



## GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority  
Governing Board

### RESOLUTION 4798 APPROVAL OF AMENDED & RESTATED NON-OPERATING RENEWABLE ENERGY PPOAs

- WHEREAS: The Puerto Rico Electric Power Authority ("**PREPA**") is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended ("**Act No. 83**"). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental, and economic impacts. In addition, it provides a service based on affordable, fair, reasonable, and non-discriminatory cost that is consistent with environmental protection, non-profit, focused on citizen participation, and its clients.
- WHEREAS: Act No. 83 authorizes PREPA, in the management of its purposes, to grant contracts and formalize all the instruments that are necessary or convenient in the exercise of any of its powers.
- WHEREAS: On July 2, 2017, PREPA commenced proceedings under Title III of the Puerto Rico Oversight, Management and Economic Stability Act ("**PROMESA**") before the United States District Court for the District of Puerto Rico (the "**PROMESA Court**"), which is being administered under Case No. 17-4780 (LTS).
- WHEREAS: Under Title III of the PROMESA Act, subject to the court's approval, PREPA may assume or reject any executory contract, such as a Power Purchase and Operating Agreement (PPOA), and may further modify, renegotiate or otherwise resolve these PPOAs if such action is for the benefit of PREPA and the people of Puerto Rico.
- WHEREAS: Act 82-2010, titled "Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act", as amended, creates a Renewable Energy Portfolio to establish short, mid, and long term compulsory compliance goals in matters of energy production by means of sustainable or alternative renewable energy.



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WHEREAS: Act 17-2019, titled “Puerto Rico Energy Public Policy Act,” requires 40% of the production of energy in Puerto Rico, to be based on renewable sources by the year 2025.

WHEREAS: In order to achieve this objective, PREPA’s Management carried out direct negotiations with nineteen (19) counterparties to existing PPOAs relating to non-operating solar projects (the “**Non-Operating PPOAs**”), beginning in early 2019, to amend their agreements in an effort to (i) restart development of their projects, which management believes may be able to reach commercial operation more quickly than newer projects, and (ii) achieve more beneficial terms for PREPA and Puerto Rico, given that the prices under the Non-Operating PPOAs were above current market prices, as determined by the Governing Board.

WHEREAS: Through the foregoing negotiations, and pursuant to the recommendations of PREPA’s Governing Board via Resolution 4749, PREPA reached agreements with sixteen (16) of the nineteen (19) counterparties to the Non-Operating PPOAs (as identified in Part I of Annex A), on amended and restated versions of their PPOAs (the “**A&R PPOAs**”) during the first half of 2020, on the terms set forth in the memo relating to non-operating projects from Mr. Fernando Padilla to the Chief Executive Officer, dated May 26, 2020, while technical consultants analyzed and prepared for the integration of such projects into the grid system.

WHEREAS: PREPA was unable to reach agreement on the remaining three (3) Non-Operating PPOAs (as identified in Part II of Annex A), and the pricing under these PPOAs remains materially above what the Governing Board has identified as current market prices.

THEREFORE: In accordance with Act 83, PREPA’s Governing Board resolves to approve and authorize:

1. the submission of the A&R PPOAs to the Financial Oversight and Management Board, the Puerto Rico Energy Bureau and the Puerto Rico Public Private Partnerships Authority for approval;
2. following such approval, the finalization and execution of the A&R PPOAs and submission of each such A&R PPOA to the Title III Court for assumption;
3. execution of such ancillary documentation and carrying out of such other steps as reasonably necessary to effect the foregoing; and,

4. rejection of the three (3) Non-Operating PPOAs on which PREPA did not reach agreement (as identified in Part II of Annex A).

Approved in San Juan, Puerto Rico, on the twenty-eighth day of May, two thousand twenty.



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Eduardo Arosemena-Muñoz  
Secretary of the Board