



**GOVERNMENT OF PUERTO RICO**  
**Puerto Rico Public-Private Partnerships Authority**

**CERTIFICATE AS TO RESOLUTION**

I, **MARÍA DEL C. GORDILLO-PÉREZ**, Secretary of the Board of Directors of the Puerto Rico Public-Private Partnerships Authority ("Authority"), **DO HEREBY CERTIFY** that attached hereto is a true, correct and complete copy of **Resolution 2020-24** which was duly adopted by the Board of Directors of this Authority at a meeting duly called and held on June 22, 2020, at which a quorum was present and acting throughout. Said Resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect.

**RESOLUTION 2020-24**

**TO APPROVE THE PUERTO RICO TRANSMISSION AND DISTRIBUTION SYSTEM OPERATION AND MAINTENANCE AGREEMENT AND THE PARTNERSHIP COMMITTEE REPORT THAT RECOMMENDS THE AGREEMENT BE AWARDED TO LUMA ENERGY, LLC**

**WHEREAS**, pursuant to the Public-Private Partnership Act, Act No. 29-2009, as amended ("Act 29"), the Puerto Rico Public-Private Partnerships Authority ("Authority") is the entity in charge of implementing the governmental public policy that seeks to promote the establishment of public-private partnerships;

**WHEREAS**, pursuant to the enactment of the Puerto Rico Electric System Transformation Act, Act No. 120-2018 ("Act 120"), the Authority is designated as the government entity authorized to and responsible for, among others, implementing the public policy related to the sale, disposition and/or transfer of operations, functions and services of the Puerto Rico Electric Power Authority ("PREPA Transactions");

**WHEREAS**, on October 22, 2018, the Board of Directors of the Authority (the "BOD") through Resolution 2018-71, in accordance with the provision of Act 29 and Act 120, designated the corresponding PREPA's Transmission and Distribution System Partnership Committee (the "Partnership Committee"), as follows:

- The Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority, or his/her delegate.
- The Executive Director of the Puerto Rico Electric Power Authority ("PREPA"), the Partnering Government Entity, or his/her delegate.
- Ralph A. Kreil Rivera, as a Member of the Board of Directors of PREPA, the Partnering Government Entity, or his/her delegate.
- Edison Avilés, chosen by the Authority for his knowledge and experience in the kind of project covered by the public private partnership under consideration.

- Jorge Morales, chosen by the Authority for his knowledge and experience in the kind of project covered by the public private partnership under consideration.

**WHEREAS**, on September 9, 2019, the BOD through Resolution 2019-51, modified the composition of the Partnership Committee to replace the designation of Jorge Morales, as a member chosen by the Authority for his knowledge and experience, with Ottmar J. Chávez and amend the Resolution 2018-71;

**WHEREAS**, Act 29 designates and authorizes the Partnership Committee to approve the documents as required by the procedures for qualification, the request for proposals, the evaluation and selection for the Partnership; to evaluate potential contractors and pre-qualify those most suitable to participate as Proponents; to evaluate the proposals submitted and select that which is best in each case, pursuant to the procedures provided in Act 29; to engage in or supervise the negotiation of the terms and conditions of the Partnership Contract and to prepare a report on the entire procedure leading to the establishment of a Partnership (the "Partnership Committee Report"), among others functions;

**WHEREAS**, Act 29 establishes that once the negotiations are completed, the Partnership Committee must prepare a Partnership Report that must include the details of the process of pre-qualification of suitable Proponents, of the requests for proposals, and of the selection of the proposal and the chosen Proponent; the reasons for which a particular Proponent was chosen; and a summary of the most important aspects of the Partnership Contract;

**WHEREAS**, Act 29 establishes that the Partnership Committee shall present the Partnership Committee Report for the approval of the Board of Directors of the Authority and the Board of Directors of the Partnering Government Entity no later than thirty (30) days after completion of the negotiation of the Partnership Contract;

**WHEREAS**, Act 120 establishes that the Partnership Committee shall present to the Puerto Rico Energy Bureau (the "Energy Bureau") the Partnership Committee Report and the proposed Preliminary Contract for approval prior to submitting the same to the Board of Directors of the Authority and the Board of Directors of the Partnering Government Entity. The Energy Bureau will evaluate the Partnership Committee Report and the Preliminary Contract to determine that such documents comply with the energy public policy and the regulatory framework, and if so, it will issue an Energy Compliance Certificate;

**WHEREAS**, Act 29 establishes that the Board of Directors of the Authority and the Board of Directors of the Partnering Government Entity, must approve the Partnership Committee Report and the Partnership Contract through a resolution. Such resolution shall contain their agreement to or rejection of what the Partnership Committee has presented and recommended, together with the grounds for such determination;

**WHEREAS**, since their constitution, the Partnership Committee, with the collaboration of the Authority, has carried out its functions, keeping the Board of Directors of the Authority informed about the procurement process carried out for the establishment of the PREPA's Transmission and Distribution System Public Private Partnership;

**WHEREAS**, in an ordinary meeting held on May 15, 2020, the Partnership Committee approved the Partnership Committee Report that recommends the selection of LUMA Energy, LLC as the Proponent

to be awarded the PREPA's Transmission and Distribution System Operation and Maintenance Agreement (the "T&D O&M Agreement") because the proposal submitted by LUMA Energy, LLC (i) reflects the more thorough, detailed, and tailored approach to each of the technical, operational and financial, and legal components of the RFP, (ii) presents the better path forward to achieving the Government's objective of transforming PREPA's aged and inefficient T&D System into one that is safe, customer-centric, affordable, reliable, resilient, and sustainable, and (iii) is the better option for the people of Puerto Rico;

**WHEREAS**, the BOD has received and evaluated the Partnership Committee Report and the terms and conditions of the T&D O&M Agreement, as submitted by the Partnership Committee.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Puerto Rico Public Private Partnership Authority, to approve the Transmission and Distribution System Operation and Maintenance Agreement and the Partnership Committee Report that recommends that the Transmission and Distribution System Operation and Maintenance Agreement be awarded to LUMA Energy, LLC.

**BE IT ALSO RESOLVED**, to authorize the Executive Director of the Authority to execute all necessary actions deemed necessary to give effect to this Resolution, and any action hereby ratified and authorized.

This Resolution shall be effective immediately upon its approval.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the Puerto Rico Public-Private Partnerships Authority, this 22<sup>nd</sup> day of June, 2020.

  
MARÍA DEL C. GORDILLO-PÉREZ  
SECRETARY

(SEAL)