaster Relief Requirements Act 2017, which provided \$ 36.5

billion in FY 2018 of emergency supplemental appropriations for Puerto Rico in connection with Irma and Maria disaster recovery efforts.

Prior to the impact of Irma and Maria, Puerto Rico already had an inherently deficient energy infrastructure. In particular, the planning, design, and operation of an isolated island-based electricity system imposes on PREPA significant challenges with respect to system stability and reliability. Puerto Rico's sensitivity to system load variations and significant system frequency fluctuations can trigger under frequency load shedding within seconds of generation outages or the activation of transmission system contingencies.

1.5 Relevant Information and Regulations

PREPA encourages interested Proponents to review the following documents which provide further technical background:

a. The IRP:

<https://aeopr.com/es-pr/QuienesSomos/Paqinas/ley57/Plan-Integrado-de-Recursos.aspx>

b. The Energy Bureau Final Resolution on the IRP:

<https://energia.pr.gov/wp-content/uploads/2020/08/AP20180001-IRP-Final-Resolution-and-Order.pdf>

c. The December 8 Energy Bureau Order:

<https://energia.pr.gov/wp-content/uploads/sites/7/2020/12/Resolution-and-Order-NEPR-MI-2020-0012.pdf>

PREPA also encourages Proponents to review the following documents, which are available for download at <http://www.p3.pr.gov> or <https://energia.pr.gov/en/laws>, for further background and the legal framework:

a. PREPA Organic Act, Act No. 83-1941, as amended;

b. Public-Private Partnership Authority Act, Act No. 29-2009, as amended (the “**PPP Act**”);

c. Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public- Private Partnerships Contracts under Act No. 29-2009, as amended (the “**PPP Regulation**”);

d. Puerto Rico Energy Transformation and RELIEF Act, Act No. 57-2014 (“**Act 57-2014**”), as amended;

e. PREPA Revitalization Act, Act No. 4-2016, as amended;

f. Law for Diversification through Sustainable and Alternative Energy in Puerto Rico, Act No. 82-2010, as amended (“**Act 82-2010**”);

- g. Puerto Rico Green Energy Incentives Act, Act 83-2010;
- h. Puerto Rico Electric System Transformation Act, Act No. 120-2018, as amended (“**Act 120**”);
- i. Puerto Rico Energy Public Policy Act, Act No. 17-2019 (“**Act 17**”);
- j. Regulation 8915; and
- k. Regulation 8916.

Proponents should carefully review Act 120, the PPP Act and the PPP Regulation (each available at: <http://www.p3.pr.gov> or <https://energia.pr.gov/en/laws>), as well as Act 17 (available at: <https://energia.pr.gov/wp-content/uploads/sites/7/2019/05/Act-17-2019.pdf>), and should ensure that, in addition to the terms and conditions of this RFP, they comply with all applicable provisions set out therein.

1.6 Contract Terms and Conditions

Each Proponent of a proposal for the development of a Renewable Energy Resource, if selected by PREPA, will enter into a PPOA with PREPA, which will govern the terms and conditions under which such Proponent shall sell, and PREPA shall purchase, Energy for the supply term under the PPOA. Appendix F (*Form of Solar PPOA*) sets forth a preliminary template version of a PPOA, designed for solar PV generation resource proposals. To the extent that a Proponent intends to submit a proposal for a Renewable Energy Resource other than solar PV technology, PREPA will develop and issue a PPOA template that accommodates such other resource as part of the package of documents representing the Final Proposal Version of Contracts.

Each Proponent of a proposal for the development of an Energy Storage Resource, selected by PREPA, will enter into an ESSA with PREPA, which will govern the terms and conditions under which such Proponent shall sell, and PREPA shall purchase, Energy Storage Resource capacity and related attributes for the supply period of the Contract. Appendix G (*Form of Energy Storage Service Agreement*) sets forth a preliminary template version of an ESSA.

Each Proponent of a proposal for the development of a VPP, selected by PREPA, will enter into a VPPA with PREPA, which will govern the terms and conditions under which such Proponent shall sell, and PREPA shall purchase, Energy Resource capacity and related attributes for the supply period. PREPA will prepare and distribute to potential bidders a draft term sheet or definitive preliminary draft version of a VPPA following the publication of this RFP.

1.7 Tranche I RFP Scope of Supply

PREPA desires to procure at least 1,000 MW of Renewable Energy Resource capacity and at least 500 MW (2,000 MWh) of Energy Storage Resource capacity with an effective duration of four (4) hours, including at least 150 MW of Distributed Energy Storage VPPs, as well as all of their associated environmental credits from Renewable Energy Resources under the terms and conditions set forth in the Contract. PREPA will accept proposals for all, or a portion, of such capacity. Renewable Energy Resources offered in response to this RFP on a stand-alone basis

(i.e., other than those aggregated into a VPP) must have generating capacity of at least 20 MW. Proponents may propose supply durations of up to twenty-five (25) years. Proponents may propose either new or existing Energy Resources, provided that any existing Energy Resource so proposed may not be covered by an existing PPOA, net metering arrangement or other contract with PREPA.¹ All proposed Energy Resources shall comply with the relevant part(s) of the corresponding MTR for the specific technology, as adjusted for site-level MTRs as the T&D System evolves.

PREPA will give a preference to Energy Storage Resources with 4-hour discharge durations but will also consider two (2) hour and six (6) hour discharge durations. Energy Storage Resources shall provide delivered Energy during PREPA's evening peak periods but may also provide ancillary service capability such as frequency response, regulating capacity or operating reserves.

1.8 General Requirements

Each Proponent shall (i) submit a duly-completed version of a statement of qualifications in the form set forth in Section 4 (*SOQ Submission Requirements*) (the "SOQ"), (ii) submit its proposal(s) in the format required by Section 5 (*Proposal Submission Requirements*) and in accordance with the other requirements of this RFP, (iii) clearly label and organize all attachments, documents, schedules, etc. submitted as a part of a proposal in a fashion that facilitates easy location and review, and (iv) submit a certification confirming that the proposal complies with, and the proposed Energy Resource(s), if selected and constructed, would fully comply with, Applicable Law.

Each Proponent shall satisfy the following requirements:

- a. Each Proponent may submit more than one (1) proposal if each proposal separately complies with Section 6 (*Proposed Project Evaluation*) on a standalone basis.
- b. The price submission set forth in each proposal to develop and construct an Energy Resource shall cover all of the Proponent's costs to (i) install, test and commission the transmission or distribution infrastructure required to connect such resource to the T&D System, and (ii) ensure that such resource complies with all Applicable Law currently in effect.
- c. Each Proponent shall identify all property and local taxes and tax abatements, related to its proposed project and Contract prices shall cover all such taxes.
- d. Proposals should demonstrate an ability to achieve commercial operation in a timeframe not to exceed twenty-four (24) months from the signing of the Contract. Consideration may be given to proposals with a COD not to exceed thirty (30) months from signing of the Contract, but such proposals will be disfavored relative to those proposing shorter development times, which will be given a higher score in the RFP evaluation process.

¹ **NOTE:** Proponents of non-operating, utility-scale solar projects with PPOAs that were subject to renegotiation in 2019-2020, but which ultimately did not receive stakeholder approval, may participate in this RFP.

- e. For Renewable Energy Resource proposals, Proponents shall report project capacity and P50 Energy Yield for such resources during the proposed supply period.
- f. Prior to the date on which PREPA will sign a Contract, each Proponent shall provide evidence of its ability to provide equity funding at least equal to thirty percent (30%) of the forecasted costs to develop the proposed project by the forecasted date on which the Proponent will first draw down on loan facilities made available by lenders to the project.

PREPA reserves the right to estimate the expected impacts of Applicable Law relating to future environmental matters on Proponents' proposals. PREPA will not be responsible for any environmental remediation costs or expenses associated with development of any project proposed by any Proponent. Similarly, PREPA will not be responsible for any costs or expenses incurred by or on behalf of any Proponent because of any change in law or regulation applicable to such Proponent or to the resource or the sale of capacity and associated energy from the resource.

1.9 VPP Specific Requirements

- a. Proponents of VPPs shall specifically identify / submit as part of their proposals:
 - i. the contractual framework under which the Proponent would supply capacity and (if applicable) Energy, as well as other grid services, to PREPA from Energy Resources owned by third parties;
 - ii. the responsibilities of the Proponent relating to the assembly, registration and confirmation of the status of resources to be provided by third parties;
 - iii. certified true and correct copies of each agreement that would govern the relationship between the Proponent, as an aggregator and individual third parties committing their resources for aggregation into the VPP;
 - iv. the manner in which the Proponent would coordinate and dispatch resources;
 - v. the nature of the assets, including software, servers, network communications equipment, resource control equipment, sensors and monitoring equipment required to support the dispatch of resources committed to the VPP;
 - vi. the geographical location of each Energy Resource, and, where applicable, Demand Response Resource, forming part of the proposed VPP;
 - vii. a description of the aggregation of the program participants, and expected generating capacity and load drop values, equipment, and technology;
 - viii. a description of the Proponent's plans for recruiting, engaging, monitoring the performance of and maintaining the participation of program participants;
 - ix. for each Energy Resource forming part of a VPP, each performance penalty imposed on either the third party which owns such resource or the Proponent in association with such resource within the past five (5) years; and

- x. any material actions, suits, claims, or proceedings (threatened or pending) against the Proponent, relating to each Energy Resource, forming part of the proposed VPP.
- b. Each VPP proposal shall satisfy the following requirements:
- i. the Proponent shall source energy and capacity from VPPs aggregating only new or existing facilities that do not currently sell such energy and capacity to PREPA;
 - ii. the Proponent shall install and maintain all metering, SCADA and other forms of telemetry to establish, monitor, control and dispatch such VPP at its own cost and expense;
 - iii. VPPs shall comply with applicable MTRs and PREPA's standards for interconnection with the T&D System;
 - iv. VPPs shall be capable of supplying a minimum of five (5) MW of dependable capacity, which the Proponent may aggregate from multiple sites;
 - v. VPPs shall use existing, proven technology;
 - vi. all VPPs other than VPPs consisting exclusively of Demand Response Resources shall satisfy the same performance requirements as this RFP requires for a utility-scale Energy Resource;
 - vii. the supply period for a VPP shall extend for a period of ten (10) to twenty-five (25) years from COD;
 - viii. the Proponent selected by PREPA shall fund the cost of all upgrades to and new installations added to the T&D System required to accommodate such VPP;
 - ix. the Proponent shall demonstrate that each Energy Resource and Demand Response Resource forming part of a proposed VPP can effect capacity responses / load reductions within the response time required when PREPA curtails generation [or sheds] load on the T&D System throughout the entire supply period. PREPA will favor VPPs incorporating Energy Resources that can provide a rapid response and/or ramp up or down in response to specific control signals. VPP Proponents should detail the full, demonstrated capability of the proposed resource;
 - x. the Proponent shall contractually undertake to, and demonstrate its capability to, manage all capacity dispatch and load reduction instructions, including all notices, resource participation registration and deregistration, communications, controls, equipment, and other processes required to satisfy PREPA's dispatch instructions; and
 - xi. Contract prices for VPP proposals shall cover all property and local taxes and tax abatements related to such VPP.

During the evaluation stage, PREPA will give preference to Distributed Energy Storage VPPs.

1.10 Interconnection Requirements

Proponents' T&D System interconnection plan will be a crucial factor in evaluating the delivery risk associated with any proposal. Proposals contemplating interconnection with the Distribution System must demonstrate that the proposed interconnection will satisfy the applicable requirements of Regulation 8915. Proposals contemplating interconnection with the Transmission System must demonstrate that the proposed interconnection will satisfy the applicable requirements of Regulation 8916.

Proponents must consider the following factors in any proposal submitted pursuant to this RFP:

- a. The physical limitations on the delivery of Energy to the T&D System:
 - i. utility-scale Energy Resources (i.e., Energy Resources other than VPPs) can interconnect to either the Distribution System or the Transmission System;
 - ii. the resource capacity of a project connecting to the Distribution System cannot exceed 25 MW;
 - iii. the power generation/discharge capacity of each connection of a Renewable Energy Resource or Energy Storage Resource, respectively, that will form part of a VPP cannot exceed one (1) MW and shall comply with the corresponding interconnection regulations; and
 - iv. for Distribution System-connected, Energy Resource proposals, PREPA will give a preference for those resources connected to 13.2 kV feeders, the highest distribution voltage in Puerto Rico.
- b. Rights-of-way required to construct the transmission or distribution lines and interconnection facilities needed to connect the proposed resource to the T&D System, as the case may be.
- c. Substations where interconnection is considered most preferable for utility scale installations, as specified in Appendix J (*Interconnection*).

Proponents (other than Proponents proposing a VPP resource) shall (i) provide a detailed T&D System interconnection plan with their proposals, and (ii) ensure that the proposed transmission system or distribution system interconnection plan satisfies all applicable MTR requirements, as well as relevant requirements of Regulation 8915 or Regulation 8916, as applicable.

Each Proponent should exercise its best efforts to provide an accurate estimate of the Proponent's Estimated Interconnection Costs. Following PREPA's selection of proposals for Phase II, PREPA will conduct a Feasibility Study on such projects to assess order-of-magnitude interconnection and required T&D System upgrade costs ("**PREPA's Estimated Costs**"). PREPA will cluster such proposals for interconnection studies. In such studies PREPA will analyze the impacts of integrating a group or cluster of Energy Resources at specific locations when ranking or selecting proposals for further consideration, in particular with regard to assessing any required network upgrades or the potential to utilize shared interconnection facilities across multiple projects.

Following PREPA's selection of proposals for Phase III, PREPA will conduct a System Impact Study followed by a Facility Study for final short-listed projects.

While each Proponent shall have the responsibility to fund all of the T&D System interconnection and network upgrade costs under the Contract, PREPA will permit a Proponent to adjust its price proposal in the Contract to the extent that PREPA's Estimated Costs exceed the Proponent's Estimated Interconnection Costs for purposes of allowing a Proponent to recover such excess costs through the tariff mechanism. Where the Proponent's Estimated Interconnection Costs exceed PREPA's Estimated Costs, PREPA will correspondingly require a downward adjustment of the proposed price to reflect a Proponent's need to recover the lower level of interconnection costs than the Proponent's Estimated Interconnection Costs.

PREPA has identified, and set forth in Appendix K (*Interconnection Locations with Conditionally Available Capacity*), a list of the preliminary locations to allow for reliable interconnection of Energy Resource capacity. This list also distinguishes, if technically applicable, between interconnection locations for Renewable Energy Resources and Energy Storage Resources. In several instances, this list also sets forth particular conditions or caveats as required by technical uncertainties associated with a specific location.

1.11 Title III Status

This section provides an update of the ongoing debt restructuring efforts of PREPA under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act ("**PROMESA**").

- a. **(PREPA's Financial Liabilities)** As of the bankruptcy filing date, PREPA's financial obligations principally consisted of (i) approximately \$ 8.3 billion in principal amount of power revenue bonds, (ii) approximately \$ 700 million in principal amount under two (2) matured fuel line loans, and (iii) approximately \$ 52.2 million notional amount under two (2) interest rate swaps.
- b. **(PREPA Title III Case)** On July 2, 2017, at the request of the Governor of Puerto Rico, the FOMB filed a petition for relief for PREPA pursuant to PROMESA section 304(a), thereby commencing a case under Title III of PROMESA in the United States District Court for the District of Puerto Rico (the "**Title III Court**"). Pursuant to PROMESA section 315 (48 U.S.C. § 2175), the FOMB serves as PREPA's representative in its Title III case, Case No. 17 BK 4780-LTS (D.P.R. 2017). Upon commencement of PREPA's Title III case, an automatic stay of litigation related to the financial indebtedness and other obligations of PREPA immediately went into effect, which affords PREPA protection while PREPA continues efforts to negotiate with its creditors to adjust its debts.
- c. **(Restructuring Support Agreement)**
 - i. On May 3, 2019, FOMB, AAFAF, PREPA, the Ad Hoc PREPA Bondholder Group, Assured Guaranty Corp., and Assured Guaranty Municipal Corp. executed the Definitive Restructuring Support Agreement (together with the annexes, exhibits, and schedules attached thereto, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms of the 2019 RSA, the "**2019 RSA**"). The 2019 RSA contemplates the issuance of new

securitization bonds in a plan of adjustment for PREPA, which securitization bonds would be payable from a transition charge imposed on PREPA's customers and certain other electricity users, through a special purpose issuer in order to restructure at a discount PREPA's outstanding long-term debt. Under the 2019 RSA, the bondholders would exchange their existing Authority bonds for two (2) types of new securitization bonds. The Series A bonds would be exchanged for approximately sixty-seven decimal five percent (67.5%) of the face amount of the existing bonds. The Series B bonds would be exchanged for ten percent (10%) of the face amount of the existing bonds. The repayment of the Series B bonds is contingent to the demand for electricity and the repayment of the Series A bonds. The issuance of securitization contemplated under the 2019 RSA only becomes effective after confirmation of a plan of adjustment for PREPA and passage of any required legislation. As of this date, the FOMB has not filed a plan of adjustment for PREPA and neither the Governor of Puerto Rico, nor any Puerto Rico legislator, has presented to the Puerto Rico legislature a bill to approve the transactions contemplated by the 2019 RSA.

- ii. On May 10, 2019, the FOMB and AAFAF filed a joint motion to approve the and settlements embodied in the 2019 RSA (the “**9019 Motion**”). Numerous parties objected to the 9019 Motion and discovery was conducted, resulting in several adjournments of the motion. In response to the spread of COVID-19 and its effects on the people and economy of Puerto Rico, on March 27, 2020, the FOMB and AAFAF asked the Title III Court to adjourn all hearing and briefing deadlines in connection with the 9019 Motion. The request was granted, and all the deadlines related to the consideration of the 2019 RSA are currently stayed. Pursuant to the District Court orders, the FOMB and AAFAF file periodic reports providing an update on PREPA's financial condition and proposing next steps with respect to the 2019 Motion and the settlements subject to the approval of the Title III Court. The next status report of due to be filed by March 10, 2021. There is no current timeline for proceeding with the 9019 Motion or associated with the filing of a plan of adjustment and disclosure statement for PREPA.

- d. **(Lack of Incorporation of Bankruptcy Code 363 into PROMESA)** PROMESA did not incorporate the provisions of Bankruptcy Code 363 that would limit a debtor's ability to use of funds and assets outside of the ordinary course of business. As a result, PROMESA does not prevent PREPA from using its cash, including cash that is part of a secured lender's collateral. Specifically, section 363(b) of Bankruptcy Code 363, which, absent court approval, restricts a debtor's use, sale, or lease of property outside the ordinary course of business, does not apply in Chapter 9 or under PROMESA. Accordingly, PREPA does not require Title III Court approval prior to entering into any contracts regarding any use, sale, or lease of its property.

- e. **(Title III Impact on PREPA's Ability to Remit Fuel / Power Purchase Payments)** The process under Title III of PROMESA has not had a material impact on PREPA's ability to remit payments for fuel and energy to fuel suppliers and independent power producers in Puerto Rico (“**IPPs**”), respectively. PREPA has remitted payments under its fuel supply contracts and power purchase agreements with IPPs in full and generally on time on all

undisputed invoices during the past two (2) years largely due to a regulatory structure that ensures sufficient liquidity for these payments. As background, the regulatory framework for the determination by the Energy Bureau of tariff rates for the sale of power by PREPA (the “**Rate-Payer Tariff**”) to end-users (the “**Rate-Payers**”) requires the Energy Bureau to consider four (4) primary components: (i) the base rate, (ii) the provisional rate, (iii) an adjustment for purchased fuel payments, remitted to fuel suppliers pursuant to fuel supply contracts with PREPA (“**Purchased Fuel Payments**” or “**PF**”), and (iv) an adjustment for purchased power payments, remitted to IPPs pursuant to PPOAs with PREPA (“**Purchased Power Payments**” or “**PP**”). To ensure PREPA has sufficient revenue to fund the Purchased Fuel Payments and Purchased Power Payments, the Energy Bureau reviews and resets the adjustment clauses of the Rate-Payer Tariff every three (3) months based on the Purchased Fuel Payments and Purchased Power Payments, projected expenses and a reconciliation with actual expenses each quarter. The schematic captioned “*Today*” on the left side of Appendix L (*Puerto Rico Electricity Sector Transformation*) shows the current structure of the electricity sector in Puerto Rico as well as the revenue streams running from Ratepayers to PREPA and from PREPA to IPPs and fuel suppliers. As the projects selected by PREPA for implementation under this RFP will likely achieve commercial operation after closing of the transactions with the T&D Operator and the GENCO Operator, described in Section 1.3 (*PREPA and the Transformation of the Electric System*), the schematic depicted as “*Upon Closing of T&D and GENCO Transactions*” on the right side of Appendix L (*Puerto Rico Electricity Sector Transformation*) shows the transformed electricity sector structure, including those Proponents selected by PREPA to make available Energy Resources (the “**Resource Providers**”) under this RFP, as well as the revenue streams running from Rate-Payers to PREPA and from PREPA to Resource Providers. Importantly, amounts remitted by PREPA to Resource Providers under a Contract will qualify as “*Purchased Power Payments*” under the regulatory framework for purposes of setting the Rate-Payer Tariff.

1.12 Local Participation

PREPA will encourage Proponents to engage local subcontractors, professionals, relevant service providers and other local parties headquartered in Puerto Rico to the greatest extent possible and provide descriptions of their current and/or anticipated business arrangements with such local parties.

2. INSTRUCTIONS TO PROPONENTS

2.1 Communications

Except as otherwise expressly set forth in this RFP, each Proponent shall communicate with PREPA regarding all RFP matters via the event No. 112648 on PowerAdvocate® through the following link prior to the selection or rejection by PREPA of such Proponent’s proposal(s):

<https://www.poweradvocate.com/pR.do?okey=112648&pubEvent=true>

Each Proponent shall use the “**Messaging**” tab of the event No. 112648 on PowerAdvocate® for all communications with PREPA, and address all such communications to PREPA’s designated point of contact for this RFP:

Natalia Martínez-Lugo

PREPA will not accept oral questions and will respond to all questions and requests for clarification in writing via the aforementioned link, duly-submitted in accordance with Section 2.6 (*Request for Clarification*).

Except as set forth above, Proponents shall not communicate, and shall ensure that each of their advisors and Affiliates do not communicate, with (A) representatives of PREPA or any other instrumentality of the Government of Puerto Rico (including any member of the evaluation committee, any advisor of PREPA in the RFP process, any PREPA employee or representative, any directors, officers or consultants of PREPA), or relevant entities of federal government, or any other entities involved in the administration of the RFP process, and (B) other Proponents, such as directors, officials, employees, consultants, advisors, agents or representatives regarding any matter related to the preparation, contents and presentation of this RFP during the submission and selection processes. Failure to comply with these communications restrictions will result in immediate disqualification of the Proponent initiating such communication from further participation in the RFP process.

Appendix M (*PowerAdvocate® Guide*) sets forth the PowerAdvocate® guide. For technical assistance with the sourcing platform application, please contact PowerAdvocate®’s technical support at (857) 453-5800, or by email at: support@PowerAdvocate.com. Each Proponent shall ensure that it has fully-uploaded its proposal documents before the time and date of the Proposal Submission Deadline.

2.2 Addenda

PREPA reserves the right to modify the RFP documents up to three (3) days prior to the Proposal Submission Deadline. Any changes or modifications to this RFP’s terms, conditions, or specifications will be made through addenda posted on the event No. 112648 on PowerAdvocate®. It is the sole responsibility of the Proponent to monitor the event No. 112648 on PowerAdvocate® for additional information, updates, amendments or addenda concerning this RFP that may be uploaded on an ongoing basis, without notice to the Proponents.

2.3 Milestone Schedule

Table 2-1 (*Milestone Schedule*) below summarizes the key timeline milestones of this RFP (as amended, the “**Milestone Schedule**”).

Table 2-1 - Milestone Schedule

No	Milestone	Date
1	RFP Released to Public	22 February 2021
2	Kick-Off Presentation Made Available	26 February 2021
3	Kick-Off Presentation	3 March 2021
4	Notice of Intent to Respond and signed NDA Deadline	23 March 2021
5	Contract Exceptions Deadline	29 March 2021
6	Release of Final Proposal Version of Contracts	12 April 2021
7	Request for Clarification Submittal Deadline	19 April 2021
8	Proposal Submission Deadline & Commencement of Phase I Evaluation	3 May 2021
9	Proposal Hard Copy Submission Deadline	10 May 2021
10	Selection of Proposals for Phase II Evaluation	24 May 2021
11	Selection of Proposals for Phase III Evaluation	19 July 2021
12	FOMB Approval of Execution Version of Contract	23 August 2021
13	Execution of Contracts with Proponent(s) selected for Phase III Evaluation	30 August 2021
14	Energy Bureau Approval of Contracts executed in Milestone No. 11	15 October 2021

This RFP includes the Milestone Schedule for illustrative purposes only. Target dates and deadlines remain subject to modification, including with respect to additional requirements and approvals. Each Proponent shall periodically review the event No. 112648 on PowerAdvocate® (as described in Section 2.1 (*Communications*)) for regular updates to the Milestone Schedule and other important information.

2.4 Kick-off Presentation

PREPA will give a kick-off presentation of this RFP on-line (via MS Teams) due to the current global pandemic caused by COVID-19 and social distancing restrictions at 10:00 am Atlantic Standard Time on March 3, 2021. After the presentation, PREPA will address the issues raised

on the Requests for Clarifications received up to three (3) days prior to the kick-off presentation through the “**Messaging**” tab of the event No. 112648 on PowerAdvocate®. PREPA reserves the right to record such conferences to ensure transparency, reliability, and the efficiency of the RFP process and evaluation. PREPA shall announce at the beginning of the conference if a recording will be made. The recording shall be for the sole purposes mentioned herein.

2.5 Notice of Intent to Respond

Proponents shall confirm their intent to submit a proposal in response to this RFP by submitting to PREPA a completed version of the form set forth in Appendix A (*Form of Notice of Intent to Respond*) and a signed version of the Non-Disclosure Agreement set forth in Appendix E (*Form of Non-Disclosure Agreement*) through the “**Messaging**” tab of event No. 112658 on PowerAdvocate® by no later than 8:00 pm Atlantic Standard Time on or before the deadline for submission set forth in the Milestone Schedule.

2.6 Request for Clarification

Proponents shall submit all questions relating to, and requests for an interpretation of, this RFP and a Contract in accordance with Section 2.1 (*Communications*) no later than 8:00 pm Atlantic Standard Time on or before the Request for Clarification Submittal Deadline through the “**Messaging**” tab of the event No. 112648 on PowerAdvocate®. PREPA will have no responsibility for answers to questions or responses to requests for interpretation of this RFP or a Contract other than those questions and requests submitted as set forth herein. PREPA will only accept such questions and requests for interpretation up to the Request for Clarification Submittal Deadline.

Proponents must submit their questions in the Form of Request for Clarification included as Appendix B (*Form of Request for Clarifications*). This document must be submitted in PDF and Word format and each question must reference the page number and section of the RFP document, Appendices or Contract, as applicable. If responses to the request for clarifications constitute a modification or generate additional information, PREPA will provide such clarification through an addendum posted on the event No. 112648 on PowerAdvocate®. Questions should not contain proprietary information, because the answers will be published in the public domain. PREPA does not guarantee answers to all questions or comments received. Again, Proponents should check the event No. 112648 on PowerAdvocate® periodically for updates and postings.

Each Proponent has the responsibility to inform PREPA of any conflicting statements, need for clarification, or omissions of pertinent data from this RFP prior to the Request for Clarification Submittal Deadline. In the event that PREPA has not responded by the Proposal Submission Deadline to a question or request for interpretation submitted by a Proponent prior to the Request for Clarification Submittal Deadline, each Proponent may identify such question or request and make a statement regarding the same in its proposal(s).

2.7 Contract Exceptions

Following its delivery of a Notice of Intent to Respond and Non-Disclosure Agreement, each Proponent should (i) review the preliminary template version of the PPOA or the ESSA set forth in Appendix F (*Form of Solar PPOA*) and Appendix G (*Form of Energy Storage Services*)

Agreement), respectively, and (ii) submit to PREPA no later than the Contract Exceptions Deadline a revised version of such form of Contract that shows all of the material changes, requested by such Proponent to the relevant Contract template, in blackline form together with a brief explanation of the rationale for such change as a comment linked to the relevant provision containing such change (the “**Contract Exceptions**”) through the “**Messaging**” tab of event No. 112658 on PowerAdvocate® by no later than 8:00 pm Atlantic Standard Time on or before the deadline for submission set forth in the Milestone Schedule. To the extent that a Proponent intends to submit a proposal for a non-solar PV Renewable Energy Source, such Proponent should propose alternative provisions that will replace the solar PV-specific provisions of the Contract. The Contract Exceptions need not include changes related to the contextualization of the Contract for such Proponent’s specific project proposal(s), which PREPA will allow during the finalization of the Contract with the Proponents of selected proposals.

2.8 Final Proposal Version of Contracts

Upon the expiration of the Contract Exceptions Deadline, PREPA will review and assess all of the Contract Exceptions submitted by Proponents, and prepare and issue to all Proponents (i) a final form, revised PPOA for solar PV projects, (ii) to the extent that Proponents intend to submit proposals for a Renewable Energy Resource other than a solar PV facility, a final form PPOA for such resource, (iii) a final form ESSA, and (iv) a final form VPPA, in each case that takes into account the Contract Exceptions but only to the extent that PREPA deems this necessary in its sole discretion (each, a “**Final Proposal Version of Contract**”). Each Proponent should submit their proposals to PREPA on the assumption that the relevant Final Proposal Version of Contract shall govern the terms and conditions under which it will design, construct, install, own, operate and maintain its proposed project as well as make available the Energy Resource to PREPA.

2.9 Deadline and Method for Submitting Proposals

Proposals must be submitted in the complete name of the party expecting to execute any resulting definitive documentation with PREPA in accordance with Section 5 (*Proposal Submission Requirements*). Each proposal must be executed by a person who is duly authorized to bind each Proponent, this includes an authorized representative (natural person or legal entity) or the authorized person whose name appears in PREPA’s Supplier Registry Office. Proponents must submit their proposals in response to this RFP through the “**Upload Documents**” tab of the event No. 112648 on PowerAdvocate® on or before 8:00 pm Atlantic Standard Time on or prior to the Proposal Submission Deadline. PREPA will not accept proposals (i) received after the specified date and time or (ii) submitted through the “**Messaging**” tab (which is exclusive for communications), and such proposals will be disqualified from further evaluation. Proponents shall include with all such submissions a contact name, email address, and company name.

In addition to the above, Proponents must provide:

- a. a redacted copy of the proposal as required in Section 2.10 (*Confidentiality of Responses and Proprietary Information*), through the “**Upload Documents**” tab of the event No. 112648 on PowerAdvocate®;

- b. a copy of each of the following sections of the proposal through the tab of the event No. 112648 on PowerAdvocate® indicated below. Proponents must upload all applicable supporting documents or attachments of each section in the corresponding tab.

Table 2-2 - PowerAdvocate® Tabs

Proposal Section	PowerAdvocate® Tab
Section One: Executive Summary	Commercial
Section Two: Corporate Structure	Commercial
Section Three: Technical and Operational Capability	Technical
Section Four: Financial Capability	Commercial
Section Five: Other Criteria and Additional Capability	Technical
Section Six: Timeline	Technical
Section Seven: Safety Performance	Technical
Section Eight: Project Development Summary	Technical
Proposal Completeness Checklist	Commercial
Proposal Data Forms	Pricing
Ownership / Control of Site	Technical
10-year O&M Cost Breakdown	Technical
Business Continuity Plan	Technical
Legal Proceedings	Commercial
VPP Specific Requirements	Technical
Proposal Evaluation Fee (if required)	Commercial

- c. (i) a proposal hard copy and (ii) a redacted proposal hard copy, both certified as exact copies of the proposal and the redacted proposal uploaded to the event No. 112648 on PowerAdvocate®. PREPA’s Supplier Registry Office must receive the hard copies after the Proposal Submission Deadline, on or before 3:00 pm Atlantic Standard Time by the deadline for submission set forth in the Milestone Schedule, at the following address:

Puerto Rico Electric Power Authority

Supplier Registry Office

PO Box 3670151

San Juan, Puerto Rico 00936

PREPA encourages Proponents to allow themselves enough time to upload their proposals and to confirm that the files are available for PREPA's review.

2.10 Confidentiality of Responses & Proprietary Information

Upon completion of the RFP process, PREPA will make its report on the procurement and selection process public. This report will contain information related to this RFP process, except for confidential and proprietary information of the proponents. Confidential, proprietary and privileged information and trade secrets ("**Confidential Information**") shall be classified as such by the Proponents. In order to ensure that PREPA will not disclose Confidential Information, Proponents must request that PREPA treats such information as confidential and must submit a redacted copy of their proposal. The redacted copy of the proposal must include an explanation of the reasons why such documents are labeled as confidential, including references to any applicable legal protections, a description of the commercially harmful effects of a disclosure and the reasons why the disclosure of such information is not necessary for the protection of the public interest. PREPA reserves the right to make public the redacted copies of the proposals at the conclusion of the RFP process. If a Proponent does not submit a redacted copy of its proposal, PREPA will assume that the entirety of the proposal can be made public. Proposals containing substantial contents marked as confidential may be rejected by PREPA. The provision of information marked as confidential will not prevent PREPA from disclosing such information if required by law. The executed Contract(s), if any, and all prices set forth therein shall not be considered confidential and such information may become publicly available.

3. PROPONENT QUALIFICATION REQUIREMENTS

As part of a proposal, each Proponent must submit a detailed SOQ by the Proposal Submission Deadline. The SOQ will help PREPA identify those Proponents that meet the minimum requirements necessary to carry out the development, construction, commissioning and operation of an Energy Resource in compliance with Act 82-2010, Act 120 and Act 17. PREPA expects to select proposals advanced only by Proponents that demonstrate:

- a. capability and experience in developing, constructing, installing, testing, and operating Renewable Energy Resources and Energy Storage Resources or, in the case of Proponents proposing a VPP as an Energy Resource, experience in aggregating, contracting for and managing resources aggregated into and dispatched as a VPP (as applicable);
- b. capability and experience managing renewable energy and energy storage technology or, if applicable, VPP aggregation arrangements;
- c. financial strength and capital resources adequate to support required project funding;
- d. strong technical expertise, with a track record of high-quality operations; and
- e. experience complying with regulatory and permitting requirements in Puerto Rico.

In evaluating Proponents, PREPA may disqualify a Proponent for any of the reasons stated in Section 5.3 (*Disqualification of Proposals*) and the PPP Regulation, or if a Proponent:

- a. is ineligible to submit a proposal on one or more grounds specified in Act 120, the PPP Act, or the PPP Regulation;
- b. fails to satisfy the standards established by PREPA with respect to the Proponent’s required technical / professional ability and experience or financial condition set forth in Section 4.4 (*Section Three: Technical and Operational Capability*) and Section 4.5 (*Section Four: Financial Capability*), respectively; or
- c. fails to comply with the requirements of Sections 9(a) (*Applicable Requirements and Conditions for those who wish to be considered as Proponents*) and/or 9(d) (*Consortia*) of the PPP Act, as applicable.

3.1 Qualification Requirements

Each Proponent (or, for a Proponent consortium, each consortium member) must be a business organization existing and duly registered in good standing under the laws of its jurisdiction of incorporation. A consortium shall not contain a member that is a member or has an Affiliate which has registered as a member of more than one Proponent consortium responding to this RFP or as another Proponent. Proponents should note that this provision shall not restrict suppliers of equipment and services from supporting more than one Proponent. Proponents should describe their industry experience in detail, providing at a minimum the following:

- a. overview of the Proponent’s company (or, in the case of a Proponent which is a consortium, each consortium company), including the company’s or consortium members’ financial condition, and the products/services offered;
- b. specific instances in which the Proponent or members of the Proponent’s consortium has performed industry-specific work similar in nature to the work required to develop, construct and operate the resources sought through this RFP; and
- c. a detailed list of the portfolio of energy resource projects, which the Proponent or members of the Proponent’s consortium, has / have developed and an indication of the year that each project achieved COD (or if they have not achieved COD, the estimated COD), the location, technology type and installed capacity.

3.2 Minimum Eligibility Requirements

PREPA will evaluate the SOQ submitted by each Proponent based on the minimum eligibility requirements set forth in Table 3-1 (*Minimum Eligibility Requirements*) (the “**MER**”). Each Proponent (i) should indicate its technical and operational capabilities, and (ii) must demonstrate that it satisfies each of the financial and no disbarment criteria (the “**Financial and No Disbarment Criteria**”), to develop the relevant Energy Resource.

Table 3-1 - Minimum Eligibility Requirements

Type	Description
<p>Technical and Operational Capabilities Criteria</p>	<p>1. Ownership / establishment by Proponent (or, for a Proponent consortium, at least one member of such consortium) of one (1) or more existing Energy Resource projects, including VPPs, (each, a “Reference Project”), with each Reference Project satisfying the following requirements:</p> <ul style="list-style-type: none"> a. For Energy Resources other than VPPs: <ul style="list-style-type: none"> i. experience developing, financing, constructing and operating such project; ii. compliance with the initial development timeline for such project; iii. utilization of cost-effective technology; iv. installed capacity of at least 20 MW; v. utilization of technology similar to that which the Proponent intends to submit in its proposal under this RFP; and vi. direct or indirect ownership by the Proponent or its Affiliate of at least thirty-five percent (35%) of the legal entity which directly owns such Reference Project. b. For Energy Storage Resources, experience developing and assembling the proposed system for such resource in at least one (1) commercial (non-demonstration) grid-connected installation. c. For VPPs: <ul style="list-style-type: none"> i. experience aggregating multiple generation, demand response and/or storage resources; and ii. contracted VPP capacity either (i) currently in commercial operation, supplying some combination of capacity, energy and Demand Response to one (1) or more purchasers, or (ii) contractually committed to supply a combination of capacity, energy and Demand Response to at least one (1) unaffiliated

Type	Description
	<p style="text-align: center;">purchaser prior to the second (2nd) anniversary of the issuance of this RFP.</p> <ol style="list-style-type: none"> 2. For each existing Energy Resource designated as a Reference Project, a certification confirming no material or sustained violation of Applicable Law, relating to any environmental matter involving the development, construction or operation of such project during the past three (3) years. 3. For each Reference Project, a certification confirming such project’s compliance with energy-related policies, practices, and regulations and all other Applicable Law during the past three (3) years. 4. For each Reference Project, a certification confirming no record of Unsatisfactory Performance. 5. For each Reference Project: <ol style="list-style-type: none"> a. facility or project name; b. facility or project location; c. technology configuration and capacity; d. major equipment manufacturers; e. engineering, procurement, and construction contractor; and f. commercial operation year.
Financial Criteria	Evidence that a Proponent (or, for a Proponent consortium, at least one (1) member of such consortium) satisfies the requirements set forth in Section 4.5 (<i>Section Four: Financial Capability</i>).
No Disbarment Criteria	<p>Certification by a Proponent (or, for a Proponent consortium, the Lead Member and each of the Other Members) that neither it, nor any of its Affiliates nor any executive officer or member of the board of any of the foregoing parties has been the subject of any of the following adverse findings within the past five (5) years:</p> <ol style="list-style-type: none"> 1. pending litigation with the Government of Puerto Rico or any state; 2. arson conviction or pending case; 3. harassment conviction or pending case; 4. sale tax lien or substantial tax arrears;

Type	Description
	5. fair housing violations or current litigation; 6. a record of substantial building code violations or litigation against properties owned and/or managed by the Proponent or by any entity or individual that comprises the Proponent; 7. past or pending voluntary or involuntary bankruptcy proceeding; and 8. conviction for fraud, bribery, or grand larceny, (the “ No Disbarment Certification ”).

4. SOQ SUBMISSION REQUIREMENTS

4.1 Introduction

Together with its proposal(s), each Proponent shall prepare and submit an SOQ in English and in the format outlined in Table 4-1 (*SOQ Format*).

Table 4-1 - SOQ Format

Sections	Content
Section One	Executive Summary
Section Two	Corporate Structure
Section Three	Technical and Operational Capability
Section Four	Financial Capability
Section Five	Other Criteria and Additional Capability
Section Six	Timeline
Section Seven	Safety Performance
Section Eight	Project Development Summary

4.2 Section One: Executive Summary

The Executive Summary section of the SOQ should include a brief description of:

- a. the Proponent's qualifications for the implementation of the project, which it intends to propose in its response to this RFP, as described in Section 3 (*Proponent Qualification Requirements*); and
- b. envisaged use (if any) of any contractors and sub-contractors.

4.3 Section Two: Corporate Structure

The Corporate Structure section of the SOQ should include the information mentioned below:

- a. For the Proponent (or, for a Proponent consortium, each member of such consortium), (i) contact person, (ii) registered address, (iii) telephone number, and (iv) email address.
- b. The Proponent's corporate structure and history, or, for a Proponent consortium, the identification of all members of such consortium, levels of participation therein and the identity of the Lead Member and Other Members, together with summaries of their corporate structures and histories.
- c. For the Proponent's (or, for a Proponent consortium, each member of such consortium's) ultimate parent company, the following information: (i) contact person, (ii) registered address, (iii) telephone number, and (iv) e-mail address.
- d. The following information should be provided for the Proponent (or, for a Proponent consortium, each member of such consortium):
 - i. year established; and
 - ii. company profile (summary description) along with role of the company, i.e., Lead Member or Other Member.
- e. To the extent that a parent company or other Affiliate will guarantee the financial obligations of a Proponent or a Proponent consortium member, the Proponent shall provide the following key financial information:
 - i. current market capitalization (if listed);
 - ii. current long-term unsecured credit rating (S&P, Moody's and Fitch) of such parent company; and
 - iii. identity of company auditor(s).
- f. A description and/or organizational chart depicting the organizational and corporate structure(s) of the Proponent (e.g., identity of intermediate shareholders, levels of shareholding and ultimate parent company) and, in the case of a Proponent consortium, each member of such consortium (including, for example, distribution of shareholdings,

apportionment of roles and responsibilities within the consortium, envisaged intra-member agreements and the degree to which a formal relationship exists among the entities within the consortium as of the date of the submission of the Proponent's proposal(s) in response to this RFP).

- g. A description of the technical, operational and managerial resources available to the Proponent in the relevant organizational chart in the period up to the date on which the Proponent intends achieve COD for the proposed project.
- h. A description of the level of commitment by envisaged O&M contractors and/or EPC contractors and/or equipment suppliers.
- i. A list of key individuals participating in the Proponent's team and their roles.
- j. A list of technical, financial, legal, accounting, or other advisors that the Proponent has engaged or intends to engage in connection with the proposed project.
- k. Resumes (indicating overall experience and any specific relevant experience) of each of the key individuals participating in the Proponent's team that will manage the development, construction, financing, ownership and operation of the proposed project with each such individual having at least ten (10) years of relevant experience for all executive-level positions (each, a "**Team Member**").

4.4 Section Three: Technical and Operational Capability

The Technical Capability section of the SOQ shall present all of the documentation and other evidence relating to the Reference Projects set forth in the Technical and Operational Capabilities criterion of Table 3-1 (*Minimum Eligibility Requirements*).

4.5 Section Four: Financial Capability

The Financial Capability section of the SOQ shall present evidence that the Proponent has the financial capability to fulfill its obligations arising out of a Contract for the proposed project.

- a. **(Unrestricted Net Worth)** Each Proponent shall produce copies of audited financial statements, Form 10-Ks or similar types of audited annual reports for the last three (3) financial years evidencing that either (i) the Proponent (or, for a Proponent consortium, the Lead Member), or (ii) to the extent that an Affiliate will guarantee the financial obligations of the Proponent / Lead Member arising out of a Contract, such Affiliate, in each case has an Unrestricted Net Worth that exceeds the greater of (A) thirty percent (30%) of the estimated costs of the proposed project during each year, and (B) \$ 75 million.
- b. **(Ability to Raise Debt Financing)** Each Proponent shall provide specific evidence demonstrating its ability to raise debt financing. PREPA will give preference to proposals which include a detailed proposed financing plan for the proposed project, supported as appropriate by letters confirming plan specifics from anticipated providers of debt in support of the project proposal. Specific factors that will be assessed include:

- i. capability of raising significant quantities of debt in the current project finance markets;
- ii. evidence of experience raising project debt to support the development of Energy Resources, in particular in Puerto Rico;
- iii. the number and size of past relevant transactions;
- iv. specific experience in managing past relevant transactions;
- v. experience with Investment Tax Credits (ITC) or Production Tax Credits (PTC) for utility-scale renewable energy projects; and
- vi. letters from prospective lenders confirming their commitment to support and fund the project.

Each Proponent shall present the foregoing financial information in the form sheets attached in Appendix D (*Proposal Data Forms*).

4.6 Section Five: Other Criteria & Additional Capability

Proponents shall submit the following certifications and additional information relating to other criteria for the Proponent's eligibility:

- a. No Disbarment Certification;
- b. certification confirming that the Proponent (or, for a Proponent consortium, the Lead Member) (i) has the legal authority to participate in the RFP process and enter into a Contract following the selection of the Proponent by PREPA, (ii) validly exists, and for a Proponent consortium only, has the legal authority to bind all of the Other Members of such consortium for purposes of the RFP process and the finalization, execution, delivery and performance of such Contract, and (iii) has no conflict of interest with PREPA and, for a Proponent consortium only, the Other Members have no conflict of interest with PREPA, as of the date of such certification; and
- c. any other information which the Proponent believes would be useful for PREPA in respect of its evaluation of its corporate structure, organizational technical or financial capability and experience.

4.7 Section Six: Timeline

Each Proponent shall provide (i) a detailed plan to achieve COD within twenty-four (24) months from the Contract's execution date, and (ii) a monthly milestone schedule showing the most important tasks to be completed from Contract execution to COD along with a development plan description. As described in Section 1.8 (*General Requirements*), PREPA seeks project proposals that can achieve COD within twenty-four (24) months from the Contract's execution date. PREPA may consider proposals with forecasted COD not to exceed thirty (30) months from the Contract's

execution date, but to a lesser extent. PREPA will attribute a higher score in the RFP evaluation process to shorter project development period.

4.8 Section Seven: Safety Performance

Each Proponent and its Team Member(s) must demonstrate (i) their ability to address and resolve safety issues, and (ii) their knowledge of safety strategies and methodologies. Any Proponent and its Team Member(s) claiming experience in utility or power project development and management must submit copies of Occupational Safety and Health Administration (OSHA) 300 forms for the past three (3) years, only as related to electric utility operations or project development and construction activities. If not applicable, a Proponent and its Team Member(s) must present a document explaining the reasons for not submitting such form.

4.9 Section Eight: Project Development Summary

If a Proponent has begun developing an Energy Resource in Puerto Rico, then such Proponent should provide a high-level description and summary of such project in the form set forth in Schedule A (*Project Description*) of Appendix D (*Proposal Data Forms*) data form. PREPA shall consider any submission provided in response to this requirement as non-binding on such Proponent and for information purposes only.

5. PROPOSAL SUBMISSION REQUIREMENTS

Each Proponent shall submit their proposal in response to this RFP in English prior to 8:00 pm Atlantic Standard Time on the Proposal Submission Deadline. PREPA shall not reimburse a Proponent, and each Proponent shall remain responsible, for any cost incurred as part of the preparation or submission of a proposal, the finalization, execution and delivery of any Contract and/or any other activity contemplated by a proposal or this RFP. PREPA has provided the information in this RFP, on PREPA's RFP website and on the event No. 112648 on PowerAdvocate® to assist Proponents in evaluating this RFP. This RFP does not purport to contain all information, required by Proponents to satisfy their due diligence requirements.

5.1 Proposal Organization

By submitting a proposal pursuant to this RFP, each Proponent acknowledges and agrees that (i) PREPA will rely on the representations contained in such proposal during its evaluation and consideration of such proposal, and (ii) such Proponent's inability to substantiate and verify any such representations may result in the termination of further consideration and/or evaluation of its proposal(s) and the right of PREPA to claim the entire face amount of the Proposal Security. Each Proponent shall ensure the truth, accuracy and completeness of all such representations to the best of such Proponent's knowledge and belief after due inquiry into the subject of such representations.

All proposals shall include the following minimum components in the order provided:

- a. Proposal Completeness Checklist (see Appendix C (*Form of Proposal Completeness Checklist*));

- b. Project Description (see Schedule A (*Project Description*) of Appendix D (*Proposal Data Forms*));
- c. Qualitative Assessment (see Schedule B (*Qualitative Assessment*) of Appendix D (*Proposal Data Forms*));
- d. Pricing Proposal (see Schedule C (*Price Proposal*) of Appendix D (*Proposal Data Forms*));
- e. Energy Production Forecast (see Schedule D (*Energy Production Forecast*) of Appendix D (*Proposal Data Forms*));
- f. Guaranteed Performance (see Schedule E (*Guaranteed Performance*) of Appendix D (*Proposal Data Forms*)); and
- g. Suppliers for Major Plant Equipment (see Schedule F (*Supplier for Major Plant Equipment*) of Appendix D (*Proposal Data Forms*)).

5.2 Proposal Content

For consideration in the evaluation process, proposals must contain the information outlined in the following sections:

- a. **(Project Description)** Proponents shall provide a description of their proposed project, using the forms in Schedule A (*Project Description*) of Appendix D (*Proposal Data Forms*), covering the following categories to the extent applicable to such project:
 - i. basic project description, including (a) project name; (b) site location (including map and site layout); (c) technology; (d) generating or storage capacity; (e) MTR compliance strategy; (f) grid connection point and electrical one-line diagrams; (g) ancillary service capabilities; (h) forecasted COD; and (i) ownership structure;
 - ii. site ownership, usage, and development status;
 - iii. current status of issuance of all permits, licenses and other authorizations required for the implementation of the project;
 - iv. a detailed operation and maintenance plan, covering the proposed supply term;
 - v. environmental permitting plan addressing all potentially applicable environmental permits (federal and local) including the following, as applicable:
 - 1. list of potentially applicable permits evaluated or to be evaluated;
 - 2. result of applicability analysis for each potentially applicable permit or status of evaluation; and
 - 3. planned approach to obtain applicable permits including the following:

- A. list of key activities necessary to obtain each applicable permit(s) and associated timing;
 - B. identification of key individuals or consultants; and
 - C. experience of those individuals in specific jurisdictions of project;
- vi. transmission or distribution upgrade plans, as applicable, demonstrating compliance with the requirements of Regulation 8915 or Regulation 8916, as applicable, status of interconnection or transmission service requests, and status of related agreements and approvals;
- vii. a detailed description and drawings of transmission or distribution and substation facilities associated with the proposed project, and descriptions of any special protection schemes associated with the resource and their use. PREPA requires Energy Resources that offer operational flexibility. Proponents must provide a detailed description of the scheduling or dispatch process, ramp rates, automatic generation control, existing or planned Inter-Control Center Protocol ties to PREPA and any energy magnitude and duration limitations. Proponents must also describe the capability, if any, of the resource to provide reactive support ancillary service and dynamic reactive reserve;
- viii. Proponent's design and development experience with the proposed technology or, in the case of Proponents of VPPs, with the aggregation of multiple energy supply, storage or controllable load resources into a VPP;
- ix. Proponent's operating experience with the proposed technology or, in the case of Proponents of VPPs, with the aggregation of resources into a VPP and the management of such resources effectively to provide capacity and energy in response to utility dispatch instructions;
- x. financing plan, including (a) sources of debt and equity; (b) equity percentage by sponsor; (c) financing rates and other terms; (d) level of commitment by potential lenders for construction financing and permanent financing; and (e) tax credit qualifications;
- xi. Proponent's management team and key individuals responsible for permitting, financing, design, construction, and operation; and
- xii. major milestone schedule, including provisions for (a) site acquisition, control, and development; (b) permitting and licensing; (c) transmission or distribution upgrades and interconnection, if applicable and as relevant to the project location; (d) financing; (e) engineering, procurement, and construction; and (f) testing.

For each of the above categories, each Proponent shall provide references to any supporting documents or attachments.

- b. **(Initial Scoring Criteria)** Proponents shall complete the initial scoring criteria form in Schedule B (*Qualitative Assessment*) of Appendix D (*Proposal Data Forms*).
- c. **(Price Proposal)** Proponents shall complete the forms in Schedule C (*Price Proposal*) of Appendix D (*Proposal Data Forms*). Each Proponent shall submit price proposals for each category of price below that relates to its proposal:
- i. For Renewable Energy Resource proposals, the “*Base Rate*” as defined in the relevant Final Proposal Version of Contract, representing the unit price of electricity, expressed in U.S. Dollars per kWh.
 - ii. For Energy Storage Resource proposals, the “*Monthly Fixed Payment*” as defined in the relevant Final Proposal Version of Contract, representing the hourly price of energy storage capacity, expressed in U.S. Dollars per MW.
 - iii. For VPP proposals, pricing reflecting the pricing parameters to be announced by PREPA following the issuance of the preliminary version of the VPPA.

Each Proponent shall also submit the estimated all-in cost (the “**Proponent’s Estimated Interconnection Costs**”) to (A) for Renewable Energy Resources and Energy Storage Resources, design, supply, install, test and commission the interconnection infrastructure required for the delivery of the project’s energy or energy storage capacity (as applicable) to the T&D System, and (B) for VPPs, install communication and metering systems that will enable PREPA to issue dispatch instructions to the VPP aggregator or its agent.

- d. **(Performance)** Proponents shall specify performance for the project using the forms in Schedule D (*Energy Production Forecast*) and Schedule E (*Guaranteed Performance*) of Appendix D (*Proposal Data Forms*), as applicable.
- i. **(Renewable Energy Resources)** For Renewable Energy Resource proposals, the Energy Production Forecast in Schedule D (*Energy Production Forecast*) of Appendix D (*Proposal Data Forms*), shall indicate, as applicable given the nature of the proposed resource (i.e., solar PV, wind or hydro), the forecasted P10, P50, and P90 annual energy forecast in MWh for each day and hour (8,760 entries). The forecasted values shall account for long-term performance degradation where applicable.
 - ii. **(Energy Storage Resources)** For Energy Storage Resource proposals, the guaranteed performance in Schedule E (*Guaranteed Performance*) of Appendix D (*Proposal Data Forms*) shall indicate:
 - Guaranteed Capacity (MW/ MWh).
 - Peak Charging Time (hours).
 - Peak Discharging Time (hours).
 - AC-AC Round Trip Efficiency (%).

- Equivalent Availability Factor (%).

The guaranteed values shall account for long-term performance degradation.

- e. **(Suppliers of Major Plant Equipment)** Proponents shall indicate the anticipated suppliers, models, and countries of manufacture for major plant equipment using the forms in Schedule F (*Supplier for Major Plant Equipment*) of Appendix D (*Proposal Data Forms*).
- f. **(Financing)** Proponents must provide specific evidence demonstrating their ability to raise financing.
- g. **(Ownership/ Control of Site)** To the extent that a Proponent currently owns, or holds leasehold rights in, each parcel of land forming part of the site of the proposed project, such Proponent shall submit a certified true and correct copy of the deed of title or lease agreement, evidencing such ownership over, or leasehold interest in, such parcels of land. To the extent that a Proponent does not yet own or exercise control over a parcel of land that will form part of the proposed project site, the Proponent shall submit either:
 - i. the original version of a letter from the registered title holder of such parcel (A) confirming such owner’s intention to transfer ownership of, or grant a lease over, such parcel to Proponent for the purpose of implementing the proposed project upon the award of a Contract by PREPA to the Proponent, and (B) attaching a certified true and correct copy of the deed of title for such parcel; or
 - ii. a certified true and correct copy of a legally-binding agreement evidencing that the registered title holder of such parcel has granted the Proponent an option to purchase or lease such parcel upon the award by PREPA of a Contract for the implementation of the proposed project in form and substance reasonably satisfactory to PREPA (each, a “**Land Option Agreement**”).
- h. **(10-Year O&M Cost Breakdowns)** For Energy Resource proposals other than a Demand Resource proposal, the Proponent shall submit a detailed breakdown of the fixed and variable costs to operate and maintain the proposed resource in ten (10) year increments during the supply period.
- i. **(Business Continuity Plan)** Each Proponent shall submit a business continuity plan, detailed by scenario, with the aim of ensuring service continuity during all identified potential threats to the operation of the proposed resource, including the occurrence of bomb threats, war, hurricanes, tornadoes (including water spouts), earthquakes, tsunamis, active shooters, pandemics and other threats to public health and plane crashes.
- g. **(Legal Proceedings)** Each Proponent must submit a summary of all legal proceedings, claims, actions, or suits against the Proponent, the guarantor, or involving the facility or site.

5.3 Disqualification of Proposals

Notwithstanding any other provision of this RFP, PREPA reserves the right without qualification and in its sole discretion, to reject any and/or all proposals for any reason whatsoever and to consider alternatives outside of the RFP process. PREPA may disqualify or reject a Proponent's proposal(s) for any reason, at PREPA's sole discretion, including but not limited to the following:

- a. Failure to comply with any of the requirements of this RFP, including timelines, form sheets or any other requirements.
- b. Any misrepresentation, intentional non-disclosure or withholding of information in the SOQ.
- c. Any effort towards influencing the process of qualification or in relation to decision concerning the qualifications of a Proponent.
- d. Failure to disclose additional information relating to the Proponent's experience, even upon reasonable request and such information being deemed necessary to properly evaluate the Proponent's qualifications.
- e. Failure in reporting any material changes in information provided in the SOQ following submission thereof.
- f. If PREPA determines that a Proponent is prohibited from doing business on grounds which may include, but are not limited to, public policy or national interest.
- g. If the Proponent has overdue debts (in a material amount) or significant contingent liabilities.
- h. If the Proponent has gone bankrupt or is being wound up or its affairs are being administered by the court or it has entered into an arrangement with creditors or has suspended business activities.
- i. If the Proponent is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court, or an arrangement with creditors or has suffered any other analogous event.
- j. If the Proponent has been convicted of an offence that concerns its professional misconduct in the course of its business or profession.
- k. If the Proponent has a stake in any member of the advisors or consultants supporting PREPA, or the FOMB.
- l. Non-declaration of a conflict of interest or potential conflict of interest resulting from previous or existing contracts or relationships, which affects, or may affect, its potential participation.

Where shareholders have established a Proponent as a new company specifically incorporated for participating in the RFP process, the basis for disqualification shall be applicable to such shareholders rather than to the Proponent itself. PREPA may disqualify a proposal at any point in the evaluation process if PREPA determines, at its discretion, that the Proponent has attempted to gain an advantage through conduct deemed as unethical, a conflict of interest, by interference, or any such means. By submitting a proposal in response to this RFP, each Proponent certifies that (i) it has not divulged, discussed, or compared its proposal with other Proponent, and (ii) has not colluded whatsoever with any other Proponent or parties with respect to this or other proposals, in each case directly or indirectly through one or more intermediaries. PREPA may reject any proposal if it is perceived that any of these criteria have been violated.

5.4 Restricted Parties

As part of this RFP, the following entities will be deemed “**Restricted Parties**” and neither they nor their respective directors, officers, partners, employees and persons, or legal entities related to them are eligible to participate as team members or to otherwise assist any Proponent or team member, directly or indirectly, or participate in any way as a director, officer, employee, advisor, counsel, accountant or other consultant or otherwise in connection with any Proponent. Each Proponent will ensure that each team member does not use, consult, include, or seek advice from any Restricted Party. The following have been identified as Restricted Parties:

- a. Ankura Consulting Group, LLC
- b. ATCO Ltd.
- c. Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
- d. Citigroup Global Markets Inc.
- e. Cleary Gottlieb Steen & Hamilton LLP
- f. Díaz & Vázquez PSC
- g. Ernst & Young LLP
- h. Filsinger Energy Partners
- i. Greenberg Traurig, LLP
- j. Guidehouse, Inc.
- k. Hogan Lovells US, LLP
- l. Innovative Emergency Management, Inc.
- m. King & Spalding, LLP
- n. LUMA Energy, LLC

- o. McKinsey & Company, Inc.
- p. Navigant Consulting, Inc.
- q. Nixon Peabody LLP
- r. O'Melveny & Myers LLP
- s. O'Neill & Borges LLC
- t. Proskauer Rose LLP
- u. Quanta Services, Inc.
- v. Sargent & Lundy, LLC
- w. Sargent & Lundy Puerto Rico, LLC
- x. Siemens Industry, Inc.

Proponents should be aware that the list of Restricted Parties is not exhaustive and that a person that is not included as a Restricted Party may still be prohibited from participating in the proposal and project. Finally, except as to any Restricted Party, the fact that a person provides or has provided services to PREPA, PREB or FOMB in matters not related to the proposal and project may not automatically prohibit such person from participating in the proposal and project. To the extent any question exists as to whether such a person is a Restricted Party, the Proponent should consult with PREPA.

6. PROPOSED PROJECT EVALUATION

PREPA shall evaluate a Proponent's proposal(s) in the following three (3) phases:

- a. Phase I: Quality Control Review
- b. Phase II: Project Committee Review and Recommendation
- c. Phase III: Interconnection Evaluation and Contract Negotiation

The following sections further describe the proposal evaluation process.

6.1 Phase I: Quality Control Review

PREPA's quality control review will use the information supplied by the Proponents in the SOQ and each proposal. Each Proponent shall provide the information listed in the Proposal Completeness Checklist by the Proposal Submission Deadline to be included in the evaluation.

During the quality control review, PREPA will determine which proposals satisfy the minimum requirements outlined in Section 3 (*Proponent Qualification Requirements*) and Section 4 (*SOQ Submission Requirements*) of this RFP. PREPA (i) will reject any proposal that fails to comply

with the Financial and No Disbarment Criteria, and (ii) reserves the right to reject any proposal for any reason whatsoever regardless of whether such proposal complies with such requirements in accordance with Section 5.3 (*Disqualification of Proposals*), in each case without scoring, and any such proposal will not advance to the next phase. PREPA will notify each Proponent whether its proposal(s) passed the quality control review and whether such Proponent will advance to Phase II.

Following such notification, PREPA will publish a list of median price proposals for each technology group that will advance to Phase II on its website.

6.2 Phase II: Project Committee Review and Recommendation

PREPA will divide Phase II into qualitative and pricing evaluation sub-phases, as follows:

- a. **(Qualitative Evaluation)** In connection with its qualitative evaluation, PREPA will conduct Feasibility Studies and independently model interconnection and system upgrade costs, where possible analyzing clusters of potential projects, based on an initial selection of RFP responses that PREPA ranks high on its list of projects eligible for contracting. In addition, PREPA will evaluate the extent to which multiple projects have proposed or can be made to share the same interconnecting facility, if reasonable and applicable for any given set of proposals. PREPA shall give priority to those proposals that provide resource installations at or technically close to the indicated priority locations. PREPA will evaluate the impact of each proposed resource on the T&D System and will endeavor to notify Proponents whose proposals will require additional network upgrades. The Proponents' proposal should include the Proponent's Estimated Interconnection Costs.
 - i. **(Process)** PREPA and its advisors shall perform the initial screening and shortlisting of proposals in Phase II, according to a qualitative evaluation. This evaluation will consist of the following steps:
 - A. verification that a Proponent has provided all information listed in the Proposal Completeness Checklist;
 - B. organization of the proposals into groups according to (i) the proposed technology, and (ii) groups that will allow for distributed generation benefits to be recognized, for resiliency and for avoided T&D System cost purposes (each, a "**Resource and Technology Group**");
 - C. review of information supplied by the Proponents in the forms set forth in Schedules A - H of Appendix D (*Proposal Data Forms*);
 - D. development of a qualitative score according to the information supplied by each Proponent in Schedule B (*Qualitative Assessment*) of Appendix D (*Proposal Data Forms*) for the proposed type of Energy Resource and technology, based on the qualitative evaluation criteria specified below;

- E. development of an initial qualitative score according to the information supplied by the Proponent for the proposed technology. The qualitative score will be based on technical viability, development status, developer experience, and financing plan and qualifications. PREPA will prefer projects with faster installation timelines, and those with better technical locations for interconnection purposes;
 - F. calculation of the composite Phase II score from the weighted qualitative score; and
 - G. development of a list of preferred proposals from the highest scoring proposals within each technology category.
- ii. **(Evaluation Criteria)** The Phase II qualitative evaluation will assess the information supplied by the Proponent in the proposal data forms contained in the RFP. PREPA will consider the following criteria during the qualitative evaluation:
- A. **Technical Viability:** The evaluation team will review each proposal for conformance to the applicable MTR.
 - B. **Development and Schedule Risk:** The evaluation team will assess the completeness and feasibility of the proposed project implementation and evaluate the likelihood of meeting the milestone dates and expected performance.
 - C. **Permitting Risk:** The evaluation team will examine each Proponent's permitting plan and schedule and the likelihood that such Proponent can obtain the required permits. This examination will include an assessment as to whether Proponents have identified the relevant permits and approvals necessary for construction and operation of the proposed project.
 - D. **Environmental Impacts:** The evaluation team will assess the proposed project's overall impact on the environment, whether the project will likely result in potentially significant environmental impacts, and the degree to which potential impacts can be satisfactorily mitigated. This will include an examination of any known sensitive environmental features on or adjacent to the site such as waterways, wetlands, floodplains, archaeological and architectural resources, historic properties, degraded ambient air quality, contamination, ongoing hazardous materials remediation, threatened and endangered species, airports, residences or other sensitive noise receptors, and a discussion of storm-resistant features and other reliability features to determine the suitability of the project at the proposed site location.
 - E. **Experience:** The evaluation team will evaluate the Proponent's experience and success in developing projects of a similar design and size to the proposed project.

- F. **Debt Financing Plan and Qualifications:** The evaluation team will evaluate the Proponent’s proposed debt financing plan and experience in successfully financing projects of a similar size and complexity. The evaluation team will also assess whether a Proponent has obtained debt financing commitments for the project from one or more creditworthy lenders, reasonably acceptable to PREPA.
- G. **T&D System Integration:** The evaluation team will assess each project’s technical characteristics and identify those projects that address the T&D System’s needs as defined in this RFP and IRP. The evaluation team will evaluate the degree to which the project proposal appears to comply with the requirements of Regulation 8915 or Regulation 8916, as applicable, as well as the risk associated with the interconnection of the proposed project to grid reliability (voltage control, reactive capability, protection coordination, frequency response, etc.) and deliverability to the T&D System.
- H. **Site Control:** The evaluation team will assess whether a Proponent owns or leases the project site (and, in the case of a lease, will consider the alignment of the term of such lease with the term of the applicable Contract) or otherwise has the ability to obtain control over, and access to, such site prior to the occurrence of the “*Guaranteed Construction Start Date*” set forth in the template Contract. This evaluation criteria does not apply to proposals for VPPs.
- I. **Community Impacts and Acceptance:** The evaluation team will review a Proponent’s proposal(s) for potential socioeconomic benefits and harm to the community. The evaluation team will assess known community support for or opposition to a proposed project, as well as such Proponent’s plan to manage community relations.
- J. **Operations and Maintenance Plan:** The evaluation team will assess information about a Proponent’s operations and maintenance plan for the proposed project set forth in Schedule A (*Project Description*) of Appendix D (*Proposal Data Forms*), including contract term, scope, experience, and pricing. Proponents proposing a VPP as a resource should provide detailed information concerning their plans to identify, aggregate and contract for individual generation and storage resources that will be dedicated to such resource.
- K. **Additional Benefit of VPPs:** The evaluation team will consider and evaluate the additional benefits that distributed resources procured as part of a VPP may provide, including (i) the potential to avoid transmission and distribution costs (including T&D System losses), (ii) the possible enhancement of local resiliency by serving critical or priority loads, and (iii) the potential for completion of any required installation in shorter periods,

or more immediate availability as a capacity resource based on an existing installation, than would be true of a new-build project.

PREPA will evaluate the impact of the following categories on a Proponent’s ability to deliver the proposed project on a timely basis:

Table 6-1 - Qualitative Evaluation

Item	Category / Criteria
A	Technical Viability
B	Development and Schedule Risk
C	Permitting Risk
D	Environmental Impacts
E	Contractor Experience
F	Financing Plan and Qualifications
G	T&D System Integration
H	Site Control
I	Community Impacts and Acceptance
J	Operations and Maintenance Plan
K	Additional Benefit of VPP
L	Contract Exceptions (if applicable)

As it performs its qualitative evaluation, PREPA may request additional information or clarifications from Proponents. These requests, and any communications with a Proponent during the qualitative evaluation process, shall not be construed as contract negotiations. PREPA shall request for additional information or clarification in writing via email and a Proponent shall have five (5) business days from the transmission of each request to respond. Proposals with outstanding requests beyond the response period may be removed from consideration and further evaluation.

- b. **(Pricing Evaluation)** The Phase II evaluation will determine the cost effectiveness of the shortlisted proposals. This detailed pricing evaluation will include and reflect information received in response to any clarifying questions, interviews, site visits, and other due diligence, and will consider the all-in costs that each proposal will likely impose on

Ratepayers, to the extent that the evaluation team can quantify such costs. Such all-in costs include:

- i. contract charges, including pass through costs;
- ii. costs for required transmission reinforcements;
- iii. costs for required distribution reinforcement;
- iv. system impacts including, but not limited to, impact on transmission transfer capability, and PREPA capacity requirements and deliverability; and
- v. LCOE or, in the case of Energy Storage Resources, LCOS.

The lowest LCOE / LCOS (as applicable) within each Resource and Technology Group will receive one hundred percent (100%) of the LCOE / LCOS points available (450 points). Each of the remaining proposals within such Resource and Technology Group will receive a fraction of such points available with such fraction determined by dividing the lowest LCOE / LCOS (as applicable) by the LCOE / LCOS of each remaining proposal.

PREPA will also give preference in its evaluation to Proponents whose proposals consider the future emergence of PREPA from protection under PROMESA and contain a downward price adjustment mechanism that would reflect PREPA’s improved credit quality at such time.

The pricing evaluation will consider the following criteria:

Table 6-2 - Pricing Evaluation Scoring

Category	Points Available
LCOE / LCOS	450
Technical Viability	130
Development Status	180
Proponent’s Experience	130
Financing Plan and Qualifications	110
Total	1,000

Following completion of the pricing evaluation, the evaluation team will recommend proposals for evaluation, during Phase III. Proponents shall not construe the selection of a proposal for Phase III as a commitment by PREPA to execute a Contract.

6.3 Phase III: Interconnection Evaluation & Contract Negotiation

Following PREPA’s selection of proposals for Phase III, PREPA will, for each selected proposal, (i) enter into negotiations during a thirty (30) day period with the Proponent of such proposal for the finalization, execution and delivery of a Contract governing the terms and conditions under which such Proponent will develop, finance, construct (or, in the case of a VPP, aggregate), own and operate Energy Resources, and sell capacity and Energy made available by the proposed project, and (ii) conduct a System Impact Study and a Facility Study to evaluate whether the proposed project may be interconnected with the T&D System at an acceptable cost and with acceptable impacts on the system, in each case in two parallel work streams. As part of completing the System Impact Study and Facility Study, PREPA may also conduct additional diligence, which may include management interviews, environmental legal and regulatory due diligence, detailed engineering assessments and facility dispatch modelling.

Upon the completion of the Feasibility Study, System Impact Study and Facility Study by PREPA for all proposed projects in a Resource and Technology Group, PREPA will determine whether each project will serve the best interests of Ratepayers as evidenced by the findings of such studies and inform each Proponent thereof. For each proposed project for which PREPA renders a positive determination (each, a “**Best Interest Determination**”), PREPA will inform all Proponents of such projects of such determination and invite each such Proponent to make its best and final price proposal offer under its Contract; provided that such price proposal shall never exceed the initial price proposal submitted by such Proponent as part of its initial proposal (the “**Best and Final Offer**”). PREPA will make its final decision whether to proceed with a proposed project by announcing its acceptance of the Best and Final Offer made by the Proponent of such project.

Notwithstanding the execution and delivery by a Proponent of a Contract with PREPA, the main provisions of such Contract will not enter into full force and effect until the satisfaction of a number of conditions precedent, including:

- a. the issuance by PREPA of a Best Interest Determination for such Proponent’s project;
- b. the acceptance by PREPA of such Proponent’s Best and Final Offer; and
- c. the execution and delivery of an amendment to the Contract between PREPA and the Proponent, incorporating the terms of the Best and Final Offer.

6.4 Proposal Data Forms

The evaluation will use the information supplied by the Proponents in the proposal data forms and template Contracts contained in the Appendices of this RFP:

Appendix D – Proposal Data Forms

Schedule A – Project Description

Schedule B – Qualitative Assessment

Schedule C – Price Proposal

Schedule D – Energy Production Forecast

Schedule E – Guaranteed Performance

Schedule F – Suppliers for Major Plant Equipment

Appendix F – Form of Solar PPOA

Appendix G – Form of Energy Storage Services Agreement

6.5 Proposal Evaluation Fee

Proponents may submit up to three (3) proposals at no cost in response to this RFP. Proponents submitting more than three (3) responses will incur a proposal evaluation fee for each additional proposal submitted. PREPA will have sole discretion to determine whether a Proponent has submitted a single proposal or multiple proposals. Proponents advancing more than three (3) project proposals shall contact PREPA for proposal fee payment instructions.

6.6 Proposal Security

Upon its receipt of a notice confirming that PREPA has selected a Proponent's proposal for evaluation during Phase II, each selected Proponent shall deliver the Proposal Security with a face amount equal to the product of \$ 10,000 per MW multiplied by the aggregate installed capacity of the proposed Energy Resource(s) to PREPA within seven (7) business days of the date of such receipt and maintain such Proposal Security in full force and effect through the Bid Expiration Date (as defined below). To the extent that a Proponent desires to submit an irrevocable stand-by letter of credit as the Proposal Security in a form that departs in any material way from the form set forth in Appendix H (*Form of Irrevocable Stand-By Letter of Credit*), it must obtain PREPA's approval for such departure prior to the Proposal Submission Deadline. To the extent that a Proponent proposes to deliver more than one (1) Energy Resource project in the same proposal, the Proponent shall submit a separate Proposal Security for each proposed project. In the event that a Proponent proposes to deliver just one (1) Energy Resource project from a number of alternative project options, the Proponent should submit one (1) Proposal Security with a face amount, determined on the basis of the project with the largest proposed installed capacity. PREPA shall reject as non-responsive any proposal selected for Phase II not accompanied by an acceptable Proposal Security. PREPA will return each Proponent's Proposal Security as promptly as possible upon the earliest to occur of the date (the "**Bid Expiration Date**") of (i) PREPA's determination not to select Proponent's proposal for evaluation during Phase III, (ii) PREPA's determination not to issue a Best Interest Determination for such Proponent's proposal, (iii) PREPA's determination not to accept such Proponent's Best and Final Offer, and (iii) the satisfaction and/or waiver of all conditions precedent required for the full effectiveness of the Contract with such Proponent. For each Proposal Security submitted by a Proponent, PREPA shall have the right to draw down on / recover the entire face amount of such security upon the occurrence of any of the following events:

- a. such Proponent withdraws (or carries out any act or omission that evidences its intent to withdraw) any part, or all, of its proposal prior to the Bid Expiration Date;

- b. PREPA determines, in its sole discretion, that the proposal submitted by such Proponent contains a false statement or material misrepresentation;
- c. in the event that PREPA selects the proposal of such Proponent for evaluation, during Phase III, such Proponent fails to execute a Contract with PREPA in respect of such proposal within thirty (30) days from the date of such selection for any reason whatsoever; and
- d. a Proponent, which has executed a Contract with PREPA, breaches its obligation to satisfy conditions precedent thereunder.

6.7 Ownership / Control of Site

Upon its receipt of a notice confirming that PREPA has selected a Proponent's proposal relating to an Energy Resource other than a VPP, for evaluation, during Phase II, such selected Proponent shall deliver to PREPA within seven (7) business days of the receipt date, for each parcel of land that will form part of the proposed project site, either:

- a. a certified true and correct copy of the deed of title or lease agreement evidencing that such Proponent holds the registered title over, or leasehold rights in, such parcel of land; or
- b. a Land Option Agreement, relating to such parcel of land.

6.8 Reservation of Rights

Nothing contained in this RFP shall be construed to require or obligate PREPA to select any proposals or limit PREPA's ability to reject all proposals in its sole and exclusive discretion. PREPA further reserves the right to amend, or withdraw and terminate, this RFP at any time prior to the Proposal Submission Deadline, selection of proposals or execution of any Contract. PREPA also reserves the right to solicit additional proposals it deems necessary and the right to submit additional information requests to Proponents during the proposal evaluation process. The effectiveness of each Contract signed by a Proponent will be contingent on regulatory approvals, including the approval of the Energy Bureau and the FOMB.

All proposals submitted to PREPA pursuant to this RFP shall become the exclusive property of PREPA and may be used by PREPA for any reasonable purpose. PREPA shall consider materials provided by Proponents in response to this RFP to be confidential only if such materials are clearly designated as *confidential*. Proponents should be aware that their proposal, even if marked confidential, may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by PREPA. A Proponent may be required to justify the requested confidential treatment under the provisions of a protective order issued in such proceedings. If required by an order of an agency or court of competent jurisdiction, PREPA may produce the material in response to such order without prior consultation with the relevant Proponent.

This RFP shall not, by itself, give any right to any party for any claim against PREPA. Furthermore, by submitting a proposal, each Proponent shall be deemed to have acknowledged that PREPA assumes no liability with respect to this RFP or any matters related thereto. Each Proponent acknowledges and agrees that PREPA may terminate this RFP at any time and for its convenience without liability to such Proponent, its advisors, consultants, and agents. By

submission of a proposal, each Proponent, for itself as well as for its successors and assignees (if any), agrees that, as between such Proponent and PREPA, such Proponent shall have sole responsibility for all claims, demands, accounts, damages, costs, losses, and expenses of whatsoever kind in law or equity, known or unknown, foreseeable or unforeseeable, arising from or out of this RFP or its proposal(s).

PREPA reserves the right to modify this RFP for any reason and at any time prior to the Proposal Submission Deadline. PREPA will notify Proponents who submit a valid Notice of Intent to Respond of any such modifications.

6.9 Disclosure of Proposals

As part of the process of obtaining regulatory approval, PREPA may disclose proposals submitted by Proponents to third parties for the purpose of obtaining such approval.

Appendix A. Form of Notice of Intent to Respond

Company Name	
Company Mailing Address	
Primary Contact Information	
Name	
Title	
Phone	
Email	

Proponent's Signature:

Date:

Appendix B. Form of Request for Clarification

Issue #	Items Requiring Clarification	Reference	Clarification Request
1.			
2.			
3.			
4.			
5.			
6.			
7.			

Proponent's Name:

Date:

Appendix C. Form of Proposal Completeness Checklist

Please check the following boxes to indicate that your proposal is complete and meets the minimum requirements for this RFP. This completed checklist should be submitted with your proposal. It is the sole responsibility of the Proponent to review the RFP and ensure that its proposal satisfies all the requirements. This checklist is provided for guidance only and PREPA does not guarantee its completeness or accuracy.

No.	Proposal	Check	Reference RFP Provisions
1.	SOQ	-	§3, §4
1.1.	Section One: Executive Summary	-	§4.2, §3, §3.1
1.1.1.	Proponent qualifications in accordance with Section 3	<input type="checkbox"/>	§3, §3.1
1.1.2.	Envisaged use (if any) of contractors and Subcontractors	<input type="checkbox"/>	§4.2
1.2.	Section Two: Corporate Structure	-	§4.3
1.2.1.	Proponent contact information	<input type="checkbox"/>	§4.3(a)
1.2.2.	Proponent corporate structure and history	<input type="checkbox"/>	§4.3(b)
1.2.3.	Proponent parent company contact information	<input type="checkbox"/>	§4.3(c)
1.2.4.	Proponent information	<input type="checkbox"/>	§4.3(d)
1.2.5.	Proponent guarantor key information	<input type="checkbox"/>	§4.3(e)
1.2.6.	Proponent organizational chart	<input type="checkbox"/>	§4.3(f)
1.2.7.	Description of technical operational and managerial resources	<input type="checkbox"/>	§4.3(g)
1.2.8.	Description of level of commitment by O&M and EPC contractors	<input type="checkbox"/>	§4.3(h)
1.2.9.	Key individuals and roles	<input type="checkbox"/>	§4.3(i)
1.2.10.	List of advisors	<input type="checkbox"/>	§4.3(j)

1.2.11.	Team Member resumes	<input type="checkbox"/>	§4.3(k)
1.3.	Section Three: Technical and Operational Capability	-	§4.4, Table 3-1
1.3.1.	Reference Project(s)	<input type="checkbox"/>	Table 3-1, 1
1.3.2.	For each Reference Project, certification of no violation of Applicable Law	<input type="checkbox"/>	Table 3-1, 2
1.3.3.	For each Reference Project, certification of compliance with energy-related policies	<input type="checkbox"/>	Table 3-1, 3
1.3.4.	For each Reference Project, certification of no record of Unsatisfactory Performance	<input type="checkbox"/>	Table 3-1, 4
1.3.5.	For each Reference Project, general information	<input type="checkbox"/>	Table 3-1, 5
1.4.	Section Four: Financial Capability	-	§4.5
1.5.	Unrestricted Net Worth	<input type="checkbox"/>	§4.5(a)
1.6.	Ability to raise financing	<input type="checkbox"/>	§4.5(b), Schedule [G] of Appendix D
1.7.	Section Five: Other Criteria and Additional Capability	-	§4.6
1.7.1.	No Disbarment Certification	<input type="checkbox"/>	§4.6(a), Table 3-1
1.7.2.	Proponent certification	<input type="checkbox"/>	§4.6(b)
1.7.3.	Any other information Proponent believes would be useful	<input type="checkbox"/>	§4.6(c)
1.8.	Section Six: Timeline	-	§4.7
1.8.1.	Detailed plan to achieve COD within 24 months	<input type="checkbox"/>	§4.7(i)
1.8.2.	Monthly milestone schedule and development plan description	<input type="checkbox"/>	§4.7(ii)
1.9.	Section Seven: Safety Performance	-	§4.8
1.10.	Demonstrate ability to address and resolve safety issues and knowledge of safety strategies and methodologies	<input type="checkbox"/>	§4.8
1.11.	Copies of OSHA 300 forms for the past 3 years	<input type="checkbox"/>	§4.8
1.12.	Section Eight: Project Development Summary	<input type="checkbox"/>	§4.9, Schedule A of Appendix D
2.	Proposal	-	§2.9, §5, §5.1

2.1.	Proposal Completeness Checklist	<input type="checkbox"/>	§5.1
2.2.	Proposal Data Forms	-	§5.1
2.2.1.	Project Description	<input type="checkbox"/>	§5.1, Schedule A of Appendix D
2.2.2.	Qualitative Assessment	<input type="checkbox"/>	§5.1, Schedule B of Appendix D
2.2.3.	Pricing Proposal	<input type="checkbox"/>	§5.1, Schedule C of Appendix D
2.2.4.	Energy Production Forecast	<input type="checkbox"/>	§5.1, Schedule D of Appendix D
2.2.5.	Guaranteed Performance	<input type="checkbox"/>	§5.1, Schedule E of Appendix D
2.2.6.	Suppliers for Major Plan Equipment	<input type="checkbox"/>	§5.1, Schedule F of Appendix D
2.3.	Ownership / Control of Site	<input type="checkbox"/>	§5.2 (g)
2.4.	10-year O&M Cost Breakdown	<input type="checkbox"/>	§5.2 (h)
2.5.	Business Continuing Plan	<input type="checkbox"/>	§5.2 (i)
2.6.	Legal Proceedings	<input type="checkbox"/>	§5.9 (j)
2.7.	VPP Specific Requirements	<input type="checkbox"/>	§1.9
2.8.	Proposal Evaluation Fee (if required)	<input type="checkbox"/>	§6.5

Appendix D. Proposal Data Forms

(see technology specific file *Appendix D. Proposal Data Forms.xlsx*)

- Schedule A – Project Description
- Schedule B – Qualitative Assessment
- Schedule C – Price Proposal
- Schedule D – Energy Production Forecast
- Schedule E – Guaranteed Performance
- Schedule F – Suppliers for Major Plant Equipment

Appendix E. Form of Non-Disclosure Agreement

This Non-Disclosure Agreement (“**Agreement**”) is made this [●] day of [●] 20[●], by and between [●], a [●], hereinafter referred to as “**Proponent**”, and the Puerto Rico Electric Power Authority, hereinafter referred to as “**PREPA**”, a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act 83 of May 2, 1941, as amended. Proponent and PREPA jointly referred to as the “**Parties**”.

1. In connection with discussions between Proponent and PREPA in the context of the first tranche of the Request For Proposals for Renewable Energy Generation and Energy Storage Systems (“**RFP**”) issued by PREPA and with respect to a potential transaction relating to the [●] project (the “**Transaction**”), each party (as to information disclosed by it, “**Disclosing Party**” intends to furnish the other party (as to information received by it, “**Receiving Party**”) with certain confidential and proprietary information concerning the Transaction. “**Confidential Information**”, as used in this Agreement, shall mean (a) the proposed or final terms of the Transaction, (b) all information that is disclosed in writing or by e-mail or other tangible electronic storage medium and is clearly marked “**Confidential**” or “**Proprietary**”, or (c) all information identified by the Disclosing Party as confidential, initially disclosed orally or visually and at the time of disclosure. All other information shall be deemed non-confidential, in each case subject to paragraph (9) below.
2. The Receiving Party shall, except as required by law, (a) protect the confidentiality of the Disclosing Party’s Confidential Information; (b) use the Confidential Information only for the purposes of evaluating a possible Transaction and the terms thereof; (c) use the same degree of care as with its own confidential information to prevent disclosure of the Confidential Information; and (d) not disclose to persons that the Confidential Information has been made available, that the Receiving Party is considering a possible Transaction, that the Parties have had or are having discussions or negotiations with respect thereto, or the terms and conditions thereof except to its affiliates, advisors, potential financing sources, representatives, key personnel, and any legal, financial, or technical advisors, whose duties justify their need to review and know such material (collectively, “**Representatives**”), to the extent necessary to permit them to assist the Receiving Party in the evaluation of the Transaction.
3. Notwithstanding anything to the contrary in this Agreement, PREPA shall have the right to disclose Confidential Information to: (a) the Financial Management and Oversight Board, the Puerto Rico Energy Bureau, the United States District Court for the District of Puerto Rico, and any governmental authority for the purposes of obtaining the consents and approvals of the Transaction, together with such additional information as may be required to obtain such consents and approvals, (b) the Puerto Rico Public Private Partnerships Authority and any owner or operator, or potential owner or operator, of the transmission and distribution system, and their respective advisors and lenders, and (c) the Puerto Rico Comptroller’s Office through the filings required by applicable law.
4. The Receiving Party shall be responsible at all times for enforcing the confidentiality of

the Confidential Information and shall take any commercially reasonable action, of a legal nature or otherwise, to the extent necessary, to prevent any disclosure of the Confidential Information by any of its Representatives, other than as permitted hereby. To the extent known, the Receiving Party agrees to exercise reasonable efforts to notify the Disclosing Party immediately of the date and circumstances of any loss or unauthorized use or disclosure of the Confidential Information of which it receives notice.

5. Except as otherwise provided herein, the Receiving Party or its Representatives shall not disclose any Confidential Information to any third party whatsoever without the prior written consent of the Disclosing Party and subject to such terms and conditions as may be required by the Disclosing Party, such consent not be unreasonably withheld. If the Disclosing Party issues a written consent for the disclosure of information to a third party in accordance with this paragraph, the Receiving Party shall:
 - a. inform to such third party of the provisions of this Agreement;
 - b. ensure that such third party first undertakes in writing to comply with the provisions of this Agreement, before any disclosure; and
 - c. take all reasonable steps to ensure that such third party complies with the provisions thereof.
6. The Receiving Party shall, at the written request of the Disclosing Party, use commercially reasonable efforts to ensure that the third parties mentioned in the preceding paragraph to whom the Confidential Information is disclosed immediately return any such Confidential Information which is then in existence and provided to that Receiving Party in a written or other permanent form together with any copies thereof.
7. Only those representations and warranties that are made in a final written definitive agreement in connection with a Transaction, when, as and if executed by the Parties (or one or more affiliates thereof), and subject to such limitations and restrictions as may be specified therein, will have any legal effect with respect to the Disclosing Party or its Representatives.
8. Each party acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement. Accordingly, in the event of any such breach, in addition to any other remedies at law or in equity that a party may have, it shall be entitled to equitable relief, including injunctive relief or specific performance, or both (although neither party shall be entitled to any special, consequential, indirect, punitive or exemplary damages as a result of a breach of this Agreement, whether a claim is asserted in contract, tort, or otherwise). No failure or delay on the part of either party in exercising any right, power or remedy hereunder shall be construed as a waiver by either party of any such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
9. This Agreement shall be inoperative as to particular portions of the Confidential

Information disclosed by the Disclosing Party if such information: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party or its Representatives in breach of this Agreement; (b) was available on a non-confidential basis prior to its disclosure to the Receiving Party; (c) is or becomes available to the Receiving Party or its Representatives on a non-confidential basis from a source other than the Disclosing Party when such source is not, to the best of the Receiving Party's knowledge, breaching a confidentiality obligation to the Disclosing Party; or (d) was independently developed by the Receiving Party or its Representatives, without reference to the Confidential Information.

10. The Disclosing Party may elect at any time by notice to the Receiving Party to terminate further access to and such party's review of the Confidential Information. In any such case, or upon the expiration of this Agreement, the Receiving Party will promptly return or destroy all Confidential Information disclosed to it. The Receiving Party may nevertheless maintain a single confidential copy in the office of its general counsel of the Confidential Information as a record of the material provided hereunder (provided that such material shall remain subject to the terms of this Agreement), and the Receiving Party shall not be deemed to have retained or failed to destroy any Confidential Information which is in electronic form if such information is deleted from local hard drives so long as no attempt is made to recover such information from servers or back-up sources.
11. Each party shall retain ownership of all Confidential Information and intellectual property it had prior to commencement of the discussions and RFP process referred to in this Agreement. Nothing in this Agreement shall be deemed to grant a license directly or by implication, estoppel, or otherwise, although the Parties may provide for such a license in an express written agreement.
12. If either party or any of their respective Representatives is requested or required (by interrogatories, subpoena, or similar legal process, binding on the Receiving Party or a binding request of any governmental entity or regulatory agency) to disclose any Confidential Information, such party agrees to provide the Disclosing Party with prompt notice of each such request, to the extent practicable prior to disclosure, so that the Disclosing Party may seek an appropriate protective order or waive compliance by the Receiving Party with the provisions of this Agreement, or both. If, absent the entry of a protective order or receipt of a waiver, the Receiving Party is, in the opinion of its counsel, legally compelled to disclose such Confidential Information or otherwise permitted to disclose such information under this Agreement, the Receiving Party may disclose such Confidential Information to the persons and to the extent required without liability under this Agreement.
13. Notwithstanding any provision of this Agreement to the contrary, the legal obligations of confidentiality hereunder do not extend to the U.S. federal or state tax structure or the U.S. federal or state tax treatment of the Transaction. If any U.S. federal or state tax analyses or materials are provided to any party, such party is free to disclose any such analyses or materials without limitation.

14. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico.
15. This Agreement is not intended to be, nor shall it be construed as constituting an offer by or creating any obligation on either party to enter into any other agreement. No provision herein included shall be interpreted as to create an agency or partnership relationship between the Parties to this Agreement.
16. PREPA reserves the right, in its sole discretion, to reject any and all proposals and nothing in this Agreement prohibits PREPA from negotiating, discussing or entering into any transaction with any third party. Except with respect to this Agreement and the Proposal Security provided in accordance with Section 6.6 of the RFP, no party shall have any obligation of any kind whatsoever with respect to a Transaction or to any matters discussed or negotiated unless and until a formal written definitive agreement with respect thereto has been executed and delivered by each party, and no party shall have any liability to the other party in the event of or as a result of the failure of the Parties to execute such a formal written agreement, except with respect to any breach of this Agreement or a call on the Proposal Security.
17. Neither party shall assign, in whole nor in part, any of its rights or obligations hereunder, except to an affiliate or successor in interest, without the prior written consent of the other party, which consent shall not be unreasonably withheld. The benefits arising under this Agreement shall inure to the benefit of each of the Parties hereto and their respective successors and permitted assigns. The obligations arising under this Agreement shall be enforceable against each of the Parties hereto and its successors and permitted assigns.
18. Unless otherwise specified herein, the rights and obligations of the Parties hereunder shall terminate three (3) years from the date of this Agreement. Notwithstanding anything to the contrary contained herein, if the Parties enter into a substantive written agreement relating to the Transaction that contains confidentiality obligations, the confidentiality provisions in such definitive agreement shall govern the Confidential Information exchanged by the Parties under this Agreement and this Agreement shall have no further force and effect as of the effective date of such substantive agreement.
19. All notices and other communications given under this Agreement shall be given in writing and shall be effective upon receipt by the addressee as provided below, as provided below:

To PREPA: Puerto Rico Electric Power Authority
 [PO Box 364267
 San Juan, Puerto Rico 00936-4267]
 Attention: [_____
 [Chief Executive Officer]

To Proponent: [_____
 [_____
 [_____]

Attention: [_____]

20. This Agreement sets forth the entire agreement and understanding between the Parties hereto as to the subject matter hereof and merges all prior discussions and negotiations between them. This Agreement may not be modified except in writing executed by duly authorized representatives of both Parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

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

[_____]

By:
Title: Authorized Representative

PUERTO RICO ELECTRIC POWER AUTHORITY

By:
Title: Chief Executive Officer

Appendix F. Form of Solar PPOA

[Attached]

Appendix G. Form of Energy Storage Services Agreement

[Attached]

IRREVOCABLE STANDBY LETTER OF CREDIT

[Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: PUERTO RICO ELECTRIC POWER AUTHORITY

Address: [●]

Attn:[●]

Date: [●]

[PREPA-/PROPONENT Name] Power Purchase and Operating Agreement] – Proposal

Security No. [●]

We (as Guarantor) understand that **[insert name of PROPONENT]** (the “*Applicant*”) has submitted a proposal to you, the Beneficiary, dated [●] (as amended, the “*Proposal*”) in the context of the Request For Proposals for Renewable Energy Generation and Energy Storage Systems – Tranche 1 (“**RFP-T1**”) issued by the Beneficiary on [date], which requires a Proposal Security in the form and amount of this irrevocable stand by letter of credit (“*Letter of Credit*”).

At the request of the Applicant, we **[name of Bank]**, hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [●] United States Dollars (USD [●]) in each case upon receipt by us of your first demand in writing at the Place of Presentation listed below in person, by registered or certified mail, by facsimile or by international overnight courier service, substantially in the form attached as Annex A hereto (signed by your authorized representative) (“*Demand*”), without your needing to prove or to show grounds for your Demand or the sum specified therein. Beneficiary has no obligation to make any demand on Applicant first. We shall remit all payment(s) under this Letter of Credit into a bank account of your choice and discretion as specified in your Demand. You may make one or more Demands under this Letter of Credit. Partial drawings are permitted.

Any Demand made by the Beneficiary in accordance herewith shall be conclusive evidence that the sum stated in such Demand is properly due and payable to the Beneficiary under this Letter of Credit. The Guarantor shall have no right and shall not be under any duty or responsibility to enquire into the reason or circumstances of any Demand made by the Beneficiary or the respective rights and/or obligations and/or liabilities of the Beneficiary and the Applicant in respect to the Proposal. Any discrepancy between the explicit terms hereof and the Rules (defined below) shall be read in favor of the terms set forth in this Letter of Credit.

Place of Presentation:

For paper presentation, at *[Bank to insert address of branch where a paper presentation is to be made in]*.

For electronic presentation by [facsimile], at *[Bank to insert facsimile information of branch where facsimile transmission is to be made]*.

The Guarantor shall, within three (3) business days after receipt of any Demand served from time to time by the Beneficiary, pay to the Beneficiary in immediately available funds the lesser of: (a) the amount specified in the Demand; and (b) the then applicable amount remaining on the Letter of Credit. If a Demand made by the Beneficiary hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, then the Guarantor shall give the Beneficiary, within two (2) business days after receipt of such Demand, notice that such Demand was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reason therefore. Upon being notified that a Demand was not made in conformity with this Letter of Credit, the Beneficiary may attempt to correct such non-conforming Demand. The obligations of the Guarantor under this Letter of Credit are primary and not by way of surety or guarantee. The Guarantor shall not be entitled as against the Beneficiary to make any withholding or deduction on account of any set-off or counterclaim whatsoever and howsoever arising.

The Guarantor will promptly notify the Beneficiary of any notice received or action filed alleging the insolvency or bankruptcy of the Guarantor or alleging any violations of regulatory requirements which could result in suspension or revocation of the Guarantor's charter or license to do business. In the event the Guarantor is unable to fulfil its obligations under this Letter of Credit for any reason, the Guarantor shall provide notice thereof immediately to the Beneficiary.

[This Letter of Credit shall enter into force and effect upon expiry of Proposal Security No. [●], dated [●] and issued by [●].] [NTD: *Insert this language if this is a replacement Letter of Credit.*]

This Letter of Credit shall expire on [date] but such expiration date shall be automatically extended for a period of one (1) year on [one year anniversary of prior date] ("**Expiry Date**"), and on each successive expiration date thereafter, unless at least on hundred and twenty (120) calendar days before the then current Expiry Date we notify both Beneficiary and Applicant, by certified mail, at their respective addresses set forth above, that we have decided not to extend this Letter of Credit beyond the then current Expiry Date. In the event Beneficiary is so notified by us pursuant to the immediately preceding sentence, any unused portion of this Letter of Credit shall be immediately available for payment to Beneficiary upon Beneficiary's presentment of a drawing certificate duly signed in substantially the form of Annex A attached hereto appropriately completed. In no event shall the Expiry Date of this Letter of Credit be subject to automatic extension beyond sixty (60) calendar days after the Bid Expiration Date, and any pending automatic one-year extension shall be ineffective beyond such date. The Expiry Date does not affect any liability of Guarantor to make payment of any demand received prior to the Expiry Date.

The Beneficiary may assign and transfer its rights under this Letter of Credit to its lenders pursuant to its financing agreements or to any permitted assignee by presentation to the Guarantor (at the above-stated Place for Presentation) of a demand for transfer, substantially in the form of Annex B attached hereto, appropriately completed. The Guarantor shall have no obligation to make any kind of payment to any assignee and/or transferee unless the Beneficiary has notified the Guarantor in writing of such assignment and/or transfer. For the avoidance of doubt, the Guarantor hereunder shall have no obligation to make any kind of payment to any other party, transferee and/or assignee if such payment is prohibited or blocked under any U.S. executive order, law or any rule or regulation of the office of foreign assets control of the U.S. treasury department or the

U.S. commerce department, and any attempted transfer which violates this provision shall be null and void. The Guarantor may not assign, charge or transfer this Letter of Credit.

This Letter of Credit is subject to (i) the Uniform Rules for Demand Guarantees, ICC Publication No. 758 (the “**Rules**”), provided that no documentation other than that specified in this Letter of Credit is required for the Beneficiary to receive payment under this Letter of Credit, and the supporting statement under Article 15(a) of the Rules is specifically excluded, as is the application of Articles 21b, 21c, 23 and 33 of the Rules, and (ii) to the extent not inconsistent therewith, the laws of [***jurisdiction of the Qualified Bank***]. In the event of a conflict between the terms of this Letter of Credit and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this Letter of Credit shall prevail.

The courts of the [***United States federal courts in the Commonwealth of Puerto Rico***] shall have exclusive jurisdiction in respect of all disputes arising out of this Letter of Credit (including, without limitation, the enforceability of this Letter of Credit).

By:
Authorized Signatory

ANNEX A - FORM OF DRAWING CERTIFICATE

[Letterhead of Beneficiary]

[Name of Guarantor]

Date: [●]

RFP-T1 – Proposal Security No. [●]

We refer to the above-captioned irrevocable standby letter of credit (the “*Letter of Credit*”). Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them in this Letter of Credit or the RFP-T1. We hereby inform you that:

1. The Proponent withdrew (or carried out an act or omission that evidenced its intent to withdraw) any part, or all, of its proposal prior to the Bid Expiration Date;
2. PREPA determines, in its sole discretion, that the proposal submitted by the Proponent contains a false statement or material misrepresentation;
3. In the event that PREPA selects the proposal of such Proponent for Phase III, such Proponent fails to execute a Contract with PREPA in respect of such proposal within thirty (30) days from the date of such selection for any reason whatsoever;
4. A Proponent, which has executed a Contract with PREPA, breaches its obligation to satisfy conditions precedent thereunder;
5. The RFP-T1 or an executed Contract provide that the Beneficiary may draw on the Guarantee, entitling us to call upon the Guarantee;
6. you no longer meet the requirements of a Qualified Bank (as defined below) and twenty-one (21) calendar days or more have elapsed since the date on which you no longer met such requirements, and the Applicant has not delivered to Beneficiary a replacement guarantee that is substantially identical to the Letter of Credit, meeting the requirements of the Agreement. “Qualified Bank” means, for any Letter of Credit, a commercial bank or other financial institution licensed to do business within Puerto Rico, which has, as of the date of issuance or renewal of such guarantee, a long-term counterparty credit rating of at least “A” by Standard & Poor’s Ratings Services, a long-term foreign currency deposit rating of “A2” by Moody’s Investors Services Inc., or, if either such rating agency ceases to engage in business or rate the obligations in question, an equivalent rating from another internationally recognized rating agency selected by Applicant with the written consent of PREPA; 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; or
7. twenty-one (21) or less calendar days remain before the current Expiry Date, the Applicant’s obligation to maintain the Letter of Credit under the Proposal extends beyond such Expiry Date, and the Applicant has not delivered to Beneficiary a replacement Letter of Credit substantially identical to the Letter of Credit and meeting the requirements of the Agreement.

This letter serves as our demand for payment under the Letter of Credit. We request that you immediately pay the sum of [●] into the bank account below:

Account Name: [●]

Account Number: [●]

Bank Name: [●]

Bank Address: [●]

Swift Code: [●]

Yours very truly,

[The Puerto Rico Electric Power Authority]

By:
Authorized Signatory

ANNEX B - FORM OF TRANSFER

[Letterhead of Beneficiary]

[Name of Guarantor]

Date: [●]

***[Insert Work Description]* – Proposal Security No. [●]**

Gentlemen:

The undersigned Beneficiary hereby irrevocably transfers to:

Name of Transferee

Address

All rights of the undersigned Beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as Beneficiary thereof, including all drawing rights, all rights to transfer the Letter of Credit and sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be directed to the transferee without necessity of any consent of or notice to the undersigned Beneficiary.

The original of such Letter of Credit along with all amendments, if any, is returned herewith, and we ask you to endorse the transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

Sincerely,

Name of Beneficiary

Authorized Name & Title

Authorized Signature

Telephone Number

Accepted and Agreed:
Name & Address of Bank _____

Authorized Name & Title

Authorized Signature _____

Telephone No. _____

This Form Must Be Executed in Duplicate.

Appendix I. Minimum Technical Requirements (MTR)

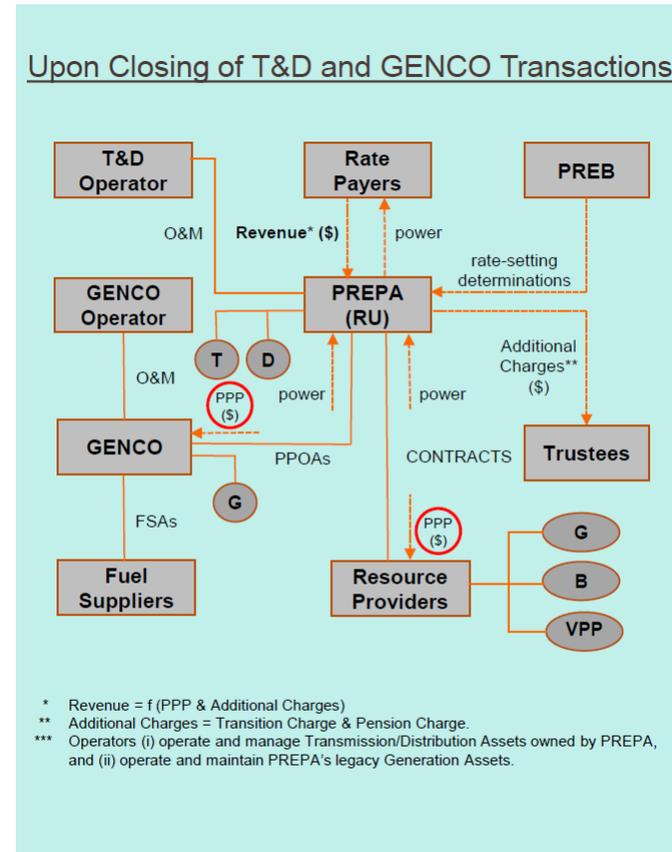
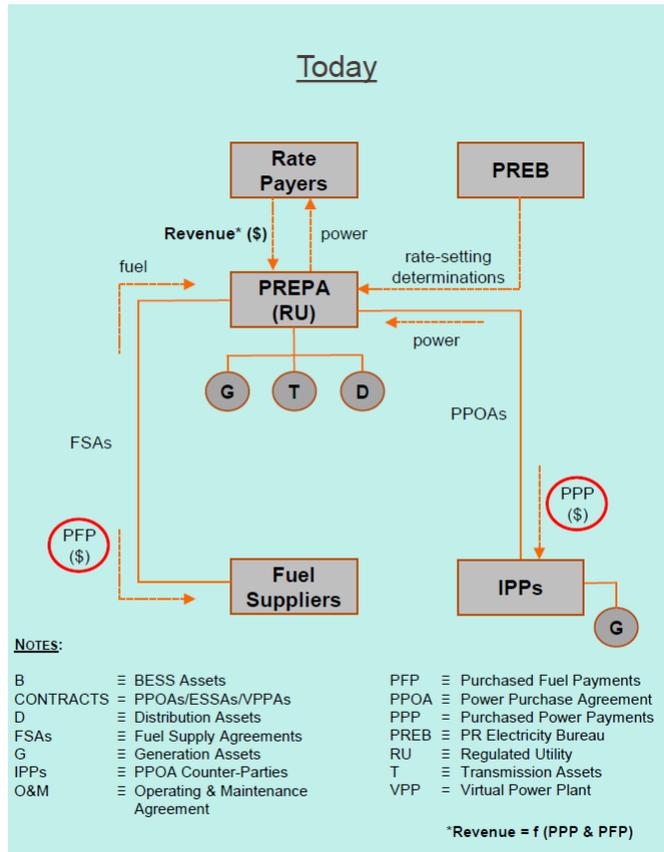
[Attached]

Appendix J. Interconnection Data Request Forms

[Attached]

[REDACTED]

Appendix L. Puerto Rico Electricity Sector Transformation



Appendix M. PowerAdvocate® Guide

[Attached]