

**COMMONWEALTH OF PUERTO RICO  
LA FORTALEZA  
SAN JUAN, PUERTO RICO**

**Administrative Bulletin Num. OE-2016-029**

**EXECUTIVE ORDER – CERTIFICATION ISSUED BY THE INTERIM GOVERNOR OF THE COMMONWEALTH OF PUERTO RICO, HON. VÍCTOR SUÁREZ MELÉNDEZ, PURSUANT TO SECTION 103 OF ACT NO. 21-2016, KNOWN AS THE “PUERTO RICO EMERGENCY MORATORIUM AND REHABILITATION ACT,” TO EXCLUDE CERTAIN DEBT INSTRUMENTS OF PUERTO RICO ELECTRIC POWER AUTHORITY FROM THE COVERAGE OF SAID ACT.**

**WHEREAS:** On the sixth day of April, 2016, I signed into law Act 21-2016, known as the “Puerto Rico Emergency Moratorium and Rehabilitation Act” (the “Act”). The Act authorizes the Governor of the Commonwealth of Puerto Rico (the “Governor”), among other things, to exclude certain debt instruments, as defined in the Act, from its coverage.

**WHEREAS:** Puerto Rico Electric Power Authority (the “Authority”) has submitted a request to the office of the Governor that its Power Revenue Bonds, Series 2016C, Series 2016D and Series 2016E (collectively, the “July 2016 Bonds”) being issued pursuant to that certain Bond Purchase Agreement to be executed by and among the Authority and Assured Guaranty Corp., Assured Guaranty Municipal Corp., National Public Finance Guarantee Corporation, Syncora Guarantee Inc. and certain members of the Ad Hoc Group of Bondholders set forth therein (collectively, the “Purchasers”)(the “July BPA”), be excluded from the Act’s coverage.

**WHEREAS:** The Authority has advised the Governor that (i) the July 2016 Bonds are being issued in accordance with a restructuring support agreement (as the same may be amended, supplemented or reinstated, the “Restructuring Support Agreement”) that the Authority has executed with certain of its creditors, including the Purchasers, in connection with the restructuring of certain of the Authority’s outstanding obligations and (ii) the proceeds of the July 2016 Bonds will be used to improve the Authority’s liquidity to cover required electric system improvements.

**WHEREAS:** Pursuant to Section 103(l)(v) of the Act, any debt issued by a government entity after the enactment of the Act shall not be included within the definition of “Covered Obligation”, provided that the Governor certifies “at the time of issuance” that such debt will be excluded from such definition.

**WHEREAS:** The exemption provided will assist the Authority in issuing the July 2016 Bonds and financing its ordinary course operations and capital improvements in compliance with Commonwealth and federal environmental statutes.

**WHEREAS:** This exemption is necessary to maintain the reliability of electric service, to accomplish the purposes of the Act and to foster ongoing voluntary negotiations and agreements reached between the Authority and the above-mentioned creditors.

**WHEREAS:** To avoid ambiguity, the Authority has requested that the Governor issue this Order immediately prior to the anticipated issuance of the July 2016 Bonds.

**WHEREFORE:** I, VÍCTOR A. SUÁREZ MELÉNDEZ, Interim Governor of the Commonwealth of Puerto Rico, by virtue of the inherent powers of my position and the authority vested in me by the Constitution and the laws of the Commonwealth do hereby:

**FIRST:** Irrevocably order that the July 2016 Bonds are not, and will never be, an “interest obligation”, a “principal obligation” or an “enumerated obligation” for purposes of the Act;

**SECOND:** Irrevocably certify, effective at the time of issuance of the July 2016 Bonds, that such July 2016 Bonds are, and will always be, excluded from the definition of “covered obligation” as defined in and for purposes of the Act; and



**IN TESTIMONY BY WHICH**, I issue this order and certification under my signature and I stamp on it the Great Seal of the Commonwealth of Puerto Rico, in the city of San Juan, today, the 29 day of June, 2016.

A handwritten signature in blue ink, appearing to read 'V. Suárez Meléndez', is written over a horizontal line.

VÍCTOR A. SUÁREZ MELÉNDEZ  
INTERIM GOVERNOR

Enacted pursuant to applicable law, on June 29 2016.

A handwritten signature in blue ink, appearing to read 'Rolando E. Padua Meléndez', is written over a horizontal line.

ROLANDO E. PADUA MELÉNDEZ  
ACTING SECRETARY OF STATE