

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



José B. Carrión III
Chair

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Andrew G. Biggs
Carlos M. García
Arthur J. González
José R. González
Ana J. Matosantos
David A. Skeel, Jr.

Natalie A. Jaresko
Executive Director

By Email

May 2, 2017

Honorable Ricardo A. Rosselló Nevares
Governor of Puerto Rico
La Fortaleza
PO Box 9020082
San Juan, PR 00902-0082

Honorable Thomas Rivera Schatz
President of the Senate of Puerto Rico

Honorable Carlos J. Méndez Núñez
Speaker of the House of Representatives
of Puerto Rico

Dear Governor Rosselló Nevares, Senator Rivera Schatz, and Speaker Méndez Núñez:

At the April 28, 2017 public meeting of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), the Oversight Board unanimously approved the proposed fiscal plan dated April 28, 2017 for the Puerto Rico Electric Power Authority (“PREPA”) (an e-copy of which is attached hereto), as modified by the three amendments (the “PREPA Amendments”) set forth in Resolution #5 of the Oversight Board’s resolutions entitled “Resolutions Adopted at the Seventh Public Meeting of the Financial Oversight and Management Board of Puerto Rico Held on April 28, 2017 in New York, New York” (“Resolution #5) (an e-copy of which is attached hereto). We refer to the approved amended plan as the “PREPA Fiscal Plan.”

The Oversight Board is pleased, pursuant to PROMESA § 201(e), to hereby certify the PREPA Fiscal Plan as compliant with PROMESA § 201(b), and to hereby deliver this compliance certification to you.

Honorable Ricardo A. Rosselló Nevares
Honorable Thomas Rivera Schatz
Honorable Carlos J. Méndez Núñez
May 2, 2017
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Pursuant to PROMESA § 202(a), as set forth in Resolution #5, the Oversight Board also set the following deadlines for submissions to the Oversight Board as required by specific PREPA Amendments:

- May 13, 2017 for submission of a revised fiscal plan with amended fiscal plan targets as required by PREPA Amendment No. 1, which fiscal plan shall be subject to Board approval;
- June 12, 2017 for submission of a specific implementation plan to deliver power to ratepayers at the Target Rate identified in PREPA Amendment No. 1 by 2023 through lower costs of generation and other efficiencies, which implementation plan shall address the issues specifically identified in PREPA Amendment No. 1;
- May 28, 2017 for submission of a confirmation that the composition of PREPA's board shall be in compliance with the membership requirement set forth in PREPA Amendment No. 2; and
- May 28, 2017 for submission of an implementation plan allowing for the Formula Rate Mechanism to be reviewed and approved by the Board before its submittal to the Energy Commission for approval.

The Oversight Board looks forward to working with the Commonwealth and PREPA to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico and its creditors and other stakeholders.

Sincerely,



José B. Carrión
Chair

Andrew G. Biggs
Carlos M. García
Arthur J. González
José R. González
Ana J. Matosantos
David A. Skeel, Jr.

CC: Natalie Jaresko
Elías F. Sánchez-Sifontes