

FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



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BY ELECTRONIC MAIL

May 4, 2021

The Honorable Pedro Rafael Pierluisi Urrutia
Governor of Puerto Rico

The Honorable José Luis Dalmau Santiago
President of the Senate of Puerto Rico

The Honorable Rafael Hernández Montañez
Speaker of the House of Representatives of Puerto Rico

Dear Governor Pierluisi Urrutia, President Dalmau Santiago, and Speaker Hernández Montañez:

We write to you to provide a revised schedule for developing, submitting, approving, and certifying the Fiscal Year 2021 Special Budget Resolution for the Commonwealth of Puerto Rico to contribute funds required to fund certain Puerto Rico Electric Power Authority (“PREPA”) operational reserve accounts to ensure the necessary levels of working capital and comply with the Operation and Maintenance Agreement between LUMA Energy (“LUMA”), PREPA and the P3 Authority, by which LUMA is to assume the operation and management of PREPA’s transmission and distribution system (the “Budget for PREPA Reserve Account Funding”). Pursuant to Section 202(a) of PROMESA, the revised schedule for developing, submitting, approving, and certifying the Budget for PREPA Reserve Account Funding is as follows:

- May 7, 2021– Pursuant to § 202(d)(1), the Legislature shall submit a proposed adopted Budget for PREPA Reserve Account Funding to the Oversight Board.
- May 10, 2021– Pursuant to § 202(d)(1)(B), the Oversight Board shall send the Legislature a notice of violation, as needed.
- May 11, 2021 – Pursuant to § 202(d)(2), the Legislature shall submit a revised adopted Budget for PREPA Reserve Account Funding to the Oversight Board, as needed.
- May 12, 2021 – Pursuant to § 202(e), the Oversight Board shall certify the Budget for PREPA Reserve Account Funding.


Honorable Pedro Rafael Pierluisi Urrutia
Honorable José Luis Dalmau Santiago
Honorable Rafael Hernández Montañez
May 4, 2021
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Estimated Funding

The estimated total funding required for the PREPA operational reserve accounts, consistent with the most recently certified Commonwealth Fiscal Plan, is approximately \$1,000,000,000. The proposed sources of funds will be a contribution from the Commonwealth as authorized by the Budget for PREPA Reserve Account Funding in the approximate amount of \$750,000,000, with the balance to be funded from PREPA's cash on hand.

The Oversight Board looks forward to working with you to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,


Natalie A. Jaresko

CC: Mr. Omar Marrero Diaz
Mr. Juan C. Blanco Urrutia
Mr. Francisco Parés Alicea