



Is Puerto Rico's Energy Future Rigged?

Examining the New \$1.5 Billion Fortress-PREPA Deal

Executive Summary

This report raises serious legal and policy questions regarding the award of a contract by the Puerto Rico Electric Power Authority (PREPA) to New Fortress Energy (NFE) for the conversion to natural gas and fuel deliveries to San Juan power generation stations 5 and 6.

The \$1.5 Billion contract ¹marks PREPA's first major generation project since Hurricane Maria devastated the island in September 2017. The Institute for Energy Economics and Financial Analysis (IEEFA) and CAMBIO's review of documents obtained through litigation with PREPA, PREPA's bankruptcy filings and public documents provide the facts that compel an answer to the question: Did PREPA grant an unfair advantage to NFE in the award of this contract? The facts we have gathered are clear—there was an unfair advantage—but it will be up to oversight authorities with greater authority to more thoroughly render a final judgment.



- PREPA and its financial advisor, Filsinger Energy Partners (FEP), met repeatedly with New Fortress Energy representatives in early 2018 to discuss the project prior to PREPA issuing a Request for Proposals. PREPA and its advisors received an unsolicited proposal from NFE in late 2017/early 2018, reviewed it, met with NFE, received a revised proposal and drafted the RFP in April 2018.
- FEP representatives continued to meet with NFE during the drafting period of the RFP and to review matters related to NFE's environmental assessment required to move the project forward. FEP took the lead role in preparing PREPA's response to NFE's formal environmental assessment.

¹ PREPA – New Fortress Fuel Sale and Purchase Agreement, March 5, 2019.

- During this period, PREPA and NFE entered into a confidentiality agreement that provided NFE with specialized knowledge of the project. In May 2018, PREPA staff learned of the plans to competitively bid the proposal. The head of PREPA's Engineering and Technical Services Division expressed concerns about NFE's advantaged position.
- During the RFP process, PREPA didn't tell prospective bidders that NFE held valuable leases on strategically important property. Similarly, PREPA did not inform other bidders of NFE's long-standing communications with PREPA.
- PREPA's Evaluation Committee for the proposals included individuals from FEP who had been in regular contact with NFE representatives; who had reviewed NFE's original unsolicited proposal; and who had assisted with preparing its environmental permitting documents.
- PREPA used an outside counsel to negotiate the contract. That firm also represented entities of NFE's parent company, Fortress Investment Group. It is unclear if any conflict of interest issues were reviewed by PREPA and its own counsel.

PREPA's non-compliance with its own RFP process guidelines—as well as NFE's continued access to the authority's consultants, officials and information—provided NFE an unfair advantage to the detriment of PREPA, other bidders and the public interest.

The final contract, signed in March 2019, has experienced considerable delays in implementation. Its financing provisions raised objections from one of Puerto Rico's Energy Bureau commissioners. The federal Financial Oversight and Management Board approved the project even though purported budget savings from the new investment had been substantially overstated by PREPA and NFE, and no provisions in the contract required NFE to meet actual savings targets despite PREPA's dire budgetary straits.

This report places the NFE contract against PREPA's historic pattern of mismanagement and lack of accountability.^{2 3} PREPA is currently engaged in a major "transformation" plan that will rely heavily on private contracting, and it was recently announced that NFE is on the short list for another lucrative PREPA contract.⁴ The NFE contract for the San Juan project appears to repeat many of the

² Puerto Rico Comptroller's Office. Reports on the Puerto Rico Electric Power Authority, CP02-06 November 9, 2001, CP01-26 June 22, 2001, CP02-26 May 13, 2002, CP03-11 December 17, 2002, CP03-22 April 15, 2003, CP-4-09 November 3, 2003, CP04-27 May 31, 2004, CP05-31 June 23, 2005, CP 06-02 August 11, 2005, CP 06-31 June 5, 2006, CP08-18 April 8, 2008, CP08-26 May 8, 2008, CP09-21 March 10, 2009, CP 09-30 May 7, 2009, CP-10-02 August 4, 2009, CP10-11 December 3, 2009, CP-10-23 March 23, 2010, CP11-10 June 2, 2011, CP12-11 February 6, 2012, CP-13-02 July 12, 2012, CP17-13 June 17, 2017, CP19-01 July 27, 2018. See <https://www.ocpr.gov.pr/>

³ See footnotes 7, 8, 9, 10, 11.

⁴ News Is My Business. [New Fortress Energy short-listed for PREPA temporary power generation bid.](#) May 7, 2020.

same offenses that has brought the agency and Puerto Rico to its current state of insolvency.⁵

PREPA's organizational structure requires a complete overhaul, including a new way to appoint executive directors who are free from political interference.

IEEFA and CAMBIO recommend three immediate steps:

- Cancellation of the NFE contract and new procurement to include distributed rooftop solar and storage as a generation option. This is PREPA's first major generation project. It cannot be allowed to repeat past patterns of mismanagement. PREPA's contracting must also be realigned with its renewable energy and sustainability goals.
- Immediate review by an official task force comprised of federal and state law enforcement and regulatory agencies such as U.S. Attorney's Office, Puerto Rico Department of Justice, U.S. Securities and Exchange Commission, U.S. Bankruptcy Court and Puerto Rico Comptroller's Office. The task force should include independent and reputable Puerto Rico and US legal and criminal experts to ensure transparency and trust.
- The creation of an Independent Private Sector Inspector General (IPSIG) for PREPA. The IPSIG can work with management to install effective, efficient management practices that root out waste, fraud and corruption.⁶ This is particularly critical as PREPA has announced imminent plans to move forward with billions of dollars of energy transformation initiatives.⁷

⁵ A report commissioned by the Financial Oversight and Management Board ("Kobre and Kim") concluded that the Commonwealth, including PREPA's, condition was a financial and humanitarian catastrophe. The report then used 600 pages to document the level and type of abuse that brought the Commonwealth and PREPA to insolvency. The discussion on PREPA starts on page 111. The Kobre and Kim report identifies serious deficiencies in PREPA's debt practices. It also documents in detail a high degree of political hiring's in the agency. (Kobre and Kim. [The Independent investigator's Final Investigative Report](#). August 20, 2018.) Other critical studies from outside observers are used in this report that reflects on PREPA's non-debt issues. For additional information and data on PREPA see: IEEFA.org.

⁶ IEEFA. [Letter to the Legislative Assembly Regarding Restructuring Agreement for PREPA](#). October 29, 2019.

⁷ El Vocero. [Cerca acuerdo entre AEE y FEMA](#). May 22, 2020.

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Introduction

For the past several years, the Puerto Rico government, the Financial Oversight and Management Board for Puerto Rico (FOMB), and the management of the Puerto Rico Electric Power Authority (PREPA) have championed the “transformation” of Puerto Rico’s electrical system—a process that includes privatizing PREPA, transitioning the generation system away from oil towards natural gas, and restructuring PREPA’s debt.

As this report demonstrates, the process of “transforming” PREPA appears to be conducted according to PREPA’s longstanding business practices that have been criticized by independent reviewers as politically driven,^{8 9} tainted by consultant conflicts of interest,¹⁰ lacking competitive bidding,¹¹ lacking

**The process of
“transforming” PREPA
has been criticized by
independent reviewers
as politically driven.**

⁸ Kobre and Kim. [The Independent investigator’s Final Investigative Report](#). August 20, 2018. The report states that between 150 and 300 PREPA employees are political appointees (see page 117). “With regard to PREPA, the sheer number of governor-appointed *empleados de confianza* predisposed PREPA to massive turnover, loss of institutional knowledge, and decision-making that was unresponsive to market forces. During the Relevant Period, six of PREPA’s nine Board members turned over every time a new governor took office. Significantly, those officials had exclusive authority within PREPA to approve or reject all of PREPA’s borrowing and rate setting. They also were responsible for selecting PREPA’s Executive Director. In addition, at PREPA, and unlike at many other Puerto Rico-Related Entities, the governor appointed *empleados de confianza* to not only high-level positions, but also to many operational and technical positions. Further, we uncovered evidence that just before administrations changed, some *empleados de confianza* would switch to career positions, from which they could not be terminated without cause, and where they would remain employed, often with very light or undefined responsibilities, until their political party came back into power. Officials who had shifted out of authority were insufficiently consulted by their successors to transfer institutional knowledge and to justify their continued employment. The prevalence of political appointees within PREPA at all levels meant that, with each new political administration, hundreds of employees turned over at PREPA. The turnover resulted in a lack of institutional memory among PREPA’s upper ranks. The cycling in and out of *empleados de confianza* and career positions resulted in institutional waste.”

⁹ New York Times. [Puerto Rico Cancels Whitefish Contracts](#). October 29, 2017.

¹⁰ Puerto Rico Commission for the Comprehensive Audit of the Public Credit, [Pre Audit Survey](#), = October 2016, p. 2, Subsection 2.

¹¹ Puerto Rico Energy Commission. [Restructuring Order](#), June 21, 2016, pp. 66-68 discusses lack of competitive bidding, high prices and conflicts of interest of PREPA consultants. Also: IEEFA. [Multibillion Dollar Oil Scandal goes unaddressed in PREPA Contract Reform and Privatization](#), July 2018.

public disclosures, lacking transparent budgeting and without timely and credible annual financial reports.^{12 13}

The process of privatizing PREPA is being undertaken on a piecemeal, project-by-project basis, disregarding comprehensive and objective planning. And the process appears to be driven by private financial and energy interests, not the best interests of the people of Puerto Rico. Our conclusions are drawn from documents produced through litigation by IEEFA and CAMBIO, public records request to PREPA and other public documents.¹⁴

The process appears to be driven by private financial and energy interests, not the best interests of the people of Puerto Rico.

In particular, a review of the information available about the conversion of the San Juan power plant to natural gas—the first major natural gas project since Hurricane Maria—raises serious issues. The facts we have gathered are clear—there was an unfair advantage—but it will be up to oversight authorities with greater authority to more thoroughly render a final judgment. Investigators need to target their efforts to answer the questions:

- Was New Fortress Energy given an unfair advantage by PREPA and its agents? This report shows numerous meetings between PREPA, its agents and NFE—before and during the RFP drafting process that give the appearance of an unfair advantage for New Fortress Energy.
- Did PREPA fail to disclose critical information in bid documents and during the bid process regarding New Fortress Energy’s advantaged position? PREPA failed to disclose that NFE had provided PREPA with an unsolicited proposal before January 2018. PREPA did not disclose to bidders that NFE had site control over dock space in San Juan Harbor, an essential strategic business fact.

The report also raises further questions regarding:

- the apparent violation of PREPA’s own protocols for handling unsolicited proposals;

¹² IEEFA. [The Puerto Rico Electric Power Authority’s Flawed Fiscal Plan](#). May 2018.

¹³ Grijalva, Rep. Raul M. [Letter to Puerto Rico Financial Oversight and Management Board](#). Aug. 2, 2019. Note: PREPA’s last publicly released annual financial statement was for FY 2016 and it is the subject of an investigation. No further published annual financial statements for FY 2017, FY 2018 and FY 2019 are contained on [PREPA’s website](#). See Annual Reports, Last visited May 20, 2020.

¹⁴ Estado Libre Asociado De Puerto Rico Tribunal De Primera Instancia, [Cambio Puerto Rico y otros v. Autoridad de Energía Eléctrica y otros](#), Case Number SJ2019CV04901 CAMBIO is a not-for-profit organization located in San Juan that promotes sustainable and responsible actions for Puerto Rico.

- whether its RFP Evaluation Committee was fair;
- whether PREPA's legal consultant, King and Spalding, had a conflict of interest;
- whether the pricing structure of the NFE contract repeats many fiscal abuses that contributed to PREPA's bankruptcy;
- whether approvals by critical oversight authorities were appropriate; and
- whether PREPA or NFE are accountable to create savings for PREPA and its ratepayers through this transaction.

On May 22, 2020, the government of Puerto Rico announced the completion of the project, many months behind schedule.¹⁵

In this report, we first provide a brief explanation of the legal framework for the transformation and privatization of PREPA. We examine the San Juan conversion project and how the contracting process was apparently skewed in favor of New Fortress Energy. We then take a broader look at the process of privatizing PREPA to illustrate a pattern of lack of transparency, lack of cost-benefit analysis and a lack of competitively bid contracts. We conclude by suggesting an alternative path that would be needed to result in a true transformation of Puerto Rico's electrical system, as opposed to the continuation of the same practices that have contributed to driving the system into its current state of physical and financial ruin.

The contracting process was apparently skewed in favor of New Fortress Energy.

Background: Legal Framework for the Transformation of PREPA

The transformation of Puerto Rico's electrical system since Hurricane Maria has been governed by a combination of new laws and existing regulations. The conversion of units 5 and 6 of the San Juan power plant to natural gas was carried out according to PREPA's 2016 "Guidelines for the Process of Acquiring Goods and Services through Requests for Proposals." This regulation details PREPA's process for issuing Request for Proposals, evaluating responses and negotiating contracts. It outlines the process for handling unsolicited proposals received by PREPA. The guidelines also specify that all information related to bidding, contractor selection

¹⁵ NotiCel. [Nuevo muelle de gas natural traerá ahorro de hasta \\$12 en la factura mensual de luz](#). May 22, 2020.

and negotiation (other than trade secrets and proprietary information of bidders) be made public after the final signing of a contract.¹⁶

In June 2018, the Puerto Rico Legislature passed Act 120-2018 to create the legal framework for the privatization of PREPA. Law 120 establishes a process for a series of contracts through which PREPA's electrical transmission and distribution system will be leased to a private third party via long-term concession; PREPA's existing power plants will be sold or retired; electricity will be purchased from private interests via long-term contracts; and other aspects of PREPA's operations (customer service, for example) can be outsourced. These projects are to be handled through Puerto Rico's pre-existing Public-Private Partnerships (P3) Authority. The territory's energy regulator, the Puerto Rico Energy Bureau, was almost entirely written out of the process, given only an up-or-down vote on the final negotiated contract. Privatization transactions are also exempted from PREPA's long-term integrated resource planning process, with the consent of the Energy Bureau.

In April 2019, the legislature passed Act 17-2019, the "Puerto Rico Energy Public Policy Act," to provide a broader vision for the long-term transformation of the electrical system. The 2019 Act established the policy objective of promoting "transparency and citizen participation in all processes related to electric service in Puerto Rico."¹⁷

Conversion of San Juan Units 5 and 6 to Natural Gas

The San Juan 5 and 6 Generation Project is PREPA's first major post-hurricane generation initiative. The San Juan power station is an 840 MW plant, of which 440 MW are produced by two combined-cycle units, 5 and 6. Historically, the units have run on diesel fuel. The plant is one of two in the San Juan metropolitan area. More than 70% of Puerto Rico's power is produced on the southern shore of the island,¹⁸ a vulnerability that was exposed during Hurricane Maria when long-distance, south-to-north transmission lines bringing power to the San Juan metropolitan area were knocked out by the storm.¹⁹

There has long been interest at PREPA in bringing natural gas to substitute for diesel at San Juan.

There has long been interest at PREPA in bringing natural gas to substitute for diesel at San Juan. A previous effort, the Via Verde natural gas pipeline, was

¹⁶ Section 9.3 of PREPA, *Guía para procesos de adquisiciones de bienes y servicios a través de solicitud de propuestas*, 2016.

¹⁷ Puerto Rico Energy Public Policy Act. [Article 17-2019](#), Article 1.5.10(c).

¹⁸ PREPA, *Integrated Resource Plan*, June 7, 2019, page 4-1.

¹⁹ PREPA, *Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6*, July 30, 2018, p. 7.

abandoned in 2012 in the face of popular opposition. In 2014, PREPA and the P3 Authority hired Galway Energy Advisors to “identify and assess the feasibility of various options to deliver natural gas to its two power plants in the San Juan metropolitan area without relying on a cross-island natural gas transmission pipeline.”²⁰ No action seems to have been taken by PREPA or the P3 Authority after it received the report in June 2015.

From January through September 2018, PREPA worked with New Fortress Energy and PREPA’s advisors to secure a stable method of delivering natural gas to the San Juan site. This process resulted in the issuance of a Request for Proposals for the conversion of units 5 and 6 of the San Juan power plant and a contract award to NFE (subject to PREPA’s guidelines, not the P3 process outlined in Act 120-2018).

NFE Submits Unsolicited Proposal and Filsinger and PREPA Meet With NFE to Review Proposal

On December 7, 2017, PREPA hired the consulting firm Filsinger Energy Partners (“FEP”) as chief financial advisor.²¹ Sometime on or before January 2018, PREPA received an unsolicited proposal from NFE, a subsidiary of Fortress Investment Group, related to the supply of natural gas to San Juan.²² Timesheets submitted by Filsinger to the bankruptcy court reveal that FEP was assigned the task of reviewing the unsolicited proposal.

**PREPA received
an unsolicited proposal
from New Fortress Energy
to supply natural gas
to San Juan.**

The New Fortress project involved not just the conversion of San Juan units 5 and 6 to natural gas, but also the supply of natural gas for industrial use on the island via truck delivery from a microfuel handling facility.²³ Integral to NFE’s plan is its construction of an LNG terminal in the harbor. It was not clear from NFE’s proposal or other publicly available documents how large a fraction of the LNG terminal project would serve PREPA.²⁴ It was also unclear whether the project would be financially viable without PREPA as a customer or what PREPA knew about the financing structure used by NFE for the terminal.

New Fortress Energy is a private equity-backed company with limited previous

²⁰ Galway Energy Advisors, [LNG and Natural Gas Import and Delivery Options Evaluation for PREPA’s Northern Power Plants — Feasibility Study & Fatal Flaw Evaluation](#). June 1, 2015, p. 3.

²¹ PREPA, [Agreement for Independent Contractor Consulting Services](#). Dec. 7, 2017.

²² See Appendix 1: FEP Timesheets (“Timesheets”), line 1.

²³ U.S. Securities and Exchange Commission, [New Fortress Energy Form S-1](#). November 9, 2018.

²⁴ NFE’s proposal states that NFE would deliver 15,000-28,000 cubic meters of gas to Puerto Rico twice per week, or 35-64 TBTU per year. PREPA’s proposal had called for 25 TBTU per year for the San Juan plant, meaning that natural gas availability for industrial customers would be anywhere from 10-39 TBTU per year. (New Fortress Energy proposal in response to PREPA RFP 81412, September 25, 2018, page 2-17).

experience in Puerto Rico.²⁵ As of November 2018, NFE had completed two LNG terminals and was in the process of developing three more in Jamaica, Mexico and Ireland. Selling 25 million MMBTU per year of natural gas to PREPA at a price of approximately \$10/MMBTU would generate \$250 million in revenues for NFE, more than tripling its 2018 revenues (in addition to whatever NFE would sell to industrial customers in Puerto Rico).²⁶

In December 2017, New Fortress's Puerto Rico subsidiary, NFEnergia, subleased docks A, B and C in the port of San Juan (the docks immediately adjacent to the San Juan power plant) from the existing leaseholder. In May 2018, NFEnergia was able to enter into a direct lease agreement with the Puerto Rico Ports Authority for these docks.²⁷ A May 2018 internal PREPA memo appears to confirm that PREPA was aware of New Fortress's control of these docks.²⁸

Between January and March 2018, FEP's consultants billed for work related to commenting on, evaluating and facilitating the New Fortress unsolicited proposal.²⁹ These discussions included at least three meetings between FEP representatives and NFE concerning its proposal.³⁰ One meeting included representatives of Mitsubishi Heavy Industries (the contractor for PREPA with a long-term maintenance contract for the San Juan plant), NFE and FEP.³¹

**FEP's consultants billed
for work related to
the New Fortress
unsolicited proposal.**

Filsinger Begins Process of Drafting the RFP

On or before April 3, NFE submitted a revised unsolicited proposal to PREPA.³² On April 16, 2018, FEP commenced drafting the RFP for San Juan 5 and 6.³³

FEP continued to meet with NFE during the period when the RFP was being drafted. According to timesheets, the two parties met at least seven times from April through July 12, 2018, to discuss the LNG proposal, and FEP took the lead role in formulating

²⁵ In contrast, three other companies that ultimately bid on the project - [AES](#), [Puma Energy Caribe](#), and [Naturgy](#) - had long histories in Puerto Rico and investment-grade credit ratings.

²⁶ U.S. Securities and Exchange Commission. [New Fortress Energy Form S-1](#). November 9, 2018

²⁷ El Nueva Dia. [New Fortress suplirá gas natural a industrias](#). November 2, 2018.

²⁸ See Appendix II.

²⁹ Timesheets, Lines 1-8.

³⁰ Timesheets, Lines 1, 3, 7.

³¹ ³¹ Timesheets, Line 3. The RFP that was subsequently issued in July 2018 informs prospective bidders that Mitsubishi will be a subcontractor to the bidder should they be successful. Mitsubishi will provide various engineering and other services to support the plant upgrade. Also, Mitsubishi-specific products to be used on the project are identified in the RFP. During the RFP process, PREPA instructed bidders to contact Mitsubishi for details regarding the conversion work. PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6 \("RFP"\)](#). July 30, 2018, p. 9.

³² Timesheets, Line 9

³³ Timesheets, Line 12

PREPA's response to NFE's environmental assessment for its LNG proposal.³⁴ There was no evidence from our review that suggested NFE had any role in the drafting of the Request for Proposals. In total, from January through July 2018, FEP consultants billed nearly 50 hours and over \$30,000 in work related to evaluating and facilitating New Fortress's proposal.

PREPA had signed a confidentiality agreement with NFE on March 6, 2018.

On May 30, 2018, Jaime Umpierre, Head of Engineering and Technical Services for PREPA, sent a memorandum to Acting Legal Director Astrid Rodriguez Cruz and Acting Generation Director William Rios Mera.³⁵ Mr. Umpierre's memorandum disclosed that PREPA had signed a confidentiality agreement with NFE on March 6, 2018. The confidentiality agreement—signed more than a month before FEP even began drafting the RFP—allowed PREPA to share information with NFE regarding the San Juan 5 and 6 project. On or about May 15, 2018, close to a month after FEP started drafting the RFP, Mr. Umpierre was notified that the San Juan 5 and 6 project would be the subject of a competitive RFP. His memo addresses the fact that he now had a request from Mitsubishi Hitachi Power Systems (MHPS), a PREPA contractor, to share confidential information with NFE.

Mr. Umpierre recommended that the request be denied and the confidentiality agreement be terminated to ensure fairness in the RFP process. It is unclear whether the confidentiality agreement was terminated or MHPS provided the requested information.

PREPA released a Request for Proposals on July 30, 2018.³⁶ The RFP disclosed that bidders were supposed to direct engineering and technical questions to Mitsubishi. This was the first public notification by PREPA to bidders that they were to utilize Mitsubishi to gather information.³⁷

The RFP Process and Bid Evaluations

Response to Bidders' Questions

Bidders submitted questions to PREPA and answers were published on September 15, 2018. From September 6-13, 2018, FEP representatives prepared and reviewed responses to bidder questions concerning the RFP.³⁸ One set of questions concerned the availability of dock space near the San Juan power plant. In response to questions, "Is the pier and the adjacent land are available to all bidders? [sic]" and, "Is the pier and the adjacent land already committed to one of the bidders of this

³⁴ Timesheets, Lines 13, 20, 21, 23, 25, 28, 41, and 52.

³⁵ Appendix II: "Umpiere Memo".

³⁶ PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6 \("RFP"\)](#). July 30, 2018.

³⁷ Ibid. p. 9.

³⁸ Timesheets, Lines 88, 90-95, 98.

RFP?” PREPA responded, “Adjacent pier is owned by Puerto Rico Ports Authority [PRPA]. Proponents shall contact PRPA for details.”³⁹ At this time, PREPA was already aware of NFE’s control over these docks. On August 31, 2018, the Puerto Rico Port Authority had issued a letter of support for NFE to PREPA, which identified NFE’s lease of the docks. This letter was submitted as part of NFE’s application in response to the RFP.⁴⁰

Bid Evaluations

Six companies submitted bids by the Sept. 25, 2018, deadline: NFEnergia, AES Corporation, Puma Energy Caribe, Naturgy, SeaOne Caribbean and Lakeside Renewables. Additionally, Arctas Capital Group submitted a letter in lieu of a proposal.⁴¹

New Fortress proposed an arrangement with a large floating LNG storage unit stationed in the Caribbean Sea, a smaller storage unit docked next to the San Juan plant, and a shuttle ship making two deliveries per week between the two floating storage units. The LNG would be piped onshore, vaporized at the docks and delivered to the San Juan units.⁴²

The bids were evaluated by a committee of PREPA employees and consultants, appointed by PREPA Executive Director José Ortiz. The PREPA employees on the committee included Edgardo Diaz (Head of the Supply Chain Division); Jaime Umpierre (Head of the Engineering and Technical Services Division); Roberto Rivera (Senior Engineer of the Planning and Environmental Protection Directorate); and Edgardo Vazquez (Fuels Office Administrator). The committee also included Nathan Pollak of FEP, who was assisted in evaluating the RFP responses by FEP colleagues Paul Harmon and Marcus Klintmalm.⁴³

Mr. Harmon played an integral role in the review of the unsolicited proposal design and internal process of writing the RFP, presenting it to PREPA, reviewing and analyzing bid proposals received under the RFP and participating in the Evaluation Committee meetings.^{44 45 46 47 48} Matt Lee, who headed FEP’s environmental analysis of the NFE unsolicited proposal, also reviewed bids.⁴⁹

³⁹ PREPA. [Addendum 9 to Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6](#). September 15, 2018. See responses to questions 67 and 68.

⁴⁰ [Letter from Anthony Maceira Zais, Executive Director of Puerto Rico Port Authority](#), August 31, 2018.

⁴¹ These documents were provided to IEEFA and Cambio (with some exhibits redacted) in response to the litigation of our public records request.

⁴² NFE. [NFE Proposal](#), pages 2-4 through 2-20

⁴³ PREPA. [Evaluation and Selection Report](#). October 25, 2018

⁴⁴ Timesheets Lines 9, 14, 43

⁴⁵ Timesheets Lines 12, 24, 44

⁴⁶ Timesheets Lines 50, 51

⁴⁷ Timesheets Lines 102, 104, 105, 113, 121

⁴⁸ Timesheets Lines 103, 107, 109, 146,

⁴⁹ Environmental Analysis: Timesheets Lines 25, 28, 31, 32, 34-37; Bid review: Timesheets Lines 131, 144, 145

Contract Negotiations: The Role of King and Spalding

In November 2018, PREPA announced it would award the contract to NFEnergia, a wholly-owned subsidiary of New Fortress Energy Holdings.⁵⁰ New Fortress Energy announced the contract signing in March 2019.⁵¹ The final contract between PREPA and NFEnergia was signed on March 5, 2019.

From October 2018 through February 2019, PREPA legal consultants King and Spalding collaborated with FEP and various PREPA staff on the negotiations between NFE and PREPA. The tasks included contract negotiations,⁵² commenting on redrafts,⁵³ reviewing and commenting on fuel supply agreements,⁵⁴ presenting the deal to creditors,⁵⁵ and crafting responses to the Financial Oversight and Management Board.⁵⁶ King and Spalding, along with PREPA staff and FEP representatives, met with New Fortress Energy on multiple dates in December 2018 for negotiations.⁵⁷

During a hearing of the Puerto Rico Energy Bureau in February 2020, it was revealed that King and Spalding also represented other entities of Fortress Investment Group, NFE's parent company.⁵⁸ According to the hearing transcript, King and Spalding does not represent NFEnergia, its subsidiary and a party to the San Juan contract.

Section 6.0 "Conflicts of Interest" in the RFP contains this language: "At some point in the selection process, PREPA may request information on any perceived conflicts of interest."⁵⁹ The potential of this conflict of interest between King and Spalding's obligation under its contract with PREPA and any obligations it may have to Fortress Investment Group has not been disclosed.

**What, if any steps did
PREPA take to inquire about
conflicts of interest regarding
King and Spalding?**

What, if any steps did PREPA take to inquire about conflicts of interest regarding King and Spalding? Did PREPA know the full scope of activity of King and Spalding

⁵⁰ El Nueva Dia. [AEE otorga contrato a NFEnergía para suplido de gas natural](#). November 30, 2018.

⁵¹ Business Wire. [New Fortress Energy Signs Contract to Supply Natural Gas to San Juan Power Plant](#). March 5, 2019.

⁵² Timesheets Line 181, 184, 186-189, 197, 198

⁵³ Timesheets Line 206

⁵⁴ Timesheets Line 235-237, 245-246, 261-263, 275-276

⁵⁵ Timesheets Line 303

⁵⁶ Timesheets Line 307

⁵⁷ Timesheets Line 181, 184, 186-189, 197, 198

⁵⁸ Puerto Rico Energy Bureau. [Evidentiary Hearing, Case No. CEPR-AP-2018-0001](#). February 3, 2020, note 1:29:30.

⁵⁹ PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6](#). July 30, 2018. Section 6.0 Conflicts of Interest, p. 21

for Fortress Investment Group? Did PREPA conduct a review of the conflict of interest issues, and has PREPA or its legal counsel rendered an opinion? Why was this information kept from public scrutiny?

Additional Approvals

Although PREPA awarded the contract in November 2018, NFE and PREPA were required to obtain the approval of several other oversight authorities. However, in contrast to previous efforts to bring natural gas to Puerto Rico—such as the failed Aguirre LNG import terminal—no regulatory agency has undertaken a comprehensive environmental review of the project, including the risk of increased natural gas vehicle traffic in San Juan Bay.⁶⁰ The only environmental documentation prepared was an assessment for NFE’s micro fuel handling facility. Relying on an environmental assessment, instead of a more rigorous Environmental Impact Statement (that would have required a formal public participation process and evaluation of alternatives) for what is clearly an action with significant environmental, safety and health consequences is a gross oversimplification of the project’s impacts.

Each of the four approval processes described below raise additional questions regarding the conditions under which NFE secured the contract, the contract itself and the status of NFE’s compliance.

Jones Act Compliance

New Fortress Energy’s proposal was to convert San Juan units 5 and 6 to natural gas and to supply gas to the units for a term of five years (with possible contract extensions up to 20 years).⁶¹ The gas would be sourced from the United States.⁶² In a heavily redacted letter dated April 3, 2018, the Department of Homeland Security’s Customs and Border Protection Office of International Trade responded to an inquiry of whether New Fortress’ use of a ship classified as a non-coastwise-qualified vessel as a storage unit constituted a violation of the Jones Act.⁶³ New Fortress presented the letter as evidence of Jones Act Compliance as required by PREPA’s

**It is unclear how
Homeland Security was
able to certify compliance
with the Jones Act.**

⁶⁰ Puerto Rico Religious Organizations. [Letter to FERC](#). March 10, 2020.

⁶¹ New Fortress Energy, [Cover Letter to Proposal](#), September 25, 2018.

⁶² U.S. Securities and Exchange Commission. [New Fortress Energy Form S-1](#). January 25, 2019, p. 1.

⁶³ Non-coastwise-vessel refers to any vessel not built in and documented under the laws of the United States and owned by persons who are citizens of the United States. See [19 CFR § 4.80 - Vessels entitled to engage in coastwise trade](#).

RFP.⁶⁴ It is unclear how the Department of Homeland Security was able to certify the proposal's compliance with the Jones Act, which requires shipments between U.S. ports to be conducted on U.S. flagged vessels.⁶⁵ There are currently no Jones Act-compliant oceangoing LNG vessels.⁶⁶

Financial Oversight and Management Board Approval

The FOMB approved the project in March 2019, despite expressing concerns that the pricing structure was 30-40% higher than industry benchmarks.⁶⁷ This is consistent with New Fortress Energy's goal of achieving a profit margin of at least 40% on its gas sales.⁶⁸ In contrast to the PREPA board's initial estimate (over \$150 million annual savings) and New Fortress's claims (\$285 million in annual savings), the FOMB estimated savings from the project would be \$36 million to \$56 million dollars per year.^{69 70} In June 2019, the FOMB certified PREPA's 2019 Fiscal Plan stating the project would provide \$500 million in savings over a five-year period.⁷¹

The FOMB approved despite pricing that was 30-40% higher than industry benchmarks.

FERC Approval

After conversations with FERC, NFE did not seek FERC approval for the project. PREPA represented to the Puerto Rico Energy Bureau that:

"PREPA understands that representatives of NFE's affiliate, New Fortress Energy, met with representatives of FERC staff during the fourth quarter of 2017 to discuss the jurisdictional status of what would eventually be proposed as the NFE Facility and the planned provision of natural gas through that facility to San Juan Units 5&6. We have been told that FERC staff representatives concurred with NFE's conclusion that the proposed NFE Facility would not qualify as an "LNG terminal" as that term is defined in the

⁶⁴ Attachment 33 to New Fortress Energy proposal, "Evidence of Jones Act compliance" was provided largely redacted.

⁶⁵ U.S. Code. [Transportation of Merchandise](#), 46 USC 55102.

⁶⁶ The Maritime Executive. [Report: White House considering Jones Act waiver for LNG](#). April 23, 2019.

⁶⁷ Letter from FOMB to José Ortiz, CEO of PREPA, February 5, 2019. Also: [Letter from FOMB to José Ortiz, CEO of PREPA](#). March 4, 2019. The pricing structure of the contract was not renegotiated after the FOMB's initial letter.

⁶⁸ U.S. Securities and Exchange Commission. [New Fortress Energy Form S-1](#). November 9, 2018, p. 4.

⁶⁹ Noticel, [Nuevo Muelle de gas natural traerá ahorro de hasta 12 en la factura mensual](#), May 22, 2020. PREPA restated its claim of \$150 million per year savings as of May 22, 2020.

⁷⁰ FOMB. [Letter from FOMB to José Ortiz](#), CEO of PREPA. Appendix A, March 4, 2019.

⁷¹ PREPA. [PREPA Fiscal Plan 2019](#). June 27, 2019, p. 25.

Natural Gas Act and therefore would not be subject to FERC's LNG facility siting jurisdiction under Section 3 of that Act. PREPA is aware that NFE elected not to seek a declaratory order from FERC confirming this conclusion. PREPA understands that, on the basis of its jurisdictional analysis and its discussion with FERC Staff, NFE saw no need to seek FERC authorization for the siting and construction of the NFE Facility.”⁷²

PREPA's account corresponds with documents received from FERC through a Freedom of Information Act request presented by CAMBIO which reveal meetings between FERC officials and NFE representatives in October 2017 to discuss NFE project plans for Puerto Rico. They were identified as “pre-filing meetings.”⁷³

Energy Bureau Approval

The contract was approved by the Energy Bureau in January 2019. Commissioner Angel Rivera provided a dissent that called into question the structure of payments. The NFE contract effectively combines the fuel cost of future deliveries with a capital charge to cover the cost of financing for the upgrade, rather than separating fuel and debt service payments. This has particular relevance since poor diligence on past bond deals and debt service payments were important contributors to PREPA's fiscal problems. PREPA has a long and scandalous history on its accounting for oil deliveries and payments.^{74 75 76 77}

Commissioner Rivera in a dissent called into question the structure of payments.

Combining both costs effectively distorts a clear accounting of the cost of debt service and the cost of fuel. Cost control in each of these areas is critical to PREPA's overall savings plan and the establishment of a system of internal controls that contributes to the authority's financial recovery. Commissioner Rivera also pointed to the conflict of this provision of the contract with Puerto Rico law:

⁷² PREPA response to Local Environmental Organizations Third Set of Requests for Information, Puerto Rico Energy Bureau Case No. CEPR-AP-2018-0001, pp. 10-11.

⁷³ FERC FOIA Response to CAMBIO, 2019.

⁷⁴ Puerto Rico Commission for the Comprehensive Audit of the Public Credit. [Pre-audit Survey Report, Puerto Rico Electric Power Authority, Power Revenue Bonds 2013](#). August 2016.

⁷⁵ Kobre and Kim, LLP. [Final Investigative Report](#), prepared for the Financial Oversight and Management Board for Puerto Rico. August 20, 2018. See page 114, items 3 and 4 and ensuing discussion.

⁷⁶ IEEFA, [Multibillion Dollar Oil Scandal Goes Unaddressed in PREPA Contract Reform and Privatization](#), July 2018.

⁷⁷ Puerto Rico Comptroller's Office Reports CP02-26 May 13, 2002, CP03-22 April 15, 2003, CP12-11 February 6, 2012, CP17-13 June 17, 2017, CP19-01 July 27, 2018 See <https://www.ocpr.gov.pr/>.

“It is important to point out that Subsection (c) of Section 6A of Act 83 establishes that the adjustment fee established to recover fuel costs ‘shall only include the costs directly related to the purchase of fuel’. Therefore, it is unclear at this point how PREPA’s intended plan to recover the costs associated with the modernization of San Juan Units 5 and 6 through a fuel purchase agreement, will meet the requirement established in Section 6A of Act 83 regarding the prohibition of including in the fuel fee, costs that are not directly related to the purchase of fuel.”⁷⁸

Post Contract Signing

Originally the project was scheduled to be completed and in service by the second quarter of 2019.⁷⁹ On May 22, 2020 the Executive Director of PREPA announced that NFE has completed the natural gas terminal.⁸⁰

Red Flags Related to San Juan 5 & 6 Procurement Process

As indicated in the previous section, PREPA’s contracting process for the San Juan 5 and 6 natural gas conversion project raises numerous red flags. These include:

1. Was the Evaluation Committee comprised of people who were objective?

Representatives of FEP served on the proposal Evaluation Committee, and some made formal advisory decisions on the awarding of the contract. Some of these same representatives (Paul Harmon and Matt Lee) reviewed the unsolicited proposal, assisted with the RFP preparation, helped draft responses to questions and reviewed the Environmental Assessment prepared for NFE’s permit. As active facilitators of the project, was the FEP staff sufficiently objective to evaluate the NFE proposal against other competitors? Was any of the technical information provided by PREPA to NFE as part of the unsolicited review process, environmental assessment or confidentiality agreement used in NFE’s response to the RFP?

2. Did the extensive consultation between NFE, PREPA, Filsinger and MHI constitute an unfair advantage for NFE? Was there a level playing field for all bidders prior to the July 30, 2018, RFP?

Was there a level playing field for all bidders?

As noted above, there were several meetings between NFE, FEP, and PREPA during the first half of 2018, including during the period in which FEP was preparing the RFP (from April 16 through July 16, 2018). These discussions also included the signing of a confidentiality agreement between NFE and PREPA. PREPA staff internally raised concerns about sharing information under this

⁷⁸ Puerto Rico Energy Bureau. [Resolution and Order CEPR AI 2018-0001](#). January 25, 2019.

⁷⁹ U.S. Securities and Exchange Commission. [New Fortress Energy Form S-1](#). January 25, 2019.

⁸⁰ Noticel, [Nuevo Muelle de gas natural traerá ahorro de hasta 12 en la factura mensual](#), May 22, 2020.

agreement once it became clear that there would be a public RFP process.⁸¹ There is no public information as to whether and when the confidentiality agreement was nullified.

The contacts also involved at least one meeting between NFE and Mitsubishi, PREPA's contractor for the conversion of the San Juan units on January 31, 2018.⁸² This raises the question of whether NFE was given an unfair advantage given that other bidders were notified on July 30, 2018 (as part of the RFP document) that they needed to contact Mitsubishi for the units' conversion and obtain a proposal and letter of endorsement.⁸³ Yet it was not until September 15, 2018, that the contact information for Mitsubishi was disclosed to bidders through Addendum 9.^{84,85} The limited time provided to other bidders to approach Mitsubishi as part of preparing their proposals prompted PUMA to request a time-extension to the September 25, 2018 proposal deadline.⁸⁶

New Fortress Energy was able to submit an 81-page proposal with 1,002 pages of exhibits.⁸⁷ ArctasCapital submitted a letter in response to the RFP and noted, "The less than 7 weeks between the kick-off meeting and the deadline to submit a proposal is simply nowhere near enough time to develop and complete necessary work product to establish the infrastructure cost and execution plan, permitting feasibility, and fuel supply contracting structures that would demonstrate to PREPA that any given concept for new LNG/natural gas infrastructure is viable."⁸⁸

Were Arctas and other potential bidders disadvantaged by a short turnaround time and the extensive engagement that NFE had with FEP and PREPA during the unsolicited review period and review of its Environmental Assessment?

3. Did PREPA provide misleading information to bidders in response to questions related to the RFP?

PREPA and its consultants were aware of NFE's lease of the docks immediately adjacent to the San Juan power plant. NFE's site control advantage was not disclosed to bidders who, in response to direct questions about the status of the docks, were directed to contact the Puerto Rico Port Authority, which had already provided NFE with an endorsement letter.

⁸¹ Appendix II: Umpierre Memo

⁸² Timesheets, Line 3

⁸³ PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6](#). July 30, 2018, p. 13.

⁸⁴ PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6](#). July 30, 2018, p. 9.

⁸⁵ PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6](#). July 30, 2018.

⁸⁶ PUMA. [Extension Request to PREPA](#). Undated.

⁸⁷ See [Privilege Log](#) dated August 29, 2019 for reference to the 1,002 pages of exhibits (item 63).

⁸⁸ [Arctas Capital Group](#) submission to PREPA in response to "Request for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6, RFP 81412," September 25, 2018. (letter available upon request).

4. Did PREPA fail to comply with its internal protocols regarding management of an unsolicited proposal and did it also mislead bidders regarding the existence of an unsolicited proposal?

PREPA's internal RFP Guidelines include provisions for conducting a public RFP process for a project for which PREPA has already received an unsolicited proposal. PREPA failed to follow two of these provisions.

First, the receipt of an unsolicited proposal by PREPA is supposed to trigger a "desirability and convenience study" to evaluate the proposed project.⁸⁹ The desirability and convenience study, once completed, becomes a public document.⁹⁰ No such study was conducted in this instance.⁹¹

PREPA's regulations also require that any competitive procurement process done in response to an unsolicited proposal must alert potential bidders to the existence of the unsolicited proposal ("The notification shall state that PREPA has received and accepted an unsolicited proposal, that it intends to evaluate the proposal, that it can negotiate an interim contract or purchase agreement based on the proposal, and that it will accept for simultaneous consideration other proposals competing with the unsolicited proposal...")⁹² No such language was included in PREPA's July 2018 RFP.

**The irregularities
are symptomatic
of PREPA's approach
to the "transformation"
of the system.**

Additionally, PREPA failed to follow Regulation 8815, jointly approved in 2016 by PREPA and the Puerto Rico Energy Bureau. Regulation 8815 requires PREPA to notify the Puerto Rico Energy Bureau prior to launching an RFP process for a proposed power generation project. This did not occur.⁹³

⁸⁹ Section 4.12(iv) of [PREPA, Guía para procesos de adquisiciones de bienes y servicios a través de solicitud de propuestas](#), 2016.

⁹⁰ *Ibid.*, Section 4.12(vi)

⁹¹ PREPA. [Certification to IEEFA and CAMBIO of production of documents per public records request](#). Oct. 3, 2019.

⁹² *Ibid.*, Section 4.12(vii). ("La notificación dispondrá que la Autoridad ha recibido y aceptado una Propuesta no solicitada, que tiene la intención de evaluar la Propuesta, que podrá negociar un Contrato o Acuerdo de Compras interino o abarcador basado en la Propuesta y que aceptará para consideración simultánea cualquier Propuesta que compita con la Propuesta no solicitada y cumpla con las normas aplicables que la Autoridad reciba de conformidad con esta guía en o antes de la fecha de límite de treinta (30) días calendario que se incluya en la notificación para recibir Propuestas que compitan con la Propuesta no solicitada y que cumplan con esta guía.")

⁹³ Puerto Rico Energy Bureau. [Dissenting Opinion of Commissioner Angel Rivera de la Cruz](#). October 4, 2018.

The contracting irregularities in the San Juan 5 and 6 project are symptomatic of PREPA's approach to the overall "transformation" of the electrical system. In the next section, we discuss the ongoing privatization of PREPA and the politically-driven deals revealed by the litigation of our public records request.

5. Did PREPA accord proper weight to budget savings to be achieved by the proposal?

PREPA and the Financial Oversight and Management Board (FOMB) awarded this contract without diligent consideration of the 'savings' to be achieved by the initiative. The RFP states in Section 1.1 on page 3 of the RFP that its first objective is to "reduce energy costs" and its principal strategy for achieving this objective is "reducing operating costs."⁹⁴ In the Scope of Services, the RFP states in the second paragraph:

"PREPA is interested in reducing the cost of generation and improving the compliance with environmental requirements for units required to reliably operate at base load in the San Juan area. One alternative being considered by PREPA is to seek suppliers for an alternate fuel supply to the newer, existing and more efficient combined cycle units at the San Juan generating stations (San Juan Units 5 and 6). While the Units 5 and 6 are currently only capable of burning #2 Fuel Oil, PREPA will consider converting these units to an alternative fuel if the cost savings associated with the lower cost fuel supply justifies the power plant conversion modification expenditures."

The reduction of fuel costs by PREPA is a significant part of its fiscal plan to bring the authority out of bankruptcy and to recover as a going concern.

In July 2018, the PREPA board of directors approved Resolution No. 4620, authorizing PREPA to conduct the San Juan RFP. The board resolution estimated that this project would save PREPA over \$150 million per year.⁹⁵ In November 2018 and in its response to the RFP, NFE represented that its proposal to PREPA would save PREPA approximately \$285 million per year.^{96 97} Upon completion of its review and approval of the contract, the FOMB found that the contract would save between \$36 million and \$56 million per year (\$180 million to \$280 million over 5 years).⁹⁸ The FOMB then approved PREPA's FY 2019 Certified Fiscal Plan in June 2019 that contains a statement that PREPA had signed an agreement for San Juan 5 and 6 with a "cost savings of \$500 million over 5 years."⁹⁹

⁹⁴ PREPA. [Requests for Proposals for Fuel Supply in the North and Conversion of San Juan Units 5 and 6](#). July 30, 2018, p. 3.

⁹⁵ PREB Filing, [PREPA Board Resolution 4620](#), July 13, 2018 (see page 197-8).

⁹⁶ NFE. [NFE Proposal](#), Executive Summary, September 25, 2018.

⁹⁷ U.S. Securities and Exchange Commission. [New Fortress Energy Form S-1](#). January 25, 2019.

⁹⁸ Financial Oversight and Management Board for Puerto Rico. [Appendix A](#). March 4, 2019.

⁹⁹ Puerto Rico Electric Power Authority. [2019 Fiscal Plan for PREPA](#). Certified June 27, 2019.

Table 1: Savings Estimates by PREPA, New Fortress Energy and FOMB of the San Juan 5 & 6 Conversion

Entity	Date	Annual Savings Estimate
PREPA	20-Jun-18	\$150 million
New Fortress Energy	9-Nov-18	\$285 million
FOMB	4-Mar-19	\$36-\$56 million
PREPA/FOMB Fiscal Plan	27-Jun-19	\$100 million

The RFP had no benchmark or requirements that the applicant demonstrate how its plan would achieve savings. The competitive scoring of the proposal gave no weight to whether or not or how much savings were achieved. The contract signed between NFE and PREPA contains no requirements that the contract save PREPA money. The FOMB’s statement regarding its assessment of fuel costs savings in March 2019 could be construed as a future standard that FOMB would use to hold PREPA accountable for project execution. The FOMB’s approval in March 2019 showed an upper savings of \$280 million over five years. The FOMB then certified PREPA’s financial plan in June 2019 at an upper limit of \$500 million. This strongly suggests that the savings component—a critical component of any financial plan to assist PREPA achieve solvency—lacks credibility.

San Juan Project Highlights Broader Problems With Transformation of PREPA

Beyond the San Juan project, IEEFA and CAMBIO’s review of documents provided in response to our public information request lawsuit and other publicly available documents confirms that the “transformation” process underway for Puerto Rico’s electrical system is one in which the accountability mechanisms of cost benefit analyses, contractual savings requirements and adherence to PREPA’s legally required Integrated Resource Plan are systematically ignored or undermined.

**Accountability mechanisms
were systematically
ignored or undermined.**

One of the key goals of the transformation—lowering electricity prices—is often talked about but apparently not used as a basis for decision-making. The decision to “privatize” PREPA—by selling PREPA-owned generation to private entities and entering into a concession arrangement for the operation of the transmission and distribution systems—was undertaken with no cost/benefit analysis.¹⁰⁰ In other

¹⁰⁰ PREPA certified before the Court of First Instance in San Juan that it could not produce any document responsive to IEEFA and CAMBIO’s request for “all studies conducted by or on behalf of PREPA on the cost/benefit of privatizing PREPA, along with any document referencing a study of

words, there has been no justification of how, or under what types of financing arrangements, third-party ownership of electrical system assets is expected to result in savings to consumers. Further, in establishing the legal framework for privatization (Law 120-2018), the Puerto Rico Legislature exempted individual privatization transactions from desirability and convenience studies, which are required to include an analysis of the cost/benefit of using private versus public financing for the project.¹⁰¹ As seen above in the example of San Juan 5 and 6, NFE, PREPA and FOMB each produced savings estimates that were substantially different, no attempt was made to reconcile them, and no benchmarks were established to determine whether or not the NFE contract provided measurable savings.¹⁰²

Projects moving forward through the P3 Authority also have no mechanism to enforce accountability for savings by PREPA or its contractors. IEEFA and CAMBIO were unable to obtain any detail regarding the proposed new natural gas plant at Palo Seco, for which the P3 Authority issued an Request for Qualifications (RFQ) in July 2019.¹⁰³ According to Act 29-2009, the governing statute for the P3 Authority, the authority is not required to publish any documentation of its rationale for the project until after the contract has been finalized.¹⁰⁴ There is no requirement that such contracts hold the contractor accountable for achieving savings benchmarks; indeed, the only contract supervision required by P3 Authority regulations is the filing of quarterly and annual reports.

There is no mechanism to enforce accountability for savings by PREPA or its contractors.

The integrated resource planning (IRP) process overseen by the Puerto Rico Energy Bureau is supposed to provide a 20-year plan for the transformation of the island's generation system (when and what types of additional units to add to the system,

this nature." (Estado Libre Asociado De Puerto Rico Tribunal De Primera Instancia, [Declaracion Jurada Revisada Consultor Juridico](#), May 2020).

¹⁰¹ Puerto Rico Law: [Act 120-2018, Section 6\(a\)](#). (Note that the P3 Authority did do a desirability and convenience study for one electrical system project, a battery energy storage system, before Law 120 was passed).

¹⁰² Puerto Rico Electric Power Authority. [2019 Fiscal Plan for PREPA](#). Certified June 27, 2019. The FY 2019 Fiscal Plan identifies fuel savings as a critically important goal in order for PREPA to achieve fiscal stability. Fuel is the largest part of the budget (p. 9). Short term fuel savings for FY 20-21 is approximately \$200 million per year (p. 53). The longer-term fiscal plan calls for broader and deeper initiatives to achieve fuel savings (p. 100).

¹⁰³ P3 Authority. [Request for Qualifications Generation Capacity in Palo Seco, RFQ 2019-4](#). July 12, 2019.

¹⁰⁴ Puerto Rico Law. [Act 29-2009, Section 9\(g\)](#).

and when to retire existing units) to result in the lowest system cost.¹⁰⁵ However, generation projects have been moving forward outside of the IRP framework. PREPA moved forward with the San Juan 5 and 6 conversion before the IRP was approved by the Energy Bureau.¹⁰⁶ The Public-Private Partnership Authority moved forward in June 2018 with an RFP for battery energy storage and in July 2019 with a Request for Qualifications (RFQ) for a new natural gas plant at Palo Seco, again before the approval of an IRP by the bureau. In March 2020, the bureau allowed PREPA to move forward with an RFP for temporary emergency generators for Costa Sur,¹⁰⁷ following damage caused by the January 2020 earthquakes despite expert testimony presented by current and former PREPA plant operators that indicated the plant could be put back in operation for the summer at a fraction of the cost of installing temporary generators.¹⁰⁸ Also in March 2020, the Energy Bureau allowed PREPA to establish a new power purchase agreement with the EcoElectrica natural gas plant to extend operations until 2032, bundled with a new contract for natural gas purchase with Naturgy, part owner of EcoElectrica.¹⁰⁹ This clear pattern of the Energy Bureau's allowing PREPA to move forward with projects outside of the IRP process undermines the credibility and integrity of proceedings led by the regulatory entity. It is important to note that PREPA also has a history of failing to move forward with projects that it was ordered by the bureau to pursue as part of its previous IRP proceeding.¹¹⁰

The IRP process overseen by the Puerto Rico Energy Bureau is supposed to result in the lowest system cost.

¹⁰⁵ In conducting IRP modeling, PREPA does not evaluate public versus private financing options.

¹⁰⁶ Puerto Rico Energy Bureau. [Resolution, Case No. CEPR-AI-2018-0001](#). October 4, 2018.

¹⁰⁷ Puerto Rico Energy Bureau. [Resolution, Case No. NEPR-AP-2020-0001](#), March 3, 2020.

¹⁰⁸ Metro PR. [Asociacion de Jubilados de la AEE reta José Ortiz inspeccionar Costa Sur acompañado de ingenieros, jubilados y prensa](#). February 16, 2020. Also: [Public Hearing, CEPR-AP02018-0001](#). February 11, 2020.

¹⁰⁹ Puerto Rico Energy Bureau. [Resolution and Order on Restated Eco Electrica and Naturgy Agreements](#).

¹¹⁰ In September 2016, the Puerto Rico Energy Commission (as the Bureau was formerly called) ordered PREPA to undertake several new initiatives, including issuing an RFP for the repowering of the Aguirre combined cycle units, issuing an RFP for a new, small unit at Palo Seco, and starting

The piecemeal, project-by-project approach being pursued by PREPA, with the approval of the Energy Bureau, makes it more likely that PREPA will overbuild its generation system, resulting in stranded costs for customers, as well as continuing to fail to meet renewable energy goals as natural gas infrastructure is prioritized. By contrast, a coherent vision for the generation system would make projects less risky for bidders and be more likely to result in lower electric rates for PREPA customers.¹¹¹

Additionally, the piecemeal approach opens the door for outside interests to push their own projects on PREPA. The San Juan project, for example, appears to have originated as an unsolicited proposal to PREPA, not as an initiative of the Authority. As part of its formal RFP submission to PREPA, NFEnergia added, “NFE would be interested in developing further projects for PREPA, and if multiple projects are awarded to NFE, NFE would provide an incentive structure in our pricing to generate further savings for PREPA as more natural gas is consumed using our logistics chain. For example, if PREPA were to convert the power plant at Mayaguez or develop a new project in Yabucoa, with total project size similar to Units 5 & 6 (around 500MW), the volume discount for natural gas could lead to a reduced Unit Cost.”¹¹² The RFP process coincides with PREPA suddenly introducing the possibility of new natural gas infrastructure at Mayaguez and Yabucoa into its integrated resource planning process.¹¹³

**PREPA and the
Puerto Rican government
have failed to follow
their internal procedures.**

In an apparent rush to approve projects, PREPA and the Puerto Rican government have failed to follow their own internal procedures. As noted above, PREPA never

an RFP process for new renewable energy projects ([Puerto Rico Energy Commission, Final Order, Case No. CEPR-AP-2015-0002, September 23, 2016](#)). All of these projects were ordered to be underway prior to hurricanes Irma and Maria. To our knowledge, none have occurred.

¹¹¹ IEEFA. [Testimony to U.S. House of Representatives Natural Resources Committee](#). April 9, 2019.

¹¹² NFEnergia proposal, page 1-11 to 1-12.

¹¹³ PREPA’s [August 1, 2018 compliance filing](#) with the Puerto Rico Energy Bureau described four scenarios that would be modeled in the IRP, with no mention of the Yabucoa or Mayaguez projects. (“[PREPA’s compliance filing for items due August 1, 2018](#),” Case No. CEPR-AP-2018-0001, August 1, 2018, page 22). Just two weeks later, in a presentation to stakeholders, PREPA had completely changed two of its four scenarios to re-orient them around the Mayaguez and Yabucoa projects. (“[PREPA PREC Technical Conference](#),” Case No. CEPR-AP-2018-0001, August 14, 2018, page 17).

produced a desirability and convenience study for the San Juan project, despite its requirement under PREPA's own guidelines. Similarly, PREPA never produced a desirability and convenience study for a proposed new power plant at Yabucoa. This project appeared to originate as an unsolicited proposal, and PREPA got as far as preparing a draft RFP and template power purchase contract in December 2018 and January 2019,¹¹⁴ although the project apparently has not proceeded. Nevertheless, the unsolicited proposal should have triggered a desirability and convenience study, which was never provided to IEEFA and CAMBIO (even in redacted form) in response to the public records request.

A PREPA presentation dated November 2018 described PREPA's "due diligence" process for "grid and generation initiatives" as including "financing analysis" and "timeline & risk analysis."¹¹⁵ No such analyses were provided to us for any of the generation projects PREPA is currently pursuing or had been pursuing at the time of the public records request (including the San Juan project, new gas plant at Yabucoa and conversion of Mayaguez plants to natural gas).

PREPA's transformation process has been characterized by lack of transparency.

As is evident from the above discussion, PREPA's transformation process has been characterized by lack of transparency.¹¹⁶ Some transformation projects (such as the transmission and distribution system concession, the proposal for a new gas plant at Palo Seco, and the potential sale of existing power plants) are being pursued through the P3 Authority and others through PREPA. Because Act 120-2018 waived the requirement for desirability and convenience studies for PREPA-related projects conducted through the P3 Authority, no documentation is publicly available from the P3 Authority until after a contract has been signed. Similarly, PREPA's internal guidelines on contracting do not require any information other than the desirability

¹¹⁴ CAMBIO PR, et al. v. Autoridad de Puerto Rico, et al. [Case No. SJ2019-CV-04901, Privilege log](#) (list of confidential items not produced by PREPA), items 79 and 80.

¹¹⁵ PREPA. "[A new Puerto Rico electric system for a sustainable future \(DRAFT\)](#)." November 19, 2018, page 12.

¹¹⁶ This was also evident in some of the arbitrary responses to IEEFA and CAMBIO's public records request. In one example, in response to the request for "all valuation studies of PREPA assets and any other document mentioning studies of this nature," PREPA responded that it had entered into several contracts for asset valuation studies with Sargent & Lundy, Global and CPM (Moción en cumplimiento de orden identificando documentos públicos responsivos no producidos por la AEE, Case No. SJ2019CV04901 in the Court of First Instance in San Juan, November 9, 2019, p. 13) (Available upon request). Yet PREPA only provided the Sargent & Lundy contract. In another example, two draft power point slides of generation savings initiatives were provided to us dated 10/23/2018 and 11/19/2018, one with all financial information redacted and the other not. (PREPA, [A new Puerto Rico electric system for a sustainable future \(DRAFT\)](#).", November 19, 2018, p.4; and Daniel Hernandez Morales, "[PREPA's electrical system: Current condition and a look towards transformation](#)," October 23, 2018, p. 25)

and convenience study to be published before the contract is signed.¹¹⁷ Despite the broad policy objective in Act 17-2019 of promoting “transparency and citizen participation in all processes related to electric service in Puerto Rico,” the regulations and procedures of the agencies implementing this transformation do not reflect this commitment.

To date, PREPA’s flawed transformation process is littered with failed and substantially delayed projects. Neither a draft RFP for Yabucoa in December 2018 nor a draft RFP for Mayaguez in August 2019 have been issued. A market sounding letter for the sale of existing generation assets was issued in December 2019 with plans to issue a public RFQ by the end of the first quarter 2020; to date, no RFQ has been published.¹¹⁸ The transmission and distribution system concession, which was originally scheduled to close in 2019, is still underway. The only project to have moved forward, San Juan 5 and 6, is more than 10 months late and has no accountability for delivering the promised savings.

The only clear winners in this “transformation” process have been the Puerto Rico government’s high-priced consultants.

The only clear winners in this “transformation” process have been the Puerto Rico government’s high-priced consultants. Indeed, it appears that the government of Puerto Rico has outsourced the bulk of the work on electrical system transformation to consultants like FEP and Navigant, along with Citigroup Global Markets and McKinsey (consultants to the Financial Oversight and Management Board). FEP billed PREPA customers \$23 million from December 2017 through September 2019, and the company has been heavily involved in all aspects of the transformation strategy, from preparing RFPs and reviewing bids to energy system modeling and preparing presentations to the PREPA board.¹¹⁹ Similarly, Navigant has a contract for over \$30 million from September 2018 through September 2019 with the Puerto Rico Public-Private Partnerships Authority for project management, technical advisory services and federal agency coordination related to the rebuild of the electrical system after Hurricane Maria.¹²⁰ Additionally, PREPA has signed contracts

¹¹⁷ PREPA, *Guía para procesos de adquisiciones de bienes y servicios a través de solicitud de propuestas*, 2016, Section 9.3 and 4.12(vi)

¹¹⁸ P3. *Generation Market Sounding*. December 2, 2012.

¹¹⁹ U.S. District Court, District of Puerto Rico. “Seventh interim fee application of Filsinger Energy Partners for allowance of an administrative claim for compensation and reimbursement of expenses incurred as Chief Financial Advisor to Puerto Rico Electric Power Authority (PREPA for the period from October 1, 2019 through January 31, 2020,” United States District Court, District of Puerto Rico Case No. 17-04780.

¹²⁰ P3 and Navigant Consulting Inc. *Third Amendment to Professional Services Agreement for Disaster Recovery Energy Mission Optimization and Program Management Services after*

totaling nearly \$25 million in FY 2020 for legal services related to its debt restructuring and other transformation initiatives.¹²¹ The Puerto Rico Energy Commission warned in 2016 of the excessively high costs and lack of cost control on fees being paid to financial consultants to PREPA.¹²² Yet since 2016, the energy regulator has taken no steps to investigate or regulate consultant fees paid by PREPA. We note that PREPA's ongoing reliance on short-term outside consultants weakens PREPA's ability to make its own decisions by underinvesting in its own workforce. PREPA consistently hires substantial numbers of unqualified political appointees. This ensures that PREPA can build up no institutional memory to serve the long-term interests of Puerto Rico.¹²³

The Puerto Rico Energy Commission warned in 2016 of the excessively high costs on fees being paid to financial consultants.

Hurricanes Irma and Maria by and between the Puerto Rico Public Private Partnerships Authority and Navigant Consulting, Inc. August 9, 2019.

¹²¹ Professional Services Contract between PREPA and Norton Rose Fulbright US, September 30, 2019 (\$4 million). Also: First Amendment to Professional Services Agreement between PREPA and Greenberg Traurig, LLP, January 2, 2020 (\$925,000); Professional Services Agreement between PREPA and O'Melveny & Myers, LLP, July 1, 2019 (\$9 million); Professional Services Contract between PREPA and Cancio, Nadal, Rivera & Diaz, P.S.C., July 1, 2019 (\$3.3 million); and Professional Services Agreement between PREPA and, King & Spalding, LLP, June 28, 2019 (\$7.5 million).

¹²² Puerto Rico Energy Commission. Case No. CEPR-AP-2016-0001, Commission Order. June 21, 2016, pp. 66-69.

¹²³ Kobre and Kim. *The Independent investigator's Final Investigative Report*. August 20, 2018. The report states that between 150 and 300 PREPA employees are political appointees (see page 117). "With regard to PREPA, the sheer number of governor-appointed *empleados de confianza* predisposed PREPA to massive turnover, loss of institutional knowledge, and decisionmaking that was unresponsive to market forces. During the Relevant Period, six of PREPA's nine Board members turned over every time a new governor took office. Significantly, those officials had exclusive authority within PREPA to approve or reject all of PREPA's borrowing and rate setting. They also were responsible for selecting PREPA's Executive Director. In addition, at PREPA, and unlike at many other Puerto Rico-Related Entities, the governor appointed *empleados de confianza* to not only high-level positions, but also to many operational and technical positions. Further, we uncovered evidence that just before administrations changed, some *empleados de confianza* would switch to career positions, from which they could not be terminated without cause, and where they would remain employed, often with very light or undefined responsibilities, until their political party came back into power. Officials who had shifted out of authority were insufficiently consulted by their successors to transfer institutional knowledge and to justify their continued employment. The prevalence of political appointees within PREPA at all levels meant that, with each new political administration, hundreds of employees turned over at PREPA. The turnover resulted in a lack of institutional memory among PREPA's upper

Conclusion and Recommendations:

A New Path Forward Is Needed

It is undisputed that Puerto Rico's electrical system needs to be transformed. However, the transformation currently underway is characterized by the same politically-driven contracting, lack of long-term vision and lack of accountability to the public interest that enabled PREPA's financial and physical collapse in the first place. The people actually driving decisions within PREPA are consultants under contract. They have no institutional memory and they will neither be subjected to the consequences of the policies they advocate nor be accountable for the outcomes of their recommendations and decisions.^{124 125} PREPA continues on this vicious cycle where "transformation" is understood as consultants coming to replace other consultants who get paid millions but provide no lasting solutions.

The people actually driving decisions within PREPA are consultants under contract.

The San Juan 5 and 6 project should be thoroughly vetted by an independent, third-party. The questions mount as each new fact emerges from PREPA.

IEEFA and CAMBIO recommend the following three steps be taken immediately.

- Immediate cancellation of the NFE contract and new procurement to include distributed rooftop solar and storage as a generation option. This is PREPA's first major generation project. It cannot be allowed to repeat the same patterns of mismanagement. And it must align its activities with renewable and sustainable energy goals.

The disclosures in this report are sufficient to revoke the contract. NFE was given an unfair advantage. The NFE contract is actually a sole-source

ranks. The cycling in and out of *empleados de confianza* and career positions resulted in institutional waste."

¹²⁴ Filsinger Energy Partners is located in Denver, Colo. Alix Partners, the financial advisor to Puerto Rico prior to FEP, is located in New York City.

¹²⁵ Upon the resignation of Governor Rossello in the summer of 2019 it became apparent that there were no employees on the PREPA payroll and no employees paid by the Commonwealth to testify before the bankruptcy on the \$8 billion bond deal that was purportedly going to assist PREPA achieve financial solvency. A consultant had to stand in to help move a process that would bind Puerto Rico rate and tax payers to an \$8 billion bond deal. No public employee had the experience or expertise to do so. See: IEEFA, [IEEFA Puerto Rico Court examine finds PREPA bond deal fees are out of control](#). November 14, 2019.

contract. The decision to use NFE appears to have been made prior to the issuance of the RFP.

- Immediate review by an official task force comprised of federal and state law enforcement and regulatory agencies such as U.S. Attorney's Office, Puerto Rico Department of Justice, U.S. Securities and Exchange Commission, U.S. Bankruptcy Court and Puerto Rico Comptroller's Office. The task force should include independent and reputable Puerto Rico and US legal and criminal experts to ensure transparency and trust.

It is unclear from the documents we have obtained whether this contract award was made without regard for the institutional integrity of a competitive contract process due to mismanagement or worse. A further review of the details should provide answers to this question that are beyond the scope of the findings offered here. However, the red flags are sufficient to request an external review.

- The creation of an Independent Private Sector Inspector General (IPSIG) for PREPA.¹²⁶ The IPSIG can work with management to install effective, efficient practices that root out waste, fraud and corruption.

An IPSIG can be defined as an "independent, private sector firm (as opposed to a governmental agency) that possesses legal, auditing, investigative, and loss prevention skills, that is employed by an organization (i) to ensure that organization's compliance with relevant laws and regulations, and (ii) to deter, prevent, uncover, and report unethical and illegal conduct committed by the organization itself, occurring within the organization, or committed against the organization."¹²⁷

An IPSIG can ensure effective, efficient practices that root out waste, fraud and corruption.

In other words, an IPSIG can be "individuals or entities [charged] with legal, auditing, investigative, and other [powers] [...] to help monitor the activity of specified City vendors [a/k/a Contractors]."¹²⁸ An IPSIG is not a typical receiver. This inspector general focuses on evaluating and recommending the implementation of reliable mechanisms to identify deviations from the

¹²⁶ For a more complete discussion of IEEFA's plan for PREPA's reform see: [IEEFA. Letter to the Legislative Assembly Regarding Restructuring Agreement for PREPA](#). October 2019.

¹²⁷ International Association of Independent Private Sector Inspector Generals (IAIPSIG). Remarks of Hon. Margaret J. Finerty before the Federal Bar Council, Monitorships, IPSIGs and Independent Investigations: [The Increasing Privatization of the Investigation and Prosecution Functions in Corporate Oversight](#). October 19, 2005.

¹²⁸ *Ibid.*

law and regulations that create risks that affect an organization and acts aggressively to identify and correct problems of waste, fraud and abuse that prevent the organization from fulfilling its mission.

The primary roles of an IPSIG are to monitor, audit and investigate the activities of the organization to detect unethical conduct, violations of laws, regulations or collective bargaining agreements, and to report them to law enforcement authorities or other entities with jurisdiction. Also, IPSIGs are created to design and implement programs to prevent illegal, unethical and wasteful practices.

The overriding objective of an IPSIG is to put PREPA on an internal track toward sound management that can support efforts to modernize the electrical system and secure the confidence of the market and public. The IPSIG would not have authority to usurp the management responsibilities of the currently existing board and management. If working cooperation develops among the IPSIG team, PREPA staff and management, and Puerto Rico's political leaders, the IPSIG would be a source of important organizational and managerial improvements. On the contrary, if cooperation with PREPA's board and management is not workable, the IPSIG's recommendations would have the force of a direct order, but only enforceable through a petition to the bankruptcy court. Also, in the event that PREPA's board and management are resistant to the IPSIG's investigations and proposed reforms, the IPSIG would ultimately have leverage to report perceived misconduct by PREPA for potential federal law enforcement.

A true transformation process must regain public trust and demonstrate real accountability to the people of Puerto Rico. This transformation must be guided by a long-term plan for the island's electrical system, looking at both phasing out the centralized generation system and increasing the growth of rooftop solar and other distributed energy resources, with ample public participation and effective engagement. Contracting processes must be aligned with this plan, not undertaken outside of the planning process. Documentation, including cost-benefit analyses, must be undertaken and available for public review during procurement processes, not after.

A true transformation process must regain public trust and demonstrate real accountability to the people of Puerto Rico.

This will require an overhaul in the governance of PREPA. The authority must be reconfigured with a governance structure that is accountable to the diverse stakeholders it serves, including residential and industrial customer interests, environmental interests, cooperatives and labor. The executive director of PREPA

should be chosen not by the governor, but through a transparent and open process that prioritizes candidate qualifications and commitment to the long-term transformation of PREPA for the benefit of the people, rather than current practices of party-affiliations and short-term personal gains. And the Puerto Rico Energy Bureau, the island's utility regulator, must undertake a thorough review of PREPA's existing contracts with financial consultants to ensure that such contracts are actually accountable to PREPA's stakeholders in Puerto Rico.

Appendix 1

Excerpts From Filsinger Energy Partners Timesheets Related to Ongoing Discussions With New Fortress Energy

The following table also includes other steps in the development of the San Juan project RFP to illustrate the parallel development of the RFP process.

In total, Filsinger Energy Partners billed 49.3 hours and \$30,119.50 for items associated with review of New Fortress Energy's proposal.

(See the table on the following page.)

Excerpts from Filsinger Energy Partners Timesheets Related to San Juan 5 & 6 Project					
	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
1	Norm Spence	2.5	\$1,500	1/29/2018	Generation Plant Operations - Meeting and follow up w/ Fortress LNG delivery proposal
2	Norm Spence	1.3	\$780	1/30/2018	Generation Plant Analysis - Rvw Fortress Energy LNG supply proposed information
3	Norm Spence	2.7	\$1,620	1/31/2018	Generation Plant Analysis - Conf call and follow-up w Fortress Energy, Engineers, and MHI re proposed LNG conversion @ San Juan
4	Norm Spence	1.3	\$780	2/1/2018	Generation Plant Analysis - Follow u [sic] to Fortress Energy LNG San Juan proposal
5	Stephen Kopenitz	0.6	\$435	2/3/2018	Generation Plant Operations - work on comments for proposed LNG project
6	Norm Spence	2.2	\$1,320	2/12/2018	Generation Plant Analysis - Review of Fortress LNG supply proposal
7	Norm Spence	1	\$600	2/14/2018	Generation Plant Analysis - Discussion w/ Fortress on LNG proposal at San Juan
8	Norm Spence	0.9	\$540	2/19/2018	Generation Plant Analysis - Update call and follow-up w Fortress on LNG proposal
9	Paul Harmon	1.8	\$1,377	4/3/2018	Fuel Commodity Analysis - New Fortress revised proposal review
10	Todd Filsinger	1.8	\$1,515	4/4/2018	Generation Plant Operations - Meet on New Fortress
11	Paul Harmon	2.6	\$1,989	4/5/2018	Generation Plant Analysis - Prepared North Power Supply concept document
12	Paul Harmon	3.8	\$2,907	4/16/2018	Generation Asset Modeling - Began drafting RFP for Natural Gas Supply in the North
13	Norm Spence	2.5	\$1,500	4/17/2018	Generation Plant Analysis - Meeting and follow up w New Fortress on LNG proposal
14	Paul Harmon	1.1	\$842	4/17/2018	Fuel Commodity Analysis - Met with New Fortress Energy re: LNG terminal
15	Norm Spence	2.8	\$1,680	4/17/2018	Generation Plant Analysis - RFP/Spec for San Juan harbor LNG deliveries for Units 5&6
16	Norm Spence	1.6	\$960	4/18/2018	Generation Plant Analysis - RFP/Spec for LNG delivery to SJ harbor
17	Norm Spence	2.2	\$1,320	4/19/2018	Generation Plant Analysis - prep of gas supply for San Juan spec
18	Norm Spence	3.2	\$1,920	5/1/2018	Generation Plant Analysis - San Juan Harbor Gas Delivery RFP preparation
19	Norm Spence	3.3	\$1,980	5/2/2018	Generation Plant Analysis - North Generation RFP preparation
20	Matt Lee	2.5	\$1,372.50	5/3/2018	Environmental Initiatives - Preparation and meeting with New Fortress Energy
21	Matt Lee	1.2	\$658	5/4/2018	Environmental Initiatives - Meeting with PREPA Staff - NFE
22	Norm Spence	2.4	\$1,440	5/4/2018	Generation Plant Analysis - San Juan Harbor gas RFP prep
23	Matt Lee	1.8	\$988.20	5/7/2018	Environmental Initiatives - Discussions with PREPA staff - NFE
24	Paul Harmon	3.8	\$2,907	5/7/2018	Fuel Commodity Analysis - Revised RFP specifications for LNG supply
25	Matt Lee	2.6	\$1,427.40	5/15/2018	Environmental Initiatives - Prep & Conf Call with NFE re: Permitting Status
26	Norm Spence	2.3	\$1,380	5/15/2018	Generation Plant Analysis - San Juan LNG fuel RFP prep
27	Marcus Klintmalm	0.2	\$107.20	5/17/2018	Documentation - LNG Supply and San Juan 5&6 RFP Prep
28	Matt Lee	2	\$1,098	5/17/2018	Envrionemntal Initiatives - Prep & Mtg with NFE re: permitting next steps
29	Norm Spence	2.6	\$1,560	5/17/2018	Generation Plant Analysis - New Fortress status and permitting discussions
30	Norm Spence	2.6	\$1,560	5/18/2018	Generation Plant Analysis - San Juan LNG fuel RFP prep
31	Matt Lee	1.3	\$713.70	5/21/2018	Environmental Initiatives - Review NFE Permitting Strategy w/ PREPA Staff
32	Matt Lee	1.1	\$603.90	5/22/2018	Generation Plant Operations - Follow-up regarding NFE permitting and PREPA EA comments
33	Nathan Pollak	0.6	\$329.40	5/28/2018	Generation Plant Operations - Communication with FEP staff regarding northern fuel supply
34	Matt Lee	2.1	\$1,152.90	5/29/2018	Environmental Initiatives - Review NFE EA
35	Matt Lee	2.5	\$1,372.50	5/29/2018	Environmental Initiatives - Coordinate review of PREPA NFE EA Comments
36	Matt Lee	1.4	\$768.60	5/30/2018	Environmental Initiatives - Finalize FEP comments to PREPA NFE EA Comments
37	Matt Lee	0.8	\$439.20	5/31/2018	Environmental Initiatives - Review final PREPA comments to NFE EA
38	Paul Harmon	1.6	\$1,224	5/31/2018	Fuel Commodity Analysis - Corodinated Mitsubishi information gathering for SJ5/6 conversion
39	Matt Lee	1	\$549	6/5/2018	Generation Plant Analysis - NFE opportunity follow-up
40	Matt Lee	2.6	\$1,427	6/7/2018	Generation Plant Analysis - Review & edit San Juan LNG RFP
41	Matt Lee	1.2	\$658.80	6/13/2018	Environmental Initiatives - Prep for and atend meeting with NFE
42	Marcus Klintmalm	2.4	\$1,286.40	6/14/2018	Project Administration - Northern fuel RFP Work - BOD Memo & BOD Resolution
43	Paul Harmon	2.3	\$1,760	6/19/2018	Fuel Commodity Analysis - EA document review NFE LNG project
44	Paul Harmon	3.9	\$2,983.50	6/20/2018	Generation Asset Modeling - Rewrote RFP for north generation solution
45	Matt Lee	0.4	\$219.60	7/2/2018	Environmental Initiatives - Meeting with PREPA Staff Re: San Juan Permitting
46	Matt Lee	0.4	\$219.60	7/3/2018	Generation Plant Operaitons - Follow-up with North LNG RFP
47	Norm Spence	1.6	\$960	7/5/2018	Generation Plant Analysis - follow up alternate fuels for SJ 5&6 RFP status
48	Paul Harmon	1.7	\$1,300.50	7/9/2018	Fuel Commodity Analysis - Status review of SJ 5&6 fuel conversion
49	Paul Harmon	0.8	\$612	7/9/2018	Environmental Compliance - reviewed SJ 5&6 fuel conversion permitting strategy
50	Paul Harmon	1.6	\$1,224	7/11/2018	Fuel Commodity Analysis - Preparation of presentation to governing board re: SJ5&6

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
51	Paul Harmon	2.3	\$1,759.50	7/11/2018	Fuel Commodity Analysis - Presentation to BOD regarding SJ 5&6 Conversion
52	Matt Lee	1.2	\$658.80	7/12/2018	Environmental Initiatives - Prep for and attend meeting with NFE
53	Paul Harmon	1.5	\$1,147.50	7/12/2018	Fuel Commodity Analysis - Meeting with potential alternative fuel supplier - San Juan Harbor
54	Norm Spence	2.1	\$1,260	7/16/2018	Generation Plant Operations - Prep of final RFP for North Fuel Gas and SJ 5&6 conversion
55	Marcus Klintmalm	1	\$536	7/17/2018	Project Administration - Meeting with PREPA team re: Northern Fuel
56	Matt Lee	2.6	\$1,427	7/17/2018	Generation Plant Operations - Preparation, Attend & follow-up - San Juan 5 & 6 conversion mtg
57	Norm Spence	2.2	\$1,320	7/17/2018	Generation Plant Operations - Meetings and follow up for final RFP for Northern Fuel Gas and SJ 5&6 conversion
58	Nathan Pollak	2.2	\$1,287	7/26/2018	Generation Plant Operations - Review northern fuel supply Request for Proposal documentation
59	Marcus Klintmalm	0.9	\$482	7/27/2018	Project Administration - Coordinated Opening of Northern Fuel RFP
60	Nathan Pollak	1.1	\$643.50	8/1/2018	Contract Analysis & Evaluation - Review published northern Fuel RFP documents
61	Nathan Pollak	1.1	\$643.50	8/6/2018	Generation Plant Operations - Northern fuel RFP Discussion
62	Norm Spence	1.7	\$1,020	8/7/2018	Generation Plant Operations - comments to Citi re LNG Fuel/SJ 5&6 conversion RFP
63	Matt Lee	0.5	\$274.50	8/8/2018	Generation Plant Analysis - SJ5&6 Power Advocate Review
64	Matt Lee	2.2	\$1,207.80	8/9/2018	Generation Plant Operations - Preparation, participation & follow-up - northern fuels RFP Bid mtg
65	Paul Harmon	0.9	\$688.50	8/9/2018	Fuel Commodity Analysis - Edited presentation re: SJ5&6 fuel conversion
66	Paul Harmon	1.2	\$918	8/9/2018	Fuel Commodity Analysis - Presented pre-bid presentation for SJ5&6 Fuel Conversion
67	Matt Lee	3.6	\$1,976	8/10/2018	Generation Plant Operations-Northern Fuels RFP - Bidder Walk Through
68	Paul Harmon	2.7	\$2,065	8/10/2018	Fuel Commodity Analysis - Site briefing for SJ5&6 fuel conversion RFP
69	Paul Harmon	2.8	\$2,142	8/10/2018	Fuel Commodity Analysis - Site tour for SJ5&6 conversion RFP
70	Norm Spence	1.2	\$720	8/15/2018	Generation Plant Operations - response to PREC re North Fuels/SJ 5&6 conversion RFP
71	Nathan Pollak	0.8	\$702	8/15/2018	Generation Plant Operations - discuss PREC order regarding San Juan fuel conversion procurement
72	Norm Spence	1.5	\$900	8/16/2018	Generation Plant Operations - review bid documents and support to PREC for North Fuel RFP
73	Matt Lee	1.9	\$1,043.10	8/20/2018	Generation Plant Analysis - SJ5&6 Power Advocate Questions and Submittals
74	Matt Lee	1.1	\$603.90	8/20/2018	Generation Plant Operations - Meeting with PREPA Staff regarding Culebra and SJ 5&6
75	Norm Spence	1.1	\$660.00	8/21/2018	Generation Plant Operations - PREC inquiry on North Fuels RFP
76	Chad Balken	1.2	\$438.00	8/22/2018	Data Request Response Preparation - Attended PREC Preparatory Meeting for Hearing
77	Matt Lee	3.1	\$1,701.90	8/23/2018	Generation Plant Analysis - SJ 5&6 Bidder Site Tour
78	Paul Harmon	2.3	\$1,759.50	8/24/2018	Generation Plant Operations - Attended PREC Hearing SJ 5&6 Fuel conversion
79	Scott Davis	0.4	\$234.00	8/27/2-18	Hearing Preparation - Staff discussion re: PREC technical conference on SJ 5&6 fuel RFP
80	Paul Harmon	1.3	\$994.50	8/28/2018	Fuel Commodity Analysis - Reviewed cost savings analysis for SJ5&6 conversion
81	Marcus Klintmalm	0.7	\$375.20	8/28/2018	Participation, Participation & Follow-up to Site Visits - Preparation for SJ 5&6 site visit
82	Matt Lee	0.9	\$494.10	8/31/2018	Generation Plant Analysis - Review Questions & Response to North Fuels RFPs
83	Paul Harmon	2.9	\$2,218.50	8/31/2018	Fuel Commodity Analysis - Updated draft response to fuel RFP questions
84	Norm Spence	1	\$600.00	9/4/2018	Generation Plant Operations - Review PREC presentation for SJ 5&6
85	Norm Spence	1.2	\$720	9/5/2018	Generation Plant Operations - SJ 5&6 Fuel supply RFQ clarifications review
86	Marcus Klintmalm	2.8	\$1,500.80	9/5/2018	Procurement Review - Review of Northern Fuel Cost Savings Model
87	Nathan Pollak	0.8	\$468	9/6/2018	Contract Review - Review project management office questions related to the Fuel Supply and San Juan 5&6 conversion for proposals
88	Matt Lee	3.7	\$2,031.30	9/6/2018	Generation Plant Analysis - Response to RFP Questions - SJ5&6
89	Marcus Klintmalm	1.1	\$589.60	9/6/2018	Procurement Management - Northern Fuel RFP Coordination
90	Nathan Pollak	0.6	\$351	9/6/2018	Contract Review - Revise responses to northern fuel supply and San Juan conversion questions
91	Nathan Pollak	1.8	\$1,053	9/6/2018	Contract Review - Draft responses to questions regarding the northern fuel supply and San Juan conversion request for
92	Paul Harmon	1.4	\$1,071	9/7/2018	Fuel Commodity Analysis - Review of Proposer questions SJ5&6 Fuel RFP
93	Norm Spence	3.6	\$2,160	9/7/2018	Generation Plant Operations - SJ 5&6 fuel supply RFQ clarifications - prepare responses

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
94	Marcus Klintmalm	0.7	\$375	9/7/2018	Procurement Management - Coordinated Northern Fuel RFP Answers to Proponent Questions
95	Marcus Klintmalm	1.3	\$696.80	9/7/2018	Procurement Management - Developed answers to Northern Fuel RFP Questions
96	Nathan Pollak	1.3	\$760.50	9/7/2018	Contract Review - Review northern fuel supply and San Juan conversion procurement documentation
97	Chad Balken	0.6	\$219.00	9/11/2018	Data and Documents Management - Researched Northern Fuels RFP documents on Power Advocate
98	Chad Balken	1.4	\$511	9/13/2018	Data and Documents Management - Reviewed responses to proponents for Northern Fuel RFP
99	Marcus Klintmalm	0.5	\$268	9/13/2018	Procurement Compliance - Call with PREPA personnel regarding Northern Fuel RFP procurement
100	Norm Spence	0.8	\$480	9/25/2018	Generation Plant Operations - Work on North Gneeration RFP and contract
101	Nathan Pollak	2.4	\$1,404	9/26/2018	Contract Analysis & Evaluation - Review proposals for San Juan 5&6 Fuel conversion
102	Paul Harmon	3.4	\$2,601	9/27/2018	Fuel Commodity Analysis - Northern fuel supply RFP Proposals Initial Review
103	Paul Harmon	3.4	\$2,601	9/28/2018	Fuel Commodity Analysis - Selection committee kickoff meeting Northern fuel supply
104	Paul Harmon	3.2	\$2,448	9/29/2018	Fuel Commodity Analysis - Detailed review of Proposal 1 - Northern Fuels
105	Paul Harmon	2.8	\$2,142	9/30/2018	Fuel Comodity Analysis - Detailed review of Proposal 2 - Northern Fuels
106	Matt Lee	2.1	\$1,152.90	9/30/2018	Generation Plant Analysis - Review pricing provisions for Northern Fuels RFP
107	Paul Harmon	3.6	\$2,754	10/1/2018	Fuel Commodity Analysis - Review meeting Northern Fuels RFP evaluation
108	Nathan Pollak	1.7	\$994.50	10/1/2018	Procurement Development - Develop program schedule of major milestones for
109	Paul Harmon	2.5	\$1,912.50	10/2/2018	Fuel Commodity Analysis - Evaluation Committee Meeting Northern Fuel Proposals
110	Marcus Klintmalm	5.8	\$3,108.80	10/2/2018	Procurement Review - Developed Northern Fuel Bid Valuation Model
111	Marcus Klintmalm	1.4	\$750.40	10/2/2018	Request for Proposal Review - Reviewed Northern Fuel Bids
112	Nathan Pollak	0.6	\$351.00	10/2/2018	Procurement Management - Update Northern Fuel procurement program schedule
113	Paul Harmon	1.7	\$1,300.50	10/3/2018	Fuel Commodity Analysis - Excel model review for Northern fuels proposals financial evaluation
114	Marcus Klintmalm	6.6	\$3,537.60	10/3/2018	Procurement Review - Continued Work on Northern Fuel Bid Valuation Model
115	Marcus Klintmalm	0.4	\$214.40	10/3/2018	Procurement Review - Call regarding Northern fuel Valuation Model
116	Chad Balken	1.4	\$750.40	10/4/2018	Data and Documents Management - Reviewed Northern Fuels RFP proposal document, methodology and pricing options from AES
117	Chad Balken	1.1	\$589.60	10/4/2018	Data and Documents Management - Reviewed Northern Fuels RFP proposal document, methodology and pricing options from SeaOne
118	Chad Balken	1.6	\$857.60	10/4/2018	Data and Documents Management - Reviewed Northern Fuels RFP proposal document, methodology and pricing options from New Fortress Energy
119	Chad Balken	2.1	\$1,125.60	10/4/2018	Data and Documents Management - Attended Evaluation Committee update for the Northern Fuels RFP and discussed scoring methodology as well as the way forward with OCPC submissions
120	Chad Balken	0.6	\$321.60	10/4/2018	Data and Documents Management - Updated Procurement Dashboard with new timelines for the Northern Fuel and San Juan Fuel Conversion RFP Procurement action
121	Paul Harmon	2.7	\$2,065.50	10/4/2018	Fuel Commodity Analysis - Reviewed SJ5&6 fuel supply proposals revised financial analysis
122	Marcus Klintmalm	1.3	\$696.80	10/4/2018	Procrument Review - Updates on Northern Fuel Bid Valuation model based on feedback
123	Marcus Klintmalm	1.3	\$696.80	10/9/2018	Procurement Management - Reviewed PREC issuance regarding Northern Fuel
124	Marcus Klintmalm	1.4	\$750.40	10/10/2018	Permanent Work - Northern Fuel Eval Committee Meeting with PREPA
125	Marcus Klintmalm	2.3	\$1,232.80	10/10/2018	Permanent Work - Generation - Analysis of Generation Northern Fuel Bids
126	Marcus Klintmalm	1.8	\$964.80	10/10/2018	Permanent Work - Generation - Analysis of Proponent Prior Unsolicited Bid
127	Marcus Klintmalm	3.4	\$1,822.40	10/10/2018	Permanent Work - Generation - Northern Fuel Proponent Presentation
128	Marcus Klintmalm	2.3	\$1,232.80	10/10/2018	Permanent Work - Generation - Northern Fuel Evaluation Model Write-up
129	Matt Lee	1.9	\$1,043.10	10/10/2018	Generation Plant Analysis - Preparation for San Juan 5 & 6 First Fuel Bidder
130	Matt Lee	3.4	\$1,866.60	10/10/2018	Generation Plant Analysis - Participate in San Juan 5 & 6 First Fuel Bidder Presentation
131	Matt Lee	0.2	\$109.80	10/10/2018	Follow up with PREPA Selection Committee for San Juan 5 & 6
132	Nathan Pollak	1.2	\$702.00	10/10/2018	Generaiton Plant Operaitons - Discuss northern fuels RFP with PREPA evaluation committee
133	Marcus Klintmalm	4.2	\$2,521.20	10/11/2018	Permanent Work - Generation - Northern Fuel Evaluation Model Write-up contd

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
134	Marcus Klintmalm	2.6	\$1,393.60	10/11/2018	Permanent Work - Generaiton - Northern Fuel Proponent #2 Presentation
135	Marcus Klintmalm	1.1	\$589.60	10/11/2018	Permanent Work - Generation - Northern Fuel Evaluation Model Updates
136	Matt Lee	1.2	\$659	10/11/2018	Generation Plant Analysis - Preparation for San Juan 5 & 6 Second Fuel Bidder Presentation
137	Matt Lee	2.4	\$1,317.60	10/11/2018	Generation Plant Analysis - Participate in San Juan 5 & 6 Second Fuel Bidder Presentation
138	Matt Lee	0.9	\$494.10	10/11/2018	Environmental Initiatives - Meeting with King & Spalding to regarding process and benefits of San Juan 5 & 6 Fuel Conversion
139	Matt Lee	0.2	\$109.80	10/11/2018	Internal discussions with FEP staff regarding take or pay provisions of San Juan 5 & 6
140	Marcus Klintmalm	2.4	\$1,286.40	10/11/2018	Permanent Work - Generation - Northern Fuel Evaluation Model Memo Finalization
141	Matt Lee	1.8	\$988.20	10/12/2018	Generation Plant Analysis - Develop timeline for San Juan Fuel RFP Selection Process
142	Scott Davis	1.8	\$1,053.00	10/12/2018	Contract Analysis & Evaluation - Edit Northern Fuel RFP analysis white paper
143	Marcus Klintmalm	0.6	\$321.60	10/14/2018	Procurement Development - Communications regarding staff meetings and Northern Fuel procurement
144	Matt Lee	1.1	\$603.90	10/15/2018	Generation Plant Operations - Review Shortlist Proponent Response #1 to PREPA follow-up questions related to San Juan 5&6 Fuel Supply
145	Matt Lee	1.4	\$768.60	10/15/2018	Generation Plant Operations - Review Shortlist Proponent Response #1 to PREPA follow-up questions related to San Juan 5&6 Fuel Supply
146	Paul Harmon	3.9	\$2,983.50	10/15/2018	Fuel Commodity Analysis - SJ 5&6 Fuel RFP Selection Committee Meeting Participation
147	Paul Harmon	1.4	\$1,071	10/15/2018	Fuel Commodity Analysis - Reviewed Proponent Responses to SJ 5&6 Fuel Supply RFP Questions
148	Marcus Klintmalm	1.8	\$964.80	10/15/2018	Request for Proposal Review - Northern Fuel RFP Evaluation Meeting
149	Marcus Klintmalm	1.4	\$750.40	10/15/2018	Request for Proposal Review - Northern Fuel Evaluation Model & Memo Update
150	Paul Harmon	1.1	\$841.50	10/16/2018	Fuel Commodity Analysis - Reviewed PREB requirements relative to new SJ 5&6 Fuel Supply
151	Marcus Klintmalm	1.2	\$643.20	10/16/2018	Request for Proposal Review - Northern Fuel RFP Evaluation Work in support of PREPA team
152	Matt Lee	0.8	\$439.20	10/18/2018	Environmental Initiatives - Prepare for meeting to discuss permitting San Juan Units 5&6 to natural gas
153	Matt Lee	2.7	\$1,482.30	10/18/2018	Environmental Initiatives - Participate in meeting with PREPA staff to discuss permitting San Juan Units 5&6 to natural gas
154	Paul Harmon	0.7	\$535.50	10/18/2018	Environmental Compliance - Update on permitting requirements for SJ 5&6 fuel conversion
155	Nathan Pollak	1.9	\$1,111.60	10/18/2018	Generation Plant Analysis - Discuss San Juan 5&6 fuel conversion with PREPA staff
156	Matt Lee	1.2	\$658.80	10/19/2018	Environmental Initiatives - Meet with PREPA Environmental staff to identify next steps to re-permit San Juan 5 and 6
157	Allison Horn	0.8	\$240.00	10/22/2018	Generation Plant Operations - Discussion with FEP member on milestones of San Juan 5 and 6 Fuel Conversion initiative
158	Nathan Pollak	1.3	\$760.50	10/22/2018	Generation Plant Analysis - Discuss San Juan 5&6 fuel conversion with FEP staff
159	Paul Harmon	1.2	\$918	10/23/2018	Fuel Commodity Analysis - Reviewed PREPA bid evaluation document - SJ 5&6 conversion
160	Marcus Klintmalm	1.3	\$697	10/23/2018	Request for Proposal Review - Northern Fuel RFP Doc Review
161	Matt Lee	0.6	\$329	10/23/2018	Environmental Initiatives - Follow up with FEP management regarding Northern Fuels RFP
162	Norm Spence	2.4	\$1,440	10/24/2018	Generation Plant Operations - Review shortlisted proposal for San Juan Gas conversion for cost and schedule
163	Matt Lee	0.8	\$439	10/25/2018	Environmental Initiatives - Teleconference with PREPA environmental staff regarding calculation logic for Northern Fuels RFP operatin limits
164	Marcus Klintmalm	1.9	\$1,018	10/26/2018	Procurement Management - Crafted response to Northern Fuel PREB Resolution
165	Marcus Klintmalm	0.7	\$375	10/29/2018	Procurement Management - Discussion about PREB Northern Fuel submission with Legal
166	Nathan Pollak	2.2	\$1,287	11/1/2018	Generation Plant Analysis - Review San Juan fuel supply supporting documentation
167	Paul Harmon	1.2	\$918	11/1/2018	Fuel Commodity Analysis - Update on SJ5&6 Fuel Supply RFP
168	Todd Filsinger	1.8	\$1,515.60	11/21/2018	Fuel Commodity Analysis - Strategy discussions for San Juan 5 and 6
169	Buck Monday	1.3	\$795.60	11/26/2018	Generation Plant Analysis - Reviewing order by PREB on natural gas conversion of SJ 5 and 6

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
170	Paul Harmon	0.8	\$612.00	11/26/2018	Fuel Commodity Analysis - Reviewed PREB Resolution RE: SJ 5&6 Conversion
171	Marcus Klintmalm	1.4	\$750.40	11/27/2018	Procurement Management - Reviewed PREB announcement concerning Northern Fuel
172	Todd Filsinger	2.1	\$1,768.20	11/28/2018	Staff meeting to address San Juan 5/6
173	Nathan Pollak	1.2	\$702.00	11/29/2018	Business Process Improvement Initiatives - Review PREB orders related to San Juan fuel conversion
174	Matt Lee	1.1	\$603.90	11/29/2018	Generation Plant Analysis - Meeting with Procurement team regarding SJ 5 & 6 bid notification and contract strategy
175	Paul Harmon	1.6	\$1,224	11/29/2018	Fuel Commodity Analysis - Evaluation committee meeting SJ 5&6 conversion
176	Chad Balken	0.9	\$482	11/29/2018	Contract Analysis & Evaluation - Reviewed Fuel Contract for San Juan 5&6 Procurement effort
177	Gary Germeroth	0.4	\$382.50	11/30/2018	Internal Conference Call Participation-Meeting related to the potential negotiations on the delivery of LNG and conversion of San Juan units 5/6 to natural gas firing
178	Gary Germeroth	0.7	\$535.50	11/30/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with King Spaulding regarding a potential negotiation session with the counterparty proposing the conversion of San Juan 5/6 to natural gas
179	Paul Harmon	3.7	\$2,830.50	11/30/2018	Fuel Commodity Analysis - Reviewed proposed fuel supply agreement SJ 5&6
180	Chad Balken	0.4	\$214.40	11/30/2018	Contract Analysis & Evaluation - Attended phone call discussion on negotiation strategy for San Juan 5 and 6 procurement action
181	Norm Spence	1	\$600.00	11/30/2018	Generation Plant Operations - FEP team and King & Spaulding initial discussions for issues related to contract negotiations for SJ 5&6 fuel contract
182	Todd Filsinger	0.9	\$757.80	11/30/2018	Generation Plant Analysis - Call with King and Spaulding on San Juan 5/6
183	Norm Spence	2	\$1,200	12/2/2018	Generation Plant Operations - review draft NFE proposed contract for San Juan 5&6 gas conversion negotiation discussions on Dec 5
184	Norm Spence	1.2	\$720	12/3/2018	Generation Plant Operations - Mtg w King & Spaulding for initial comments to support NFE San Juan 5&6 gas conversion contract negotiations plan
185	Marcus Klintmalm	2.7	\$1,447	12/4/2018	Generation Infrastructure Improvements - Toured PREPA San Juan Power Plant Facility - K&S intro for 5/6
186	Norm Spence	1.4	\$840	12/4/2018	Generation Plant Operations - Prep meeting w FEP, K&S and PREPA for NFE negotiation of SJ 5&6 conversion contract
187	Norm Spence	1.5	\$900	12/4/2018	Generation Plant Operations - follow up to K&S meeting for NFE negotiation of SJ 5&6 conversion contract
188	Norm Spence	1.9	\$1,140	12/5/2018	Generation Plant Operations - Meeting w PREPA, K&S, and FEP to finalize plan for NFE negotiation of SJ 5&6 gas conversion contract
189	Norm Spence	3	\$1,800	12/5/2018	Generation Plant Operations - Meeting w PREPA, K&S, FEP and NFE for negotiation of SJ 5&6 gas conversion contract
190	Norm Spence	2.2	\$1,320	12/5/2018	Generation Plant Operations - Meeting w PREPA Gen, Black & Veatch, NFE and FEP to discuss proposed MHI guarantees for output and emissions as required for SJ 5&6 conversion contract
191	Nathan Pollak	1.6	\$936	12/5/2018	Procurement Review - Review San Juan 5&6 fuel supply procurement documentation
192	Nathan Pollak	3.6	\$2,106	12/5/2018	Procurement Management - Participate in San Juan 5&6 fuel procurement preparation discussions with PREPA legal team
193	Nathan Pollak	3.9	\$2,281.50	12/5/2018	Contract Management - Attend contracting discussion with PREPA and fuel supplier negotiation teams
194	Nathan Pollak	1.9	\$1,018.40	12/5/2018	Business Process Improvement Initiatives - Follow with PREPA staff and legal teams regarding San Juan fuel supply agreement
195	Matt Lee	0.9	\$494.10	12/6/2018	Fuel Commodity Analysis - Develop action items list and schedule for San Juan 5&6 permitting and authorizations
196	Gary Germeroth	2.4	\$1,836.00	12/6/2018	Hedging and Trading Positions - Meeting with representatives of New Fortress Energy regarding the potential terms of a long term natural gas supply agreement
197	Norm Spence	2.2	\$1,320.00	12/6/2018	Generation Plant Operations - closeout meeting w/ PREPA, K&S and FEP related to negotiation of SJ 5&6 gas conversion contract
198	Norm Spence	1.7	\$1,020.00	12/6/2018	Generation Plant Operations - Prepare action items for FEP, K&S, NFE and PREPA from SJ 5&6 negotiation meetings of Dec. 5&6
199	Nathan Pollak	2.7	\$1,579	12/6/2018	Contract Management - Attend contract negotiation discussions between PREPA and San Juan fuel supplier
200	Nathan Pollak	1.7	\$995	12/6/2018	Contract Management - Continue contract review with PREPA legal team and fuel supplier negotiation team

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
201	Nathan Pollak	0.6	\$351	12/6/2018	Contract Management - Follow up with PREPA regarding next steps related to fuel supply contract negotiations
202	Norm Spence	1.9	\$1,140	12/7/2018	Generation Plant Operations - discussion w PREPA Planning on proposed interconnect requirements for NFE associated w SJ 5&6 gas conversion project
203	Norm Spence	1.2	\$720	12/7/2018	Generation Plant Operations - Discussions w PREPA Environmental on proposed permit changes for SJ 5&6 for NFE gas conversion project
204	Norm Spence	1.4	\$840	12/7/2018	Generation Plant Operations - Follow up w PREPA Gen related to proposed MHI guarantees for output and emissions for NFE gas conversion of SJ 5&6
205	Gary Germeroth	4	\$3,060	12/10/2018	Contract Review - Evaluate most recent draft fuel purchase and sale document from NFE and develop comments on same
206	Norm Spence	1.1	\$660	12/10/2018	Generation Plant Operations - NFE, FEP and PREPA update call on K&S markup of revised Northern Fuel Contract
207	Nathan Pollak	3.4	\$1,989	12/10/2018	Contract Management - Review current proposed terms and conditions of draft fuel contract for San Juan units
208	Chad Balken	0.4	\$214.40	12/11/2018	Contract Review - Attended meeting on FOMB presentation of Northern Fuels Procurement History
209	Chad Balken	1.3	\$696.80	12/11/2018	Contract Review - Draft initial presentation outline for FOMB Northern Fuels Procurement History
210	Gary Germeroth	1.3	\$994.50	12/11/2018	Contract Review - Prepare talking points for internal resource call with PREPA staff and legal advisors discussing asks for NFE draft contract
211	Gary Germeroth	2.5	\$1,912.50	12/11/2018	Interactions, Calls & meetings with Debtors and Debtors' Counsel - Meeting with PREPA personnel and PREPA counsel deriving the Company requests for the next turn of the NFE negotiations
212	Norm Spence	3.3	\$1,980	12/11/2018	Generation Plant Operations - Review of NFE/MHI proposal for San Juan 5&6 fuel conversion in preparation for meeting with PREPA, MHI and NFE
213	Norm Spence	2.3	\$1,380	12/11/2018	Generation Plant Operations - Inspection of nozzels for SJ5&6 conversion at MHI, Orlando factory with PREPA Generation and NFE
214	Norm Spence	3.2	\$1,920	12/11/2018	Generation Plant Operations - Meeting w/ PREPA Generation, MHI and NFE and MHI offices in Orlando to discuss proposed guarantees and scope for SJ5&6 conversion to gas
215	Paul Harmon	1.6	\$1,224	12/11/2018	Fuel Commodity Analysis - Reviewed revised version of SJ5&6 fuel contract
216	Gary Germeroth	3.5	\$2,678	12/12/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with Company regarding their additional requirements to incorporate into the NFE draft fuel purchase and sale fuel contract
217	Norm Spence	1.2	\$720	12/12/2018	Generation Plant Operations - PREPA/NFE update call on development of San Juan 5&6 North Fuel Gas conversion contract
218	Allison Horn	1.2	\$360	12/12/2018	Request for Proposal Review - Read through Northern Fuel RFP Evaluation Report
219	Allison Horn	1.6	\$480	12/12/2018	Request for Proposal Review - Drafted slides on Northern Fuel RFP Selection Process for Northern Fuel presentation
220	Paul Harmon	2.4	\$1,836	12/12/2018	Fuel Commodity Analysis - Conference call with NFE/Mitsubishi/B&V regarding work plan SJ5&6 fuel conversion
221	Chad Balken	0.8	\$429	12/12/2018	Contract Review - Edited Presentation for FOMB regarding the Northern Fuels Procurement History
222	Gary Germeroth	3.2	\$2,448	12/13/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with Company, NFE and respective advisors related to PREPA comments and input on potential fuel contract
223	Norm Spence	2.6	\$1,560	12/13/2018	Generation Plant Operations - provide comments to FEP team on draft FOMB presentation on San Juan 5&6 gas conversion project
224	Allison Horn	0.8	\$240	12/13/2018	Request for Proposal Review - Call with FEP staff members to go over current status of San Juan 5&6 presentation
225	Allison Horn	1.2	\$360	12/13/2018	Cost Analysis - Created slide on NPV analysis for Northern Fuel Procurement deck
226	Nathan Pollak	1.7	\$994.50	12/13/2018	Contract Management - Discuss proposed revisions to San Juan fuel supply contract terms and conditions with PREPA and counterparty
227	Chad Balken	1.2	\$643.20	12/13/2018	Data and Documents Management - Updated Presentation for FOMB regarding the Northern Fuels Procurement history
228	Gary Germeroth	3.1	\$2,371.50	12/14/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with NFE representatives concerning their new asks related to the proposed fuel contract

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
229	Laura Hatanaka	0.9	\$482.40	12/14/2018	Generation Plant Analysis - Assessment of presentation for San Juan 5 and 6 as
230	Paul Harmon	1.7	\$1,300.50	12/14/2018	Fuel Commodity Analysis - Reviewed documents related to SJ5&6 post bid requests
231	Nathan Pollak	1.7	\$994.50	12/14/2018	Contract Management Review proposed language changes to draft San Juan fuel supply contract
232	Nathan Pollak	1.7	\$994.50	12/14/2018	Contract Management - Discuss San Juan fuel supply contract issues list with PREPA negotiation team
233	Nathan Pollak	3.1	\$1,813.50	12/14/2018	Contract Management - Meet with PREPA staff, legal team, and NFE representatives regarding proposed revisions to fuel supply contract terms and conditions
234	Gary Germeroth	3.5	\$2,677.50	12/15/2018	Contract Review - Create comments, edits and insights to latest draft of San Juan
235	Gary Germeroth	3.2	\$2,448	12/15/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with Company and King & Spalding regarding the current draft of the San Juan fuel supply contract and proposed changes
236	Gary Germeroth	4	\$3,060	12/15/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with NFE, K&S and Company reps regarding the current draft of the SJ fuel supply agreement
237	Gary Germeroth	0.3	\$230	12/15/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with Company and King & Spalding gathering reactions and proposed next steps for the San Juan fuel supply contract
238	Gary Germeroth	0.4	\$306	12/15/2018	Contract Review - Meeting with FEP resources outlining the next steps and desires for the SJ fuel supply contract
239	Nathan Pollak	2.7	\$1,580	12/15/2018	Contract Management - Review latest revisions and develop recommendations related to draft San Juan fuel supply contract
240	Nathan Pollak	3.2	\$1,872	12/15/2018	Contract Management - Meet with PREPA and legal advisors regarding the revisions to the proposed raft of the San Juan fuel supply contract
241	Nathan Pollak	3.9	\$2,282	12/15/2018	Contract Management - Meeting with PREPA staff, legal advisors and NFE representatives regarding the proposed draft of the San Juan fuel supply contract
242	Nathan Pollak	1.9	\$1,112	12/15/2018	Contract Management - Discuss proposed contract language changes and next steps with PREPA, FEP staff and legal teams
243	Norm Spence	2.4	\$1,440	12/16/2018	Review for comment to FEP financial team - 12/16 draft of NFE Northern Fuel sale and Purchase agreement
244	Gary Germeroth	2.8	\$2,142	12/16/2018	Contract Review - Evaluate the latest proposed changes and edits to the San Juan fuel contract
245	Gary Germeroth	1.5	\$1,148	12/16/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy and King & Spalding representatives discussion the latest proposed changes to the contract document
246	Gary Germeroth	0.5	\$383	12/16/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with King & Spalding attorneys discussion the latest San Juan fuel supply proposed contract edits and determine response
247	Gary Germeroth	0.4	\$306	12/16/2018	Contract Review - Meeting with FEP resources discussing the latest proposed changes from New Fortress Energy on the San Juan fuel supply contract and potential economic outcomes
248	Nathan Pollak	2.8	\$1,638	12/16/2018	Contract Management - Review the blackline changes to the proposed San Juan fuel supply contract
249	Nathan Pollak	1.7	\$995	12/16/2018	Business Process Improvement Initiatives - Meet with PREPA and NFE negotiation team representatives to discuss proposed changes to the fuel supply agreement
250	Nathan Pollak	1.4	\$819	12/16/2018	Contract Management - Meet with PREPA, FEP and legal teams to discuss reactions and impacts to proposed contract language
251	Nathan Pollak	1.7	\$995	12/16/2018	Contract Management - Review updated San Juan fuel supply contract presentation materials
252	Gary Germeroth	1.9	\$1,453.50	12/17/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with Company and King & Spalding regarding current Company perceptions on the future requirements to embed into the San Juan fuel supply agreement
253	Gary Germeroth	0.5	\$382.50	12/17/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy, Company and King & Spalding representatives outlining current open issues in completing a fuel supply agreement
254	Gary Germeroth	2.4	\$1,836.00	12/17/2018	Contract Review - Edit the nominations and related payment requirements of the proposed San Juan fuel supply agreement
255	Gary Germeroth	1	\$765.00	12/17/2018	Contract Analysis & Evaluation - Determine the volumetric requirements of the proposed San Juan fuel supply agreement via discussion with Company personnel

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
256	Nathan Pollak	1.3	\$760.50	12/17/2018	Business Process Improvement Initiatives - Review draft revisions to proposed San Juan fuel supply agreement
257	Nathan Pollak	1.9	\$1,111.50	12/17/2018	Business Process Improvement Initiatives - Discuss draft San Juan fuel supply agreement with PREPA staff and legal advisors
258	Nathan Pollak	0.6	\$351	12/17/2018	Business Process Improvement Initiatives - Meet NFE, PREPA and legal advisors to discuss remaining open topics regarding SJ fuel contract
259	Nathan Pollak	3.7	\$2,165	12/17/2018	Business Process Improvement Initiatives - Develop recommendations related to the proposed fuel supply agreement nomination and accounting process
260	Nathan Pollak	0.7	\$410	12/17/2018	Procurement Management - Discuss potential protest action regarding fuel supply procurement with PREPA staff
261	Gary Germeroth	0.3	\$229.50	12/18/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with NFE, Company and K&S outlining NFE concerns on the draft agreement
262	Gary Germeroth	1.7	\$1,300.50	12/18/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with Company and King & Spalding personnel discussing our position on current negotiations of the San Juan fuel supply agreement
263	Gary Germeroth	2.3	\$1,759.50	12/18/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy, Company and King & Spalding to discuss the latest turn of edits for the San Juan fuel supply agreement
264	Gary Germeroth	0.7	\$535.50	12/18/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with NFE principals to define the economic principles that will be drafted into the San Juan fuel supply agreement
265	Gary Germeroth	0.5	\$382.50	12/18/2018	Contract Analysis & Evaluation - Meeting with FEP personnel to provide definition to economic shortfalls within the current draft fuel supply agreement, and resolution of same
266	Gary Germeroth	0.5	\$382.50	12/18/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy, Company and King & Spalding representatives discussing the current status of contract issues
267	Nathan Pollak	0.8	\$468	12/18/2018	Business Process Improvement Initiatives - Discuss proposed approach to damage assessments with PREPA disaster funding management office
268	Nathan Pollak	2.8	\$1,638	12/18/2018	Business Process Improvement Initiatives - Meeting with PREPA, New Fortress Energy, and legal advisors to discuss open topics regarding draft San Juan fuel supply agreement
269	Nathan Pollak	3.3	\$1,931	12/18/2018	Business Process Improvement Initiatives - Discuss with PREPA negotiation team current positions on open terms and conditions topics related to San Juan fuel supply agreement
270	Nathan Pollak	2.2	\$1,287	12/18/2018	Contract Management - Analyze economic implication of nomination process and accounting of fuel roll-over related to proposed San Juan fuel contract
271	Norm Spence	2.3	\$1,380	12/19/2018	Generation Plant Operations - provide review of proposed draft MHI performance guarantees at min/max capacity for FEP financial team to be used in NFE Northern Fuel sale and Purchase agreement
272	Gary Germeroth	2.2	\$1,683	12/19/2018	Contract Review - Analyze current draft contract for the fuel supply at San Juan and derive options for negotiating certain key points
273	Gary Germeroth	1.4	\$1,071	12/19/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy, Company and King & Spalding outlining current open issues on the resolution of contract issues
274	Gary Germeroth	2.2	\$1,683	12/19/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy attempting to agree on specific contract language and intent for the fuel supply agreement
275	Gary Germeroth	0.3	\$230	12/19/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with King & Spalding on various contract issues related to the proposed San Juan fuel supply agreement
276	Gary Germeroth	0.8	\$612	12/19/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy, Company and King & Spalding regarding the status of open issues on finalizing the San Juan fuel supply agreement
277	Nathan Pollak	2.8	\$1,638.00	12/19/2018	Contract Management - Discuss contract negotiation close-out topics and proposed language with NFE and PREPA representatives
278	Nathan Pollak	1	\$585.00	12/19/2018	Contract Management - Review implications of proposed contract language with PREPA and external legal teams

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
279	Nathan Pollak	1.9	\$1,112	12/19/2018	Contract Management - Analyze proposed contract language regarding draft San Juan fuel supply agreement
280	Norm Spence	2	\$1,200	12/20/2018	Generation Plant Operations - provide comments to FEP generation team on MHI Performance Guarantee Exhibit to NFE Northern Fuel sale and Purchase agreement
281	Norm Spence	1.1	\$660	12/20/2018	Generation Plant Operations - discuss w/ FEP Gen team proposed outage schedule and work schedule for MHI conversion work at SJ5&6 as input to NFE Northern Fuel sale and Purchase agreement
282	Gary Germeroth	0.4	\$306	12/20/2018	Contract Analysis & Evaluation - Develop certain specific requirements to propose for the San Juan fuel supply contract
283	Gary Germeroth	0.5	\$383	12/19/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with New Fortress Energy discussing Company position and requirements on certain fuel supply contract issues
284	Gary Germeroth	1	\$765	12/19/2018	Contract Analysis & Evaluation - Determine certain volumetric projections in support fo requirements fo the draft San Juan fuel supply agreement
285	Buck Monday	1.6	\$979.20	12/21/2018	Generation Plant Analysis - Reading Puma Energy's protest to LNG award to New Fortress Energy
286	Gary Germeroth	0.4	\$306	12/21/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with NFE finalizing the specific contract language of various open contract items
287	Gary Germeroth	2.8	\$2,142.00	12/21/2018	Contract Review - Generate edits and suggestions for wording enhancements on the latest draft version of the San Juan fuel supply contract
288	Gary Germeroth	0.7	\$535.50	12/21/2018	Contract Review - Provide edits and comments on draft filing letter to the various organizations that will be required to approve the San Juan fuel contract
289	Gary Germeroth	1.5	\$1,147.50	12/21/2018	Custom Financial Reports - Analyze underlying assumptions made within an analysis of the San Juan fuel contract versus the current fiscal plan
290	Gary Germeroth	1.8	\$1,377	12/21/2018	Contract Analysis & Evaluation - Generated the final versions of various annexes and exhibits required to finalize the San Juan fuel supply agreement
291	Nathan Pollak	2.6	\$1,521	12/21/2018	Business Process Improvement Initiatives - Review draft supporting documentation related to FOMB review of San Juan fuel supply agreement and provide feedback on the same
292	Nathan Pollak	1.3	\$761	12/21/2018	Business Process Improvement Initiatives - Review surcharge calculations associated with proposed San Juan fuel supply agreement
293	Gary Germeroth	0.2	\$153	12/22/2018	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with NFE personnel outlining expected future performance deadlines for the San Juan project
294	Gary Germeroth	0.6	\$459	12/22/2018	Contract Management - Edit final anlysis document required for the filing of the San Juan project with the FOMB
295	Nathan Pollak	0.8	\$468	12/22/2018	Project Management - Discuss revisions to FOMB compliance documentation related to San Juan fuel procurement
296	Nathan Pollak	0.2	\$117	12/22/2018	Contract Management - Discuss remaining open contracting items with PREPA and NFE negotiation teams
297	Norm Spence	2.3	\$1,380	12/24/2018	Generation Plant Operations - Review final contract documents from NFE for Northern fuel Procurement at SJ5&6
298	Paul Harmon	1.1	\$842	1/3/2019	Fuel Commodity Analysis - Reviewed fuel conversion letter for SJ5&6 to FOMB
299	Norm Spence	2.4	\$1,440	1/7/2019	Generation Plant Operations - Review MHI performance guarantees offered to NFE for San Juan 5&6 Fuel Conversion contract
300	Nathan Pollak	1.4	\$819	1/10/2019	Business Process Improvement Initiative - Review FOMB suppoting documentation regarding San Juan 5 & 6 conversion
301	Nathan Pollak	1.9	\$112	1/10/2019	Buseinss Process Improvement Initiatives - Analyze San Juan 5&6 fuel forecast cost avoidance model
302	Matt Lee	1.4	\$768	1/10/2019	Environmental Initiatives - Assist with development of response to the FOMB regarding San Juan 5 & 6
303	Gary Germeroth	0.4	\$306	1/14/2019	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with K&S and O'Melveny personnel discussing the creditor update call related to the NF transaction and the Privatization of the T&D system
304	Gary Germeroth	1	\$765	1/14/2019	Interactions, Calls & Meetings with Debtors and Debtors' Counsel - Meeting with the Creditor Mediation team regarding the San Juan 5 and 6 conversion and the Privatization of the T&D system

	Filsinger Energy Partners Employee	Hours	Fees	Date	Description
305	Nathan Pollak	0.9	\$527	1/18/2019	Business Process Improvement Initiatives - Review draft responses to addition FOMB inquiries regarding draft San Juan Fuel Contract
306	Matt Lee	2.3	\$1,262.70	2/1/2019	Generation Plant Analysis - Edit Scope of Work for fuel procurement contract San Juan 5 & 6
307	Norm Spence	1.6	\$960	2/5/2019	Generation Plant Operations - input to K&S draft letter reply to FOMB on SJ5&6 gas conversion
308	Nathan Pollak	2.2	\$1,287	2/5/2019	Fuel Commodity Analysis - Analyze FOMB questions regarding San Juan fuel procurement matter
309	Matt Lee	2.9	\$1,592	2/7/2019	Generation Plant Analysis - Work with PREPA Staff to finalize exhibits to San Juan Fuels Contract
310	Nathan Pollak	0.8	\$468	2/8/2019	Fuel Commodity Analysis - Review San Juan natural gas procurement matter with PREPA legal advisors
311	Norm Spence	2.1	\$1,260	2/13/2019	Generation Plant Operations - Prelim review of draft MHI contract and Appendix for SJ 5&6 conversion as received from K&S
312	Paul Harmon	1.2	\$918	2/13/2019	Fuel Commodity Analysis - Meeting with FOMB consultants regarding SJ 5&6 fuel conversion
313	Nathan Pollak	1.2	\$702	2/13/2019	Contract Management - Discuss San Juan fuel contract with FOMB advisors
314	Nathan Pollak	1.8	\$1,053	2/13/2019	Procurement Compliance - Review draft letter to FOMB regarding San Juan 5&6 fuel procurement
315	Paul Harmon	2.4	\$1,836	2/18/2019	Fuel Commodity Analysis - Developed responses to FOMB questions re: San Juan 5&6 fuel conversion
316	Todd Filsinger	0.7	\$589.40	3/4/2019	Fuel Commodity Analysis - New Fortress Energy contract review

Appendix 2

*Internal PREPA Memo from Jaime Umpierre, Head of Engineering to Astrid Rodriguez Cruz, Interim Legal Director*¹²⁹

English translation of internal PREPA memo from Jaime Umpierre to Astrid Rodriguez Cruz (interim legal director) and William Rios Mera (interim generation director) dated May 30, 2018:

“Query regarding New Fortress Energy (NFE) gas project at San Juan plant

“On March 6, 2018, PREPA signed a Confidentiality Agreement (CA) with NFE for the development, construction and operation of a regasification terminal at docks A and B in the port of San Juan. The project includes the supply of gas and the natural gas conversion of San Juan units 5 and 6.

“NFE’s consultants on this project are Black & Veatch (B&V) and Mitsubishi Hitachi Power Systems (MHPS). PREPA is sharing information with NFE and its consultants since the signing of the CA. Two weeks ago, the Sub-Executive Director informed us that there is going to be an RFP for the gas supply, regasification and conversion of units 5 and 6 to be developed on the grounds of docks A and B. Last week, Filsinger Energy Partners (FEP) sent us a draft of this RFP.

“On May 21, 2018, MHPS sent us a request asking us to authorize them to share information on the operation of our units as part of the NFE project. We understand that the CA should be voided and we should not share information with NFE and its consultants to protect the best interests of PREPA and to guarantee a just and equitable RFP process among the companies interested in participating. We ask your opinion on this question and your evaluation of the request sent by MHPS.”

¹²⁹ Facebook. [Query regarding New Fortress Energy \(NFE\) gas project at San Juan plant.](#)

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GOBIERNO DE PUERTO RICO
Autoridad de Energía Eléctrica de Puerto Rico

DG-249147

30 de mayo de 2018

@jayfonsecapr

Astrid I. Rodríguez Cruz
Directora Asuntos Jurídicos, Interina

William Rios Mera
Director de Generación, Interino

Consulta sobre el Proyecto de Gas Natural de New Fortress Energy (NFE) en la Central San Juan

El 6 de marzo de 2018, la Autoridad firmó un Acuerdo de Confidencialidad (CA, por sus siglas en inglés) con NFE para el desarrollo, construcción y puesta en servicio de un terminal de regasificación en los muelles A y B en el puerto de San Juan. El proyecto incluye el suministro de gas y la conversión a gas natural de las unidades 5 y 6 de la Central San Juan.

Los consultores de NFE para este proyecto son Black & Veatch (B&V) y Mitsubishi Hitachi Power Systems (MHPS). La Autoridad está compartiendo información con NFE y sus consultores desde la firma del CA. Hace dos semanas el Subdirector Ejecutivo nos informó que se va a realizar un RFP para el suministro de gas, regasificación y conversión de las unidades 5 y 6 para desarrollarse en los predios de los muelles A y B. La semana pasada Filsinger Energy Partners (FEP) nos envió un borrador de ese RFP.

El 21 de mayo de 2018, MHPS nos envía una solicitud para que los autoricemos a compartir información de operación de nuestras unidades como parte del proyecto de NFE. Entendemos que se debe dejar sin efecto el CA y no compartir información con NFE y sus consultores para salvaguardar los mejores intereses de la Autoridad y garantizar un proceso de RFP justo y equitativo entre las compañías que interesen participar. Solicitamos su opinión al respecto y evaluación de la carta solicitud de permiso enviada por MHPS.

De necesitar alguna información adicional, favor comunicarse con el ingeniero Jaime A. Umpierre por el 6541.

Anejo

JAU



About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. www.ieefa.org

IEEFA and CAMBIO gratefully acknowledge the support of Espacios Abiertos that enabled us to legally challenge PREPA and successfully obtain public documentation related to PREPA's privatization process and contracts, including the San Juan 5, 6 conversions.

About the Authors

Tom Sanzillo

Tom Sanzillo, director of finance for IEEFA, is the author of several studies on coal plants, rate impacts, credit analyses and public and private financial structures for the coal industry. He has testified as an expert witness, taught energy-industry finance training sessions, and is quoted frequently by the media. Sanzillo has 17 years of experience with the City and the State of New York in various senior financial and policy management positions. He is a former first deputy comptroller for the State of New York, where he oversaw the finances of 1,300 units of local government, the annual management of 44,000 government contracts, and where he had oversight of over \$200 billion in state and local municipal bond programs and a \$156 billion pension fund.

Ingrid M. Vila-Biaggi

Ingrid M. Vila-Biaggi is co-founder and President of CAMBIO, a non-profit organization based in Puerto Rico that designs, promotes and implements sustainable policies and practices. Vila-Biaggi is an Open Society Foundations Leadership in Government Fellow.¹³⁰ She has held several civic posts, including Chief of Staff for the Commonwealth. She collaborates and coordinates Queremos Sol, an alliance of environmental, labor, community groups and energy experts, aimed at transforming Puerto Rico's energy sector, establishing a 100% clean renewable path. Vila-Biaggi serves on the Board of Directors of Cumbre Social, a coalition of labor and civil society groups, and recently joined IEEFA's Board. Vila-Biaggi has a bachelor's degree in Civil and Environmental Engineering from Cornell University and a master's degree in Environmental Engineering from Stanford University.

¹³⁰ The opinions expressed herein are the author's own and do not necessarily express the views of Open Society Foundations.

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