

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA

Title III

No. 17-BK-4780-LTS

(Jointly Administered)

Re: ECF No. 3877

**URGENT MOTION OF THE FINANCIAL
OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO
RICO, AS DEBTOR'S TITLE III REPRESENTATIVE,
REQUESTING FURTHER EXTENSION OF FILING DEADLINES
(A) TO AUGUST 18, 2023 FOR SUBMISSION OF PREPA'S PROPOSED
AMENDED PLAN OF ADJUSTMENT AND RELATED DOCUMENTS
AND (B) TO AUGUST 23, 2023 FOR SUBMISSION OF JOINT
STATUS REPORT AND PROPOSED CONFIRMATION SCHEDULE(S)**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19- BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico, as sole Title III representative (the “Oversight Board”) of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”), pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² respectfully submits this urgent motion (the “Urgent Motion”) for an order substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”) extending deadlines established in the *Order Granting Urgent Motion of the Financial Oversight and Management Board for Puerto Rico, as Debtor’s Title III Representative, Requesting Extension of Filing Deadlines (a) to August 11, 2023, for Submission of PREPA’s Proposed Amended Plan of Adjustment and Related Documents and (b) to August 16, 2023, for Submission of Joint Status Report and Proposed Confirmation Schedule(s)* [Case No. 17-4780, ECF No. 3877]³ (the “Plan Deadlines Extension Order”) from (A) August 11, 2023 to August 18, 2023 for the Oversight Board to file (i) its proposed Third Amended Plan of Adjustment (the “Third Amended Plan”) and (ii) an informative motion explaining the Oversight Board’s position on the need for a supplemental disclosure statement and plan re-solicitation (collectively, the “Informative Motion”), and (B) from August 16, 2023 to August 23, 2023 for parties to file a joint status report with the parties’ proposed litigation schedule(s) for confirmation proceedings and a proposed order establishing such schedule (the “Joint Status Report”). In support of this Urgent Motion, the Oversight Board respectfully states as follows:

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

³ Unless otherwise stated, all ECF Nos. shall refer to the docket in Case No. 17-4780.

Jurisdiction and Venue

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this Urgent Motion pursuant to PROMESA Section 306(a).
2. Venue is proper in this district pursuant to PROMESA Section 307(a).

Relief Requested

3. Following entry of the Plan Deadlines Extension Order, the Oversight Board has continued to negotiate with mediation parties regarding treatment under the forthcoming Third Amended Plan. As a result of these efforts, the Oversight Board is pleased to report it has reached an agreement in principle with a substantial number of holders of PREPA bonds to settle their respective claims against PREPA. The Oversight Board and these PREPA bondholders are currently in the process of finalizing the necessary documents to effectuate this agreement, including but not limited to a bond purchase agreement and restructuring support agreement (the “RSA”). The RSA will be open for all PREPA bondholders to join. The Oversight Board has already approved the agreement in principle. The specific terms of the RSA remain subject to mediation confidentiality. Furthermore, parties should avoid making assumptions regarding the RSA’s terms or relying on anything other than public filings made by the Oversight Board as it pertains to the terms of the Third Amended Plan.

4. To allow for the necessary time to finalize the aforementioned documents and prepare a Third Amended Plan reflecting the agreements in the RSA, the Oversight Board requests a further one-week extension of the August 11, 2023 plan filing deadline to August 18, 2023, and requests a similar extension of the August 16, 2023 deadline to file the Joint Status Report regarding a proposed litigation schedule to August 23, 2023 to permit parties to review the Third Amended Plan before proposing a confirmation schedule. If the extension is granted, it may lead

to another significant party settling its claim, but the Oversight Board will not request another extension to further accommodate other parties.

5. The Oversight Board is authorized to represent the Mediation Team fully supports the requested deadline extensions as they satisfy the conditions the Mediation Team established for its support and hopes this issue will not recur.

Compliance With Case Management Procedures

6. Pursuant to Paragraph 1.H of the *Seventeenth Amended Notice, Case Management and Administrative Procedures* [Case No. 17-3283, ECF No. 24726-1], the Oversight Board hereby certifies it has carefully examined the matter and concluded that there is a true need for an urgent motion; it has not created the urgency through any lack of due diligence; has made a bona fide effort to resolve the matter; and has made reasonable, good-faith communications in an effort to resolve the issues being brought to the Court.

7. In advance of filing this Urgent Motion, the Oversight Board contacted counsel to (a) the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), (b) the Ad Hoc Group of PREPA Bondholders (the “Ad Hoc Group”), (c) Assured Guaranty Corporation (“Assured”), (d) Syncora Guarantee, Inc. (“Syncora”), (e) U.S. Bank National Association (the “Trustee”), (f) National Public Finance Guarantee Corp. (“National”), (g) the Fuel Line Lenders,⁴ (h) Unión de Trabajadores de la Industria Eléctrica y Riego, Inc., (“UTIER”), (i) Sistema de Retiro de Empleados de la Autoridad de Energía Eléctrica (“SREAE”), (j) the Official Committee of Unsecured Creditors (the “Creditors’ Committee”), (k) the Ad Hoc Committee of National Claim Assignees (the “Ad Hoc Committee”), (l) PV Properties, Inc. (“PV Properties”), (m) Instituto de

⁴ The “Fuel Line Lenders” are comprised of Cortland Capital Market Services LLC, as successor administrative agent under a Credit Agreement, dated May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and certain lenders, and SOLA LTD, Solus Opportunities Fund 5 LP, Ultra Master LTD and Ultra NB LLC, as lenders under a Trade Finance Facility Agreement, dated July 20, 2012, between PREPA and Citibank, N.A.

Competitividad y Sostenibilidad Economica de Puerto Rico (“ISCE”), and (n) counsel to GoldenTree Asset Management LP (“Golden Tree”), to determine whether they objected to the relief sought herein. Counsel to National, AAFAF, ISCE, the Fuel Line Lenders, the Creditors’ Committee, Golden Tree, and PV Properties indicated their clients do not object to the relief sought herein but reserve all rights. Counsel to the Ad Hoc Group, the Trustee, UTIER, and SREAEE indicated their clients take no position regarding the relief sought herein and reserve all rights. Counsel to Assured indicated its client takes no position regarding the relief sought herein, reserves all rights, and has requested the Oversight Board further indicate Assured has not been party to the negotiations discussed above. The Oversight Board did not receive a response from the Ad Hoc Committee and Syncora.

Notice

8. Notice of this Urgent Motion is being provided concurrently by facsimile, electronic mail transmission, regular mail and/or hand delivery to the following parties: (a) counsel to AAFAF, (b) counsel to the Ad Hoc Group, (c) counsel to Assured, (d) counsel to Syncora, (e) counsel to the Trustee, (f) counsel to National, (g) counsel to the Fuel Line Lenders, (h) counsel to UTIER, (i) counsel to SREAEE, (j) counsel to the Creditors’ Committee, (k) counsel to the Ad Hoc Committee, (l) counsel to PV Properties, (m) counsel to ISCE, (n) counsel to Golden Tree; (o) the Office of the United States Trustee for the District of Puerto Rico; (p) the entities on the list of creditors holding the 20 largest unsecured claims against PREPA; (q) the Office of the United States Attorney for the District of Puerto Rico; (r) the Puerto Rico Department of Justice; (s) the United States Securities and Exchange Commission; and (t) all parties filing a notice of appearance in this Title III case. The Oversight Board submits that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

9. No prior request for the relief sought in this Urgent Motion has been made to this or any other court.

WHEREFORE the Oversight Board respectfully requests entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting the Debtor such other and further relief as is just.

Dated: August 10, 2023
San Juan, Puerto Rico

Respectfully submitted,

/s/ Paul V. Possinger

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representative for PREPA*

Exhibit A

PROPOSED ORDER

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

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No. 17-BK-4780-LTS

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**[PROPOSED] ORDER GRANTING URGENT MOTION OF THE FINANCIAL
OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO
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REQUESTING FURTHER EXTENSION OF FILING DEADLINES
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Upon the *Urgent Motion of the Financial Oversight and Management Board for Puerto Rico, As Debtor's Title III Representative, Requesting Further Extension of Filing Deadlines (A) to August 18, 2023 for Submission of PREPA's Proposed Amended Plan of Adjustment and Related Documents and (B) to August 23, 2023 for Submission of Joint Status Report and Proposed Confirmation Schedule(s)* [ECF No. _____ in Case No. 17-4780; ECF No. _____ in Case No. 17-3283] (the "Urgent Motion");² and the Court having subject matter jurisdiction to consider the Urgent Motion and the relief requested therein pursuant to PROMESA Section 306(a); and it appearing that venue in this district is proper pursuant to PROMESA Section 307(a); and due and proper notice of the Urgent Motion having been provided and it appearing that no other or further notice need be provided; and the Court having determined the relief sought in the Urgent Motion is in the best interests of the Debtor, its creditors, and all parties in interest; and the Court having determined the legal and factual bases set forth in the Urgent Motion establish just cause for the relief granted herein, it is **HEREBY ORDERED AS FOLLOWS**:

1. The Urgent Motion is GRANTED as set forth herein.
2. The deadline for the Debtor to file (a) the Third Amended Plan, and (b) an Informative Motion concerning its position as to whether approval of an amended or supplemental disclosure statement and re-solicitation is necessary, is extended through **August 18, 2023**.
3. The deadline for the parties to file the Joint Status Report with proposed litigation schedule for confirmation proceedings (including a schedule for any necessary litigation concerning amended or supplemental disclosure statement and/or re-solicitation) and a proposed

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Urgent Motion.

order implementing that proposed schedule and addressing any additional notice requirements or other procedural issues, is extended through **August 23, 2023**.

4. This Order resolves ECF No. _____ in Case No. 17-4780 and ECF No. _____ in Case No. 17-3283.

SO ORDERED.

Dated: _____, 2023
San Juan, Puerto Rico

LAURA TAYLOR SWAIN
United States District Court Judge