



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4815 PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY MANAGEMENT FEE

- WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by Act 83 of May 2, 1941, as amended (Act 83). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental and economic impacts. In addition, PREPA 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 83 authorizes PREPA to grant contracts and formalize all the instruments that are necessary or convenient in the exercise of any of its powers.
- WHEREAS: The "Puerto Rico Electric Power System Transformation Act", Act 120-2018, set forth the process whereby the electric power system shall be transformed into one that is modern, sustainable, reliable, efficient, cost-effective, and resilient to the ravages of nature.
- WHEREAS: Act 120-2018 also provides for the applicability of Act 29-2009, as amended, known as the "Public-Private Partnership Act", and empowers the Public-Private Partnerships Authority (PPPA) to begin the process related to informal negotiations, market analysis, requests for information, expressions of interest, and any other method to collect information on market participants for PREPA Transactions, as defined by Acts 29-2009 and 120-2018.
- WHEREAS: Act 120-2018 designates the PPPA as the only governmental agency authorized and responsible for: implementing the public policy in PREPA's Transactions; determine PREPA's functions, services and facilities for which partnerships will be established, and determine which PREPA assets will be transferred through a sales contract.



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WHEREAS: Article 6 of Act 29-2009 empowers the PPPA to charge for the services it renders to PREPA as part of the processes to carry out PREPA's Transactions. The PPPA established a management fee of \$9.5 million (Management Fee) as a contribution from PREPA, to cover the costs of the processes for PREPA's Transactions during Fiscal Year 2020-2021, which is equal to the fee established for the previous Fiscal Year.

WHEREAS: Through an Interagency Assistance and Collaboration Agreement (Interagency Agreement), PREPA will pay PPPA a monthly fee of \$791,666.66, until satisfying the entire yearly Management Fee of \$9,500,000.

WHEREAS: On June 12, 2020, PREPA's Chief Financial Officer, Mr. Nelson Morales-Rivera, certified the availability of funds for this Agreement.

THEREFORE: In accordance with the provisions of Acts 29-2009 and 120-2018, the Governing Board resolves to:

1. Approve the Public-Private Partnerships Authority Management Fee of \$9,500,000, for Fiscal Year 2020-2021.
2. Authorize PREPA's Chief Executive Officer to sign an Interagency Assistance and Collaboration Agreement with the Public-Private Partnerships Authority, for the payment of the Management Fee.

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



Eduardo Arosemena-Muñoz
Secretary of the Board